

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY GRANT SPENDING PLAN

RECIPIENT NAME:	Music City, Inc.
------------------------	------------------

THE FOLLOWING IS APPLICABLE TO EXPENSES PLANNED TO BE INCURRED DURING THE CONTRACT GRANT PERIOD: May 1, 2022 through April 30, 2024				
	EXPENSE OBJECT LINE-ITEM CATEGORY	METRO GRANT FUNDS	RECIPIENT MATCH (participation)	TOTAL PROJECT
	Salaries and Wages			\$0.00
	Benefits and Taxes [(PERCENT)]			\$0.00
	Professional Fees	\$50,000.00	\$50,000.00	\$100,000.00
	Supplies			\$0.00
	Communications			\$0.00
	Postage and Shipping			\$0.00
	Occupancy			\$0.00
	Equipment Rental and Maintenance			\$0.00
	Printing and Publications			\$0.00
	Travel/ Conferences and Meetings			\$0.00
	Insurance			\$0.00
	Specific Assistance to Individuals			\$0.00
	Other Non-Personnel			\$0.00
	GRAND TOTAL	\$50,000.00	\$50,000.00	\$100,000.00

Grant contract between the Metropolitan Government of Nashville and Davidson County and Music City, Inc., Contract # _____

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
AND
MUSIC CITY, INC.**

This Grant Contract issued and entered into pursuant to Resolution RS2022-_____ by and between the Metropolitan Government of Nashville and Davidson County ("Metro"), and MUSIC CITY, INC., ("Recipient"), is for the purpose of restoring and rehabilitating the Elks Lodge, as further defined in the "SCOPE OF PROGRAM". The Recipient's annual report and audit are incorporated herein by reference.

A. SCOPE OF PROGRAM:

- A.1. The Recipient will use the funds for purposes of restoring and rehabilitating the Elks Lodge. All renovation and repair work shall meet the United States Secretary of Interior Standards for the Treatment of Historic Properties. Recipient must also adhere to the Department of Interior Standard Terms and Conditions located at <https://www.doi.gov/grants/doi-standard-terms-and-conditions>.
- A.2. The Recipient must spend these funds consistent with the Grant Spending Plan, attached and incorporated herein as Attachment 1. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.

B. GRANT CONTRACT TERM:

- B.1. **Grant Contract Term.** The term of this Grant will be 24 months, commencing on May 1, 2022 and ending on April 30, 2024. Metro will have no obligation for services rendered by the Recipient that are not performed within this term.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event will Metro's maximum liability under this Grant Contract exceed Fifty Thousand dollars (\$50,000.00). The Grant Spending Plan will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Spending Plan line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

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

Recipient must send all invoices to **Metro Payment Services, PO Box 196301, Nashville TN 37219-6301.**

Final invoices for the contract period should be received by Metro Payment Services by July 30, 2024. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.3. **Annual Expenditure Report.** The Recipient must submit a final grant Annual Expenditure Report, to be received by Metro's Office of Grants and Accountability (OGA), within 45 days of the end of the Grant Contract. Said report must be in form and substance acceptable to Metro

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and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.

- C.4. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.5. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Utilization of Metro funding for services to non-Davidson County residents is not allowed.
- C.6. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.
- C.7. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Spending Plan.
- C.8. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- D. **STANDARD TERMS AND CONDITIONS:**
- D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. **Termination for Cause.** Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. **Subcontracting.** The Recipient may not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient will be considered the prime Recipient and will be responsible for all work performed.
- D.5. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in

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exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

- D.6. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements must 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 are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. **Reporting.** The Recipient must submit an Interim Program Report, to be received by Metro's Office of Grants and Accountability (OGA), by no later than May 1, 2023, and a Final Program Report, to be received by Office of Grants and Accountability (OGA), 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.
- 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 is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. **Insurance.** The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract.
- D.12. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.
- D. 13. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D. 14. **Indemnification and Hold Harmless.**

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

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

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

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

- D.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 will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.
- D.18. **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.19. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.
- D.20. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

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

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- D. 21. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.22. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.23. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by facsimile transmission, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro

For contract-related matters:
Office of Grants and Accountability
700 2nd Avenue South, Suite 201
PO Box 196300
Nashville, TN 37219-6300
(615) 862-6726 phone, (615) 880-2800 fax
ATTN: Fabian Bedne, Mayor's Office

For enquiries regarding invoices:
Office of Management & Budget
700 2nd Avenue South, Suite 201
PO Box 196300
Nashville, TN 37219-6300
(615) 862-6509, (615) 880-2800 fax
ATTN: Fabian Bedne, Mayor's Office

Recipient

Music City, Inc.
ATTN: Mr. Butch Spyridon
c/o Nashville Convention & Visitors Corp.
500 11th Avenue North, Suite 650
Nashville, TN 37203
(800) 657-6910

- D.24. **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

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of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.25. **Effective Date.** This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

(THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.)

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THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY:

APPROVED AS TO AVAILABILITY OF
FUNDS:

Kelly Flannery/mjw tje
Director of Finance

RECIPIENT: MUSIC CITY, INC.

By: Bret Smith

Title: CEO

APPROVED AS TO FORM AND
LEGALITY

Nicki Eke
Metropolitan Attorney

FILED IN THE OFFICE OF THE CLERK:

Metropolitan Clerk

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

DEPARTMENT OF THE TREASURY

Date: **OCT 16 2006**

MUSIC CITY INC
C/O CHRISTOPHER SPYRIDON
150 4TH AVE N STE 150
NASHVILLE, TN 37219

Employer Identification Number:

DLN:

17053223026046

Contact Person:

JOHN J KOESTER

ID# 31364

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

June 30

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

June 5, 2006

Contribution Deductibility:

Yes

Advance Ruling Ending Date:

June 30, 2010

Dear Applicant:

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

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

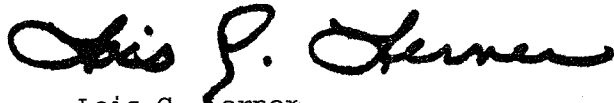
If you distribute funds to other organizations, your records must show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence the funds will be used for section 501(c)(3) purposes.

Letter 1045 (DO/CG)

MUSIC CITY INC

If you distribute funds to individuals, you should keep case histories showing the recipient's name and address; the purpose of the award; the manner of selection; and the relationship of the recipient to any of your officers, directors, trustees, members, or major contributors.

Sincerely,

A handwritten signature in black ink, appearing to read "Lois G. Lerner". The signature is fluid and cursive, with the first name "Lois" being more prominent and the last name "Lerner" following in a similar style.

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension

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

DATE: 06/05/06
REQUEST NUMBER: 5800-1168
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 06/05/06 1523
EFFECTIVE DATE/TIME: 06/05/06 1523
CONTROL NUMBER: 0521960

TO:
NASHVILLE CONVENTION & VISITORS BUREAU
150 4TH AVENUE NORTH
SUITE G-250
NASHVILLE, TN 37219

Davidson County CHARTER
Recvd: 06/05/06 16:00 4 pgs
Fees: 7.00 Taxes: 0.00



20060605-0066439

RE:
MUSIC CITY, INC.
CHARTER - NONPROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CHARTER - NONPROFIT

ON DATE: 06/05/06

FROM:
NASHVILLE CONVENTION & VISITORS BUREAU
211 COMMERCE ST
SUITE-100
NASHVILLE, TN 37201-0000

RECEIVED: FEES \$100.00 \$0.00
TOTAL PAYMENT RECEIVED: \$100.00

RECEIPT NUMBER: 00003976508
ACCOUNT NUMBER: 00467563



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

RECEIVED
STATE OF TENNESSEE
2006 JUN -5 PM 3: 23
FILED

STATE OF TENNESSEE
CHARTER
OF
MUSIC CITY, INC.

RILEY DARBELL
SEC. ETARY OF STATE

The undersigned person pursuant to the Tennessee Nonprofit Corporation Act (the "Act") adopts the following Charter for the above-mentioned corporation:

ARTICLE 1

Name. The name of the corporation is Music City, Inc. (the "Corporation"). This Charter of the Corporation is being filed pursuant to the Tennessee Nonprofit Corporation Act, as amended from time to time.

ARTICLE 2

Public Benefit Corporation. The Corporation is a public benefit corporation. It is intended that the corporation shall have the status of a corporation that is exempt from income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code.

ARTICLE 3

Street Address. The street address of the registered office of the Corporation is 150 Fourth Avenue North, Suite G-250, Nashville, Tennessee 37219; and the name of the registered agent at this address is Christopher Spyridon.

ARTICLE 4

Incorporators. The name and complete address of the incorporator is:

Jeffrey Mefford
150 Fourth Avenue North, Suite G-250
Nashville, Tennessee 37219

ARTICLE 5

Principal Office. The principal office of the Corporation is located at 150 Fourth Avenue North, Suite G-250, Nashville, Tennessee 37219.

ARTICLE 6

Not-for-profit. The Corporation is a not-for-profit corporation.

ARTICLE 7

Members. The Corporation will have members.

ARTICLE 8

Purpose. The Corporation is organized exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Code.

ARTICLE 9

Private Inurement. 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 persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it or on its behalf, pay reimbursements for reasonable expenses incurred on its behalf and make payments and distributions in furtherance of the purposes set forth in Article 8 hereof.

ARTICLE 10

No Legislative or Political Activity. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE 11

Private Foundation Limitations. In the event the Corporation is a private foundation within the meaning of Section 509 of the Internal Revenue Code of 1986, as amended (the "Code") for a taxable year, the Corporation:

- (a) shall make distributions of its income at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code;
- (b) shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, or any corresponding provision of any future federal tax laws;
- (c) shall not retain any excess business holdings, as defined in Section 4943(c) of the Code, or any corresponding provision of any future federal tax laws;
- (d) shall not make any investments in a manner that would subject the Corporation to tax under Section 4944 of the Code, or any corresponding provision of any future federal tax laws; and
- (e) shall not make any taxable expenditures, as defined in Section 4945(d) of the Code, or any corresponding provisions of any future federal tax laws.

ARTICLE 12

Distributions on Dissolution. Upon the dissolution of the Corporation, after paying or making provision for the payment of all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation to one or more organizations then described under Section 501(c)(3) and Section 509(a)(1), Section 509(a)(2), Section 509(a)(3), or Section 4940(d)(2) of the Code, or any corresponding provision of any future federal tax laws, as the Board of Directors shall determine, to be used for charitable purposes within the meaning of Section 501(c)(3) of the Code consistent with the purposes of the Corporation hereto set forth in Article 8. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made to such organization or organizations which are organized and operated exclusively for charitable purposes, within the meaning of Section 501(c)(3) of the Code, or any corresponding provision of any future federal tax laws, as such court shall determine.

This Charter shall be effective upon the filing with the Secretary of State of the State of Tennessee.

Dated: June 5, 2006.

By: 
Jeffrey Mefford, Incorporator

MUSIC CITY, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

MUSIC CITY, INC.
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Report of Independent Auditor

To the Board of Directors
Music City, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of Music City, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Music City, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9, towards the end of December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been various mandates and/or requests from federal, state, and local authorities resulting in closures of non-essential businesses, which could negatively impact Music City, Inc.'s operations. Although it is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact, any significant reduction of support and revenue could negatively impact Music City, Inc.'s operations for an indeterminable time period. Other financial impacts could occur though such potential impacts are unknown at this time. Our opinion is not modified with respect to this matter.



Nashville, Tennessee
November 21, 2021

MUSIC CITY, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 765,006	\$ 63,710
Accounts receivable	90,460	211,725
Prepaid expenses	<u>815,142</u>	<u>77,016</u>
Total Current Assets	1,670,608	352,451
Property and equipment, net	<u>35,599</u>	<u>62,909</u>
Total Assets	<u><u>\$ 1,706,207</u></u>	<u><u>\$ 415,360</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, trade	\$ 60,774	\$ 272,437
Deferred support and revenue	<u>1,287,142</u>	<u>-</u>
Total Liabilities	1,347,916	272,437
Net Assets:		
Without donor restrictions	<u>358,291</u>	<u>142,923</u>
Total Liabilities and Net Assets	<u><u>\$ 1,706,207</u></u>	<u><u>\$ 415,360</u></u>

MUSIC CITY, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Support and Revenue:		
Program revenue - community initiatives	\$ 844,242	\$ 9,255,006
Contributions and grants	65,787	88,700
Total Support and Revenue	<u>910,029</u>	<u>9,343,706</u>
Expenses:		
Program Services:		
New Year's Eve event	140,688	4,862,511
July 4 th event	119,385	2,590,075
Community development	357,978	1,809,153
Other	37,121	235,594
Walk of Fame	-	74,887
Total Program Services	<u>655,172</u>	<u>9,572,220</u>
Supporting Services:		
Management and general	<u>39,489</u>	<u>47,121</u>
Total Expenses	<u>694,661</u>	<u>9,619,341</u>
Change in net assets	215,368	(275,635)
Net assets without donor restrictions, beginning of year	<u>142,923</u>	<u>418,558</u>
Net assets without donor restrictions, end of year	<u>\$ 358,291</u>	<u>\$ 142,923</u>

MUSIC CITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services				Total Program Services	Management and General	Total Expenses
	New Year's Eve Event	July 4 th Event	Community Development	Other			
Relief programs	\$ -	\$ -	\$ 339,637	\$ -	\$ 339,637	\$ -	\$ 339,637
Production and maintenance	95,266	51,668	-	-	146,934	-	146,934
Labor	13,472	49,936	-	-	63,408	-	63,408
Ceremonies and events	-	-	16,893	37,121	54,014	-	54,014
Talent	30,012	2,016	-	-	32,028	-	32,028
Depreciation	-	-	-	-	-	27,310	27,310
Fireworks	-	12,475	-	-	12,475	-	12,475
Taxes and licenses	-	-	-	-	-	8,019	8,019
Vendor expenses	1,938	3,290	-	-	5,228	-	5,228
Professional fees	-	-	-	-	-	3,100	3,100
Miscellaneous	-	-	1,448	-	1,448	1,060	2,508
Total Expenses	<u>\$ 140,688</u>	<u>\$ 119,385</u>	<u>\$ 357,978</u>	<u>\$ 37,121</u>	<u>\$ 655,172</u>	<u>\$ 39,489</u>	<u>\$ 694,661</u>

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

MUSIC CITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services					Total Program Services	Management and General	Total Expenses
	New Year's Eve Event	July 4 th Event	Community Development	Other	Walk of Fame			
Production and maintenance	\$ 2,665,961	\$ 1,342,836	\$ -	\$ -	\$ 25,050	\$ 4,033,847	\$ -	\$ 4,033,847
Relief programs		-	1,786,246	-		1,786,246	-	1,786,246
Labor	990,556	574,798	-	-	-	1,565,354	-	1,565,354
Talent	988,415	315,000	-	-	-	1,303,415	-	1,303,415
Vendor expenses	195,779	118,941	-	-	-	314,720	-	314,720
Ceremonies and events	-	-	-	235,594	49,837	285,431	-	285,431
Fireworks	21,800	238,500	-	-	-	260,300	-	260,300
Depreciation	-	-	-	-	-	-	27,309	27,309
Miscellaneous	-	-	22,907	-	-	22,907	4,043	26,950
Taxes and licenses	-	-	-	-	-	-	9,469	9,469
Professional fees	-	-	-	-	-	-	6,300	6,300
Total Expenses	<u>\$ 4,862,511</u>	<u>\$ 2,590,075</u>	<u>\$ 1,809,153</u>	<u>\$ 235,594</u>	<u>\$ 74,887</u>	<u>\$ 9,572,220</u>	<u>\$ 47,121</u>	<u>\$ 9,619,341</u>

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

MUSIC CITY, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 215,368	\$ (275,635)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	27,310	27,309
Changes in operating assets and liabilities:		
Accounts receivable	121,265	(211,725)
Prepaid expenses	(738,126)	550,675
Accounts payable - trade	(211,663)	166,784
Deferred support and revenue	1,287,142	(590,350)
Net cash flows from operating activities	<u>701,296</u>	<u>(332,942)</u>
Net change in cash and cash equivalents	701,296	(332,942)
Cash and cash equivalents, beginning of year	<u>63,710</u>	<u>396,652</u>
Cash and cash equivalents, end of year	<u><u>\$ 765,006</u></u>	<u><u>\$ 63,710</u></u>

MUSIC CITY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Nature of operations and summary of significant accounting policies

Basis of Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Music City, Inc. (the “Organization”) was established by the Nashville Convention & Visitors Bureau (“CVB”) in 2006 as a Section 501(c)(3) organization to receive grants and gifts used for tax-exempt purposes. The Organization is chartered as a Tennessee not-for-profit corporation. Separate consolidated financial statements of CVB, which include the Organization, are also available.

Following Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets based on existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statements of cash flows.

The net assets of the Organization are reported as follows:

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

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no net assets with donor restrictions at June 30, 2021 and 2020.

Contributions – In accordance with FASB ASC guidelines, contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions.

Cash and Cash Equivalents – The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Accounts receivable at June 30, 2021 primarily consist of funds due from Nashville Convention and Visitors Bureau for the upcoming July 4th event and is considered fully collectible. Accounts receivable at June 30, 2020 consists of funds due for tornado and coronavirus (“COVID-19”) relief programs and is considered fully collectible.

Property and Equipment – Property and equipment is reported at cost at the date of purchase, at fair market value at the date of gift, if the value is readily determinable, or other reasonable basis, as determined by the Board of Directors, if such value is unknown. Depreciation is calculated by the straight-line method to allocate the cost of the assets, as so determined, to operations over their estimated useful lives which is five years.

MUSIC CITY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Nature of operations and summary of significant accounting policies (continued)

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. 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 based primarily on time and effort.

The program services of the Organization are reported as follows:

New Year's Eve Event – Expenses associated with the production of a celebration and concert on New Year's Eve that is free and open to the public.

July 4th Event – Expenses associated with the production of a celebration and concert on behalf of the city of Nashville on Independence Day that is free and open to the public.

Community Development – Local community relations efforts to engage with the local Nashville media and other hospitality organizations with shared missions.

Other – Expenses associated with additional smaller events which take place in Nashville that contain a charitable component.

Walk of Fame – Expenses associated with the creation, maintenance and celebration of the Music City Walk of Fame exhibit in Nashville.

Taxation – The Organization is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, federal income taxes are not included in the accompanying financial statements.

The Organization follows FASB ASC guidance related to unrecognized tax benefits. The guidance 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. The Organization has no tax penalties or interest reported in the accompanying financial statements.

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

Subsequent Events – The Organization evaluated subsequent events through November 21, 2021, when these financial statements were available to be issued. Organization 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.

MUSIC CITY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 2—Revenue recognition

On July 1, 2019, the Organization adopted ASC 606 using the modified retrospective approach. The Organization determined that there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of July 1, 2019. Under ASC 606, revenue is recognized when the Organization 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.

Contract Balances – Timing differences among revenue recognition may result in contract assets or liabilities.

Performance Obligations – 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 performance obligation for these revenue streams are generally satisfied at the time these services are provided.

Revenue Recognition – Revenue (program revenue – community initiatives) is recognized as services are performed.

Practical Expedients and Exemptions – There are several practical expedients and exemptions allowed under ASC 606 that impact timing and revenue recognition and disclosures. The one practical expedient the Organization applied in the adoption and application of ASC 606 allows the Organization to elect to treat similar contracts as part of a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

Note 3—Concentrations

At various times during the fiscal years, the Organization's cash and cash equivalent balances may exceed the federally insured limits. The cash and cash equivalents are deposited with one financial institution. Cash and cash equivalents exceeded federally insured limits by approximately \$744,000 at June 30, 2021.

The Organization received approximately 22% and 69% of total support and revenue from CVB for the years ended June 30, 2021 and 2020, respectively.

Note 4—Prepaid expenses

Prepaid expenses relate primarily to activities surrounding the July 4th event.

MUSIC CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 5—Property and equipment

Property and equipment consists of the following as of June 30:

	2021	2020
Vehicles	\$ 59,947	\$ 59,947
Furniture and fixtures	76,600	76,600
	136,547	136,547
Less accumulated depreciation	(100,948)	(73,638)
	<u>\$ 35,599</u>	<u>\$ 62,909</u>

Note 6—Deferred support and revenue

Prior to June 30, 2021, the Organization received cash payments for sponsorships and other support totaling \$1,287,142 (\$808,692 from CVB), to be used for expenses surrounding the upcoming July 4th event. These receipts have been included in deferred support and revenue in the accompanying statements of financial position.

Note 7—Ceremonies and events

During fiscal 2021, the Organization hosted outdoor watch parties for the public to support the Nashville Predators, the city's professional hockey club, during the Stanley Cup Playoffs. During fiscal 2020, the Organization hosted outdoor watch parties for the public to support the Tennessee Titans, the city's professional football team, during the NFL Playoffs.

For the years ended June 30, 2021 and 2020, the Organization incurred total expenses of \$34,424 and \$188,833, respectively, to host these events. The expenses for these events have been included in ceremonies and events in the accompanying statements of functional expenses for the years ended June 30, 2021 and 2020.

Note 8—Liquidity and availability of resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

MUSIC CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 8—Liquidity and availability of resources (continued)

Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use within one year of the statement of financial position comprise the following at June 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 765,006	\$ 63,710
Accounts receivable	<u>90,460</u>	<u>211,725</u>
Financial assets available to meet general expenditures within one year	<u>\$ 855,466</u>	<u>\$ 275,435</u>

Note 9—Uncertainty

Late in December 2019, an outbreak of a novel strain of the coronavirus COVID-19 emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen which could potentially impact revenue and operations for an indeterminable period of time. Other financial impacts could occur though such potential impacts are unknown at this time. It is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact.