

**Grant contract between the Metropolitan Government of Nashville and Davidson County and
The Community Foundation of Middle Tennessee, Inc., Contract # _____**

**GRANT CONTRACT
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AND
THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.**

This Grant Contract issued and entered into pursuant to Resolution RS2023_____, by and between the Metropolitan Government of Nashville and Davidson County ("Metro"), and The Community Foundation of Middle Tennessee, Inc. ("Recipient" or "CFMT"), is for the provision of organizational capacity building to nonprofit organizations, as further defined in the "SCOPE OF PROGRAM". Additional documents including Recipient's audit are incorporated herein by reference as attachments A-F.

A. SCOPE OF PROGRAM:

A.1. The Recipient will use the grant funds as follows:

The Metro Nashville Mayor's Office, Office of Community Safety ("OCS") has funds referred to as the Community Safety Partnership Fund ("CSPF") that have been designated to support grassroots organizations aligned with its mission. The CSPF's mission is to improve community safety by enhancing endogenous services for socially vulnerable populations.

Recipient shall provide qualifying nonprofits whose missions align with the priorities of the CSPF professional nonprofit development consulting services, facilitation of weekly meetings and technical support, as well as provide fiscal sponsorship for pre-approved Grant Writing and CPA services, events delivery, and software services.

Recipient shall:

- Build participant operational capacity to increase their impact within community safety
- Offer training and technical assistance to support future funding opportunities
- Allocate staff and consultants to coach and mentor Metro grantees
- Manage a process for the preparation of independent fiscal documentation as needed for receiving grants from the CSPF and retain one or more certified professional accountants with experience working with grassroots nonprofits to assist nonprofits
- Offer financial education that builds the foundational skills for organizations to prepare for a financial audit
- Identify, propose, and implement other related services that meet the requirements of this contract and budgeted amount. New proposed services must be approved by the Mayor's Office before starting work or seeking reimbursement
- Develop a quarterly workplan

These funds will be used to achieve the following minimum set of outcomes:

- Utilize at least 75% of the available Professional Services budget.
- Utilize at least 75% of the available Consulting & Mentoring budget.
- Furnish a structured process that supports Metro compliance and reporting standards and ensures that organizations remain in good standing.
- Match specific grantees with audit preparation services.
- Match specific grantees with audit education services.

Types of programs that align with CSPF goals include (but are not limited to) those that are focused on the following:

- Crime prevention
- Neighborhood development
- Substance abuse treatment

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- Job training, employment, and business development services
- Recreational, childcare, education, and social activities for youth
- Mitigating financial risk for socially vulnerable populations
- Emergency housing, utility, and basic needs assistance
- Missions that serve socially vulnerable organizations

- A.2. The Recipient must spend these funds consistent with the Grant Spending Plan, attached and incorporated herein as Attachments A and B. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.
- A.3. The Recipient will only utilize these funds for services the Recipient provides to documented residents of Davidson County. Documentation of residency may be established with a recent utility bill; voter's registration card; driver's license or other government issued-ID; current record from a school showing address; affidavit by landlord; or affidavit by a nonprofit treatment, shelter, half-way house, or homeless assistance entity located within Davidson County. Recipient agrees that it will not use Metro funding for services to non-Davidson County residents.
- A.4. Additionally, the Recipient must collect data on the primary county of residence of the clients it serves and provide that data to Metro upon request.

B. GRANT CONTRACT TERM:

- B.1. **Grant Contract Term.** The term of this Grant will commence on June 21, 2023 and end on June 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 \$501,444.80. 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 may invoice for \$200,000 upon approval of the Grant Contract.

Recipient may invoice quarterly for up to \$75,361.20.

Receipts must be available for all claimed expenses.

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

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Final invoices for the contract period should be received by Metro Payment Services by July 15, 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 Mayor's Office, within 45 days of the end of the Grant Contract. Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.4. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.5. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. 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.
- C.9. **Grant Subject to Availability of Funds.** This Grant Contract is subject to the availability of funds. In the event that funds are unavailable, Metro reserves the right to terminate this Grant Contract upon provision of written notice to Recipient. Metro's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by Metro. Upon provision of written notice to Recipient, Recipient shall cease all work associated with this Grant Contract. Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date.
- 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.

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- D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. 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 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 Non-profit 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 Mayor's Office, no later than February 17, 2024, and a Final Program Report, to be received by Mayor's

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

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shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.

- D.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.

- 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,

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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:
Mayor's Office
1 Public Square,
Nashville, TN 37201
(615) 492-1932

For enquiries regarding invoices:
Mayor's Office
1 Public Square,
Nashville, TN 37201
(615) 492-1932

☎

Recipient

Hal Cato, CEO
The Community Foundation of Middle Tennessee, Inc.
3421 Belmont Blvd
Nashville, TN 37215
(615) 364-3273

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 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. **Certification Regarding Debarment and Convictions.**

- a. Recipient certifies that Recipient, and its current and future principals:

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- i. are not presently debarred, suspended, or proposed for debarment from participation in any federal or state grant program;
 - ii. have not within a three (3) year period preceding this Grant Contract been convicted of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) grant;
 - iii. have not within a three (3) year period preceding this Grant Contract been convicted of embezzlement, obstruction of justice, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - iv. are not presently indicted or otherwise criminally charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in sections D.25(a)(ii) and D.25(a)(iii) of this certification.
- b. Recipient shall provide immediate written notice to Metro if at any time Recipient learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals fall under any of the prohibitions of Section D.25(a).
- D.26. **Severability.** Should any provision of this Grant Contract be declared to be invalid by a court of competent jurisdiction, or otherwise rendered invalid or unenforceable, such provision shall be severed and shall not affect the validity of the remaining provisions of this Grant Contract.
- D.27. **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.

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

**RECIPIENT: THE COMMUNITY FOUNDATION
OF MIDDLE TENNESSEE, INC.**

APPROVED AS TO AVAILABILITY OF
FUNDS:

DocuSigned by:
By: Hal Cato
40053BC32EB1465...

Title: Hal Cato, CEO

Kelly Flannery
Director of Finance

Date: 6/8/2023

APPROVED AS TO FORM AND
LEGALITY

Proki Ste
Metropolitan Attorney

BC

FILED IN THE OFFICE OF THE CLERK:

Metropolitan Clerk

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TABLE OF CONTENTS OF ATTACHMENTS

- A. Grant Spending Plan
- B. Spending Plan Addendum
- C. Internal Revenue Service 501(c)(3) Tax-Exempt Organization Documentation
- D. Tennessee Secretary of State Nonprofit Confirmation
- E. Annual audit conducted by an independent CPA in accordance with generally accepted auditing standards
- F. Non-profit Grants Manual Receipt Acknowledgment

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A. Grant Spending Plan

RECIPIENT NAME:	The Community Foundation of Middle Tennessee, Inc.
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THE FOLLOWING IS APPLICABLE TO EXPENSES PLANNED TO BE INCURRED DURING THE CONTRACT GRANT PERIOD: June 21, 2023 – June 30, 2024				
	EXPENSE OBJECT LINE-ITEM CATEGORY	METRO GRANT FUNDS	RECIPIENT MATCH (participation)	TOTAL PROJECT
	Salaries and Wages	\$96,000		\$96,000
	Benefits and Taxes (34%)	\$32,640		\$32,640
	Professional Fees	\$285,000		\$285,000
	Supplies	\$5,000		\$5,000
	Communications	\$15,000		\$15,000
	Postage and Shipping	\$0		\$0
	Occupancy	\$0		\$0
	Equipment Rental and Maintenance	\$0		\$0
	Printing and Publications	\$0		\$0
	Travel/ Conferences and Meetings	\$35,000		\$35,000
	Insurance	\$0		\$0
	Specific Assistance to Individuals	\$0		\$0
	Other Non-Personnel	\$32,804.80		\$32,804.80
	GRAND TOTAL	\$501,444.80		\$501,444.80

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B. Spending Plan Addendum

		FY24 Budget
Salaries & Wages	Staffing	\$96,000.00
Benefits		\$32,640.00
Operating Costs		
	Technology and Software	\$5,000.00
	Marketing & Communications	\$15,000.00
	Training/Professional Development	\$5,000.00
Professional Services	Member Consulting	\$45,000.00
	Workshops	\$50,000.00
	Grant Writing	\$75,000.00
	Events	\$30,000.00
	Audits	\$75,000.00
	Membership Services	\$40,000.00
Admin Fee	Program Fee	\$32,804.80
	Grand Total	\$501,444.80

Salaries & Wages:
Allocation: \$96,000

CFMT shall hire dedicated staff to fulfill program management responsible for delivering dedicated services to Nashville's grassroots community nonprofit organizations whose missions align with CSPF priorities. Program management focuses on building strong relationships with community stakeholders, facilitating partnerships, and implementing engagement initiatives to support the overarching goal of community development and engagement to reach a wider audience.

Job Summary: Program management is part of a team working to collectively "move the needle" on community wellbeing outcomes. Program management is responsible for supporting projects or work streams that are a part of a larger collective impact strategy.

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Program management works with various project team members (internal and external) including the nonprofit members, Nashville Metropolitan Mayor's Office, and other stakeholders and community partners to develop timelines, create schedules, oversee work stream progress to make sure goals are met on time.

- Keeping technical communications platforms up to date with pertinent information.
- Measuring outcomes, outputs, and impact of the OCS and CFMT's engagement with nonprofit organization members.
- Providing technical assistance of technical communications platforms to nonprofit organization members with a maximum two (2) business day response time, within standard business hours.
- All reasonable accommodations for equipment needed to perform work tasks, e.g., laptop, work phone, shall be provided by CFMT.
- Hiring shall conform as much as possible to the following Job Description:

Coordinating training and development projects, monitoring of budgets, project risks and data/outcome tracking are essential parts of the role.

Coordinating Project Activities:

- Supports the tactical implementation of strategic initiatives and projects in partnership with OCS
- Builds identity as a respected, neutral convener of community stakeholders. Ability to influence without authority to maintain the collaborative's momentum.
- Provides technical assistance in implementing innovative and research-backed best practices and documentation of projects, budgets, timelines, etc.
- Convenes partners and facilitates activities to ensure that networks maintain momentum, achieve objectives, and deliver results
- Prepares regular progress reports and status updates as needed. Tracks and monitors budgets, outcomes, and timelines.
- Communicates project issues and risks and proposes potential solutions to project team members.

Coordinating Member's Services:

- Act as a primary point of contact for member organizations, ensuring effective communication and understanding of their specific needs and requests.
- Respond to professional service requests from member organizations, providing informed and timely assistance in coordinating and fulfilling their service needs.
- Coordinate and schedule workshops based on high demand requests, ensuring that experts with appropriate competence are engaged to deliver relevant and impactful sessions, at least 30 days in advance.

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- Collaborate with internal teams to assess the needs of member organizations and develop tailored workshop content that addresses their specific challenges and goals.
- Facilitate the logistics and organization of workshops, including venue selection, participant registration, and resource allocation.
- Ensure the delivery of workshops is of the highest quality, monitoring participant satisfaction and adjusting content or format as needed to meet evolving needs.
- Maintain a database of consultants and experts, continuously expanding the network to ensure a diverse range of perspectives and knowledge.
- Stay up to date with industry trends, best practices, and emerging topics to identify potential workshop themes and areas for professional development.
- Provide regular reports and analysis on consultant requests, workshop attendance, and participant feedback to inform strategic decision-making and improve service delivery.

Supporting Continuous Improvement:

- Supports gathering and entering information into a shared measurement system that tracks outcomes and indicators, using results to inform learning and continuous improvement
- Coordinates development of work plans and milestones, tracks progress and presents results to internal and community stakeholders

Inspiring Collaboration:

- Cultivates relationships with community members, partners, and funders to ensure effective mobilization of local resources.
- Supports partners in gathering and preparing information for funding proposals
- Provides "backbone support" to collective community efforts to ensure tangible progress is made.

Qualifications:

- Proactive and resourceful in an entrepreneurial environment
- Strong facilitation skills and a track record of coordinating high performing teams and/or programs
- Experience managing state and federally funded programs or services
- Attention to detail and ability to understand, analyze and track data and metrics to show impact
- Exceptional communication and relationship building skills
- Track record of implementing vision into action and demonstrating measurable results
- Demonstrated understanding of policy and systems change framework and knowledge of approaches to promote health, address root cause and eliminate inequities in health outcomes

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- 2-3 years of professional experience in community development, health, education, nonprofit program coordination or philanthropy
- Minimum of bachelor's degree required

Benefits: \$32,640.00 is allocated toward employee benefits, if offered by CFMT, which includes expenses such as healthcare coverage, retirement contributions, and other related benefits for dedicated staff. Calculated at 34%.

Supplies: \$5,000.00 toward the total cost of the acquisition, maintenance, and licensing of technology tools and software systems to enhance productivity and streamline operations.

Communications: \$15,000.00 designated for marketing strategies, including digital and traditional advertising, public relations, and communication efforts aimed at increasing awareness of services and impact.

Travel Conferences/Meetings includes staff training/travel:

Training/Professional Development: \$5,000.00

This allocation is set aside for ongoing professional development opportunities for staff member, enabling them to enhance skills and stay updated with the latest trends and best practices.

Direct program costs are allocated toward organizing networking events and conferences for nonprofits, providing professional services, professional development for nonprofit leaders, and offering direct grants to small nonprofits.

Travel Conferences/Meetings includes nonprofit client networking events, and fundraising events:

Events and Networking (Nonprofits): \$30,000.00

This allocation is dedicated to organizing events and networking opportunities for the nonprofits served. These events foster collaboration, knowledge-sharing, and networking among organizations, enabling them to learn from one another and establish valuable connections. These funds are also reserved for community engagement events such as conferences, seminars, or fundraising events.

Professional Services:

CFMT will offer a range of professional services to support the growth and sustainability of small nonprofits. The following allocations have been made to cover these services:

Member Consulting: \$45,000.00

Funds are allocated to provide consulting services to member organizations, offering guidance, expertise, and customized support in areas including but not limited to operational fundamentals, board governance and development, strategic

**Grant contract between the Metropolitan Government of Nashville and Davidson County and
The Community Foundation of Middle Tennessee, Inc., Contract # _____**

planning, program development, fundraising/revenue development, executive coaching, financial acumen/compliance, and marketing/branding.

Workshops: \$50,000.00

Funds are allocated to organize workshops and training sessions, which aim to equip nonprofit professionals with the necessary skills, knowledge, and tools to excel in their roles and enhance the impact of their organizations.

Grant Writing: \$75,000.00

This allocation is dedicated to supporting small nonprofits by providing grant writing assistance. Professional consultants help them develop compelling grant proposals to secure additional funding for their projects and programs.

Audits: \$75,000.00

An allocation toward professional audit expenses, ensuring transparency, accountability, and compliance with regulatory requirements.

Membership: \$40,000.00

Allocation for nonprofit organization members to receive full membership status to relevant service organizations including member benefits.

Non-Personnel: \$32,804.80

Administrative fees for fiscal sponsorship at 7%.

ATTACHMENT C

Internal Revenue Service 501(c)(3) Tax-Exempt Organization Documentation

INTERNAL REVENUE SERVICE
 DISTRICT DIRECTOR
 401 W. PEACHTREE ST, NW
 ATLANTA, GA 30365-0000

DEPARTMENT OF THE TREASURY

Date:

Employer Identification Number:

62-1471787

Case Number:

686093088

NASHVILLE AREA COMMUNITY FOUNDATION

Contact Person:

INC

EP/EO CUSTOMER SERVICE UNIT

210 23RD AVENUE

Contact Telephone Number:

NASHVILLE, TN 37203

(410) 942-6058

Our Letter Dated:

February 25, 1992

Addendum Applies:

Yes

Dear Applicant:

-- This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

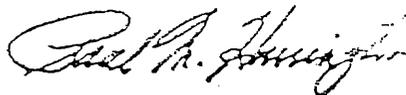
Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

-2-

NASHVILLE AREA COMMUNITY FOUNDATION

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Paul A. Herington".

District Director

Enclosure;
Addendum

ATTACHMENT D

Tennessee Secretary of State Nonprofit Confirmation



Click here to learn how to create an account and submit filings on the new Charity and Business Filing System.

Registered Charities Search

[Home](#) [How to use this search](#) [Back to Searches](#)

community foundation of middle tennessee

CO Number

City

Search

Clear

	CO Number ▼	Name ↑ ▼	Other Names Used ▼	Status ▼	City ▼	State ▼	Registration Date ▼
Details	CO1769	COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.		Active	NASHVILLE	TN	11/13/1991



Tre Hargett
Secretary of State

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

Filing Information

Name: **COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.**

General Information

SOS Control #	000242991	Formation Locale: TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed: 07/26/1991
	07/26/1991 3:16 PM	Fiscal Year Close 12
Status:	Active	
Duration Term:	Perpetual	
Public/Mutual Benefit:	Public	

Registered Agent Address

HAL CATO
3421 BELMONT BLVD
NASHVILLE, TN 37215

Principal Address

FINANCE DEPT
3421 BELMONT BLVD
NASHVILLE, TN 37215

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

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
03/30/2023	2022 Annual Report	B1367-3268
	Principal Address 1 Changed From: 3833 CLEGHORN AVE To: 3421 BELMONT BLVD	
	Principal Address 3 Changed From: ELLEN LEHMAN To: FINANCE DEPT	
	Principal Postal Code Changed From: 37215-2519 To: 37215	
	Registered Agent First Name Changed From: ELLEN To: HAL	
	Registered Agent Last Name Changed From: LEHMAN To: CATO	
	Registered Agent Physical Address 1 Changed From: 144 ENSWORTH AVE To: 3421 BELMONT BLVD	
	Registered Agent Physical Postal Code Changed From: 37205-2002 To: 37215	
02/08/2022	2021 Annual Report	B1159-0499
01/13/2021	2020 Annual Report	B0969-4581
02/04/2020	2019 Annual Report	B0811-0989
03/05/2019	2018 Annual Report	B0663-6623
03/02/2018	2017 Annual Report	B0511-0532
02/15/2017	2016 Annual Report	B0346-3804
03/21/2016	2015 Annual Report	B0217-9594
06/15/2015	2014 Annual Report	B0112-7079
06/02/2015	Notice of Determination	B0107-0646

Filing Information

Name: **COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.**

02/11/2014	2013 Annual Report	7284-2430
	Principal Address 3 Changed From: MARY CORRIGAN To: ELLEN LEHMAN	
09/11/2013	Assumed Name	7240-0411
	New Assumed Name Changed From: No Value To: Middle Tennessee Community Foundation, Inc.	
09/11/2013	Assumed Name	7240-0412
	New Assumed Name Changed From: No Value To: The Community Foundation, Inc.	
09/11/2013	Assumed Name	7240-0413
	New Assumed Name Changed From: No Value To: Nashville Area Community Foundation, Inc.	
09/11/2013	Assumed Name	7240-0414
	New Assumed Name Changed From: No Value To: Nashville Community Foundation	
01/18/2013	2012 Annual Report	7133-2510
	Principal Address 3 Changed From: No value To: MARY CORRIGAN	
03/02/2012	2011 Annual Report	7006-0426
	Principal Address 2 Changed From: # 400 To: STE 400	
	Principal County Changed From: No value To: DAVIDSON COUNTY	
04/05/2011	2010 Annual Report	A0069-1972
04/01/2010	2009 Annual Report	A0016-2320
02/12/2009	2008 Annual Report	6446-2274
04/18/2008	Assumed Name	6301-0448
04/18/2008	Assumed Name	6301-0450
04/18/2008	Assumed Name	6301-0452
04/18/2008	Assumed Name	6301-0454
01/18/2008	2007 Annual Report	6183-2070
03/20/2007	2006 Annual Report	5991-1729
03/29/2006	2005 Annual Report	5742-0094
03/21/2005	2004 Annual Report	5397-0494
02/05/2004	2003 Annual Report	5027-2307
03/06/2003	Assumed Name Renewal	4745-0360
03/06/2003	Assumed Name Renewal	4746-0457
03/06/2003	Assumed Name Renewal	4746-0459
03/06/2003	Assumed Name Renewal	4746-0463
01/22/2003	2002 Annual Report	4703-0972
	Principal Address Changed	
	Mail Address Changed	
01/24/2002	2001 Annual Report	4401-0484

Filing Information

Name: **COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.**

01/11/2001	2000 Annual Report	4087-1033
07/20/2000	1999 Annual Report	3955-1420
06/16/2000	Notice of Determination	ROLL 3932
04/13/1998	Articles of Amendment	3495-1930
Name Changed		
04/13/1998	Assumed Name	3495-1931
04/13/1998	Assumed Name	3495-1932
04/13/1998	Assumed Name	3495-1933
02/17/1998	Assumed Name Renewal	3452-3396
03/15/1995	CMS Annual Report Update	2975-2318
Principal Address Changed		
04/12/1993	Assumed Name	2679-1950
08/03/1992	CMS Annual Report Update	2518-0190
Fiscal Year Close Changed		
01/28/1992	Articles of Amendment	2366-0004
10/08/1991	Articles of Amendment	2283-0312
07/26/1991	Initial Filing	2229-1209

Active Assumed Names (if any)

Date Expires

ATTACHMENT E

Annual audit conducted by an independent CPA in accordance with generally accepted auditing standards

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.
AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

DECEMBER 31, 2021 AND 2020

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.
AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

DECEMBER 31, 2021 AND 2020

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THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.
AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

DECEMBER 31, 2021 AND 2020

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THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.

BOARD OF DIRECTORS AND BOARD OF TRUSTEES

December 31, 2021

Board Officers

Decosta Jenkins, Chair
Jack Turner, Secretary
Lyle Beasley, Treasurer
Ellen Lehman, President

Board of Directors

Will Alexander
Hugh Atkinson
Jamie Cheek
Waverly Crenshaw, Jr.
Beth DeBauche
Shari Dennis
Mark Emkes
Sara Finley
Julie Frist
Herb Fritch
Eddie George
Jim Gingrich
Max Goldberg
Ray Guzman
Christine Karbowskiak
Cary Mack
Andrew May
Will Morrow
Dr. Turner Nashe, Jr.
Larry Papel
Dee Patel
Wayne Smith
Holly Sullivan
Paul Stumb
Gail Williams
Jay Williams
Alan Young

Board of Trustees

Judy Liff Barker
Jack Bovender, Jr.
Charles Cook, Jr.
Ronald Corbin
Bob Corker
Richard Eskind
Farzin Ferdowsi
John Ferguson
Stephen Flatt
Ben Freeland
Thomas Frist, Jr.
Alberto Gonzales
Joel Gordon
Kerry Graham
Carl Haley
Aubrey Harwell, Jr.
Carol Hudler
Catherine Jackson
William Koch Jr.
Kevin Lavender
Robert Lipman
Bert Mathews
Donna Nicely
Susan Simons
Deborah Taylor Tate
Charles Trost
Steve Underwood
Betsy Walkup
Jerry Williams



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Community Foundation of Middle Tennessee, Inc. and Subsidiaries
Nashville, Tennessee

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of The Community Foundation of Middle Tennessee, Inc. and Subsidiaries (collectively, the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Community Foundation of Middle Tennessee, Inc. and Subsidiaries as of December 31, 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.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

REPORT ON SUPPLEMENTARY INFORMATION

Our audits were conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The accompanying Board of Directors and Board of Trustees listing on page i and the schedule of expenditures of federal awards on pages 27-28, as required by the State of Tennessee Audit Manual and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, respectively, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information on pages 27-28 has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 27-28 is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The board of directors and board of trustees listing on page i has not been subjected to the auditing procedures in the audit of the consolidated financial statements and, accordingly, we express no opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



Nashville, Tennessee
July 28, 2022

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 43,198,230	\$ 41,380,492
Other receivables	337,590	396,997
Investments	493,950,591	435,840,949
Beneficial interest in lead trusts	74,889,185	78,825,394
Property and equipment - at cost, less accumulated depreciation	<u>9,738,557</u>	<u>7,937,326</u>
TOTAL ASSETS	<u>\$ 622,114,153</u>	<u>\$ 564,381,158</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 54,097	\$ 176,493
Grants payable	42,667	1,833,296
Deferred revenue	16,000	2,300,270
Agency funds liability	<u>16,340,106</u>	<u>12,395,053</u>
TOTAL LIABILITIES	<u>16,452,870</u>	<u>16,705,112</u>
NET ASSETS		
Without donor restrictions:		
Board-directed	23,727,212	20,802,634
Field-of-interest	107,914,677	94,184,452
Designated	46,280,977	42,010,462
Scholarship	22,956,678	20,749,950
Donor-advised	<u>327,351,405</u>	<u>288,674,968</u>
Total net assets without donor restrictions	<u>528,230,949</u>	<u>466,422,466</u>
With donor restrictions:		
Charitable lead trusts	74,889,185	78,825,394
Certain bequests	<u>2,541,149</u>	<u>2,428,186</u>
Total net assets with donor restrictions	<u>77,430,334</u>	<u>81,253,580</u>
TOTAL NET ASSETS	<u>605,661,283</u>	<u>547,676,046</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 622,114,153</u>	<u>\$ 564,381,158</u>

See accompanying notes to consolidated financial statements.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Contributions	\$ 68,991,680	\$ -	\$ 68,991,680	\$ 63,527,501	\$ 14,199,772	\$ 77,727,273
In-kind contributions	73,407	-	73,407	76,180	-	76,180
Government grants	12,646,990	-	12,646,990	54,276,730	-	54,276,730
Fundraising events	1,324,778	-	1,324,778	767,018	-	767,018
Less: direct benefits to donors	(282,839)	-	(282,839)	(141,186)	-	(141,186)
Investment income (loss), net	49,802,516	263,256	50,065,772	43,078,342	271,188	43,349,530
Change in value of split-interest gifts	-	2,485,429	2,485,429	-	5,769,613	5,769,613
Other	89,100	-	89,100	43,455	-	43,455
Net assets released resulting from satisfaction of donor restrictions	6,571,931	(6,571,931)	-	5,942,360	(5,942,360)	-
TOTAL SUPPORT AND REVENUE	139,217,563	(3,823,246)	135,394,317	167,570,400	14,298,213	181,868,613
EXPENSES						
Program services	72,751,155	-	72,751,155	121,108,738	-	121,108,738
Supporting services:						
Management and general	1,738,809	-	1,738,809	1,827,198	-	1,827,198
Fundraising	2,919,116	-	2,919,116	2,629,793	-	2,629,793
TOTAL EXPENSES	77,409,080	-	77,409,080	125,565,729	-	125,565,729
CHANGE IN NET ASSETS	61,808,483	(3,823,246)	57,985,237	42,004,671	14,298,213	56,302,884
NET ASSETS:						
Beginning of year	466,422,466	81,253,580	547,676,046	424,417,795	66,955,367	491,373,162
End of year	\$ 528,230,949	\$ 77,430,334	\$ 605,661,283	\$ 466,422,466	\$ 81,253,580	\$ 547,676,046

See accompanying notes to consolidated financial statements.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL FUNCTIONAL EXPENSES	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL FUNCTIONAL EXPENSES
		MANAGEMENT AND GENERAL	FUNDRAISING			MANAGEMENT AND GENERAL	FUNDRAISING	
Grants	\$ 70,285,303	\$ -	\$ -	\$ 70,285,303	\$ 118,570,099	\$ -	\$ -	\$ 118,570,099
Compensation	1,423,562	876,038	1,350,559	3,650,159	1,379,558	848,959	1,308,812	3,537,329
Other employee benefits	222,025	136,631	210,639	569,295	212,714	130,901	201,806	545,421
Payroll taxes	100,519	61,858	95,365	257,742	98,044	60,335	93,016	251,395
Events and meetings	-	5,678	562,075	567,753	-	2,358	233,459	235,817
Professional fees	194,364	188,647	188,647	571,658	226,785	220,114	220,114	667,013
Marketing	156,559	151,954	151,954	460,467	219,321	212,870	212,870	645,061
Office expenses	87,993	85,405	85,405	258,803	63,717	61,843	61,843	187,403
Information technology	83,296	80,846	80,846	244,988	99,596	96,667	96,667	292,930
Bank and credit card fees	53,074	51,513	51,513	156,100	91,724	89,027	89,027	269,778
Professional development	30,492	6,776	30,492	67,760	10,178	-	10,178	20,356
Insurance coverage	25,271	24,528	24,528	74,327	20,312	19,714	19,714	59,740
Depreciation	17,057	16,554	16,554	50,165	19,926	19,341	19,341	58,608
In-kind professional services	24,959	24,224	24,224	73,407	25,902	25,139	25,139	76,180
Membership and subscriptions	13,568	13,169	13,169	39,906	12,131	11,775	11,775	35,681
Building expenses and maintenance	28,390	14,463	10,713	53,566	55,268	28,155	20,856	104,279
Business and auction sales taxes	-	-	1,442	1,442	-	-	2,218	2,218
Gift cards and gifts	4,723	525	20,991	26,239	3,463	-	-	3,463
Other	-	-	-	-	-	-	2,958	2,958
Fundraising events:								
Food and beverages	-	-	101,037	101,037	-	-	93,111	93,111
Venue rental	-	-	144,859	144,859	-	-	47,925	47,925
Entertainment	-	-	36,943	36,943	-	-	150	150
TOTAL FUNCTIONAL EXPENSES	\$ 72,751,155	\$ 1,738,809	\$ 3,201,955	\$ 77,691,919	\$ 121,108,738	\$ 1,827,198	\$ 2,770,979	\$ 125,706,915
Less expenses netted against revenues on the consolidated statements of activities - direct benefits to donors	-	-	(282,839)	(282,839)	-	-	(141,186)	(141,186)
TOTAL EXPENSES REPORTED UNDER PROGRAM AND SUPPORTING SERVICES	\$ 72,751,155	\$ 1,738,809	\$ 2,919,116	\$ 77,409,080	\$ 121,108,738	\$ 1,827,198	\$ 2,629,793	\$ 125,565,729

See accompanying notes to consolidated financial statements.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 57,985,237	\$ 56,302,884
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	50,165	58,608
Gain on sale of property and equipment	-	(10,060)
Noncash contributions of investments	(11,522,091)	(6,000,137)
Net realized and unrealized gains on investments	(41,281,334)	(36,451,119)
Change in value of split interest gifts	(2,485,429)	(5,769,613)
Noncash contribution of beneficial interest in lead trusts	-	(14,199,772)
Distributions received from lead trusts	6,421,638	5,796,576
Decrease (increase) in other receivables	59,407	(48,412)
Increase (decrease) in:		
Accounts payable and accrued expenses	(122,396)	147,098
Grants payable	(1,790,629)	1,743,195
Deferred revenue	(2,284,270)	2,276,355
Agency funds liability	3,945,053	1,414,812
TOTAL ADJUSTMENTS	<u>(49,009,886)</u>	<u>(51,042,469)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>8,975,351</u>	<u>5,260,415</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,851,396)	(6,618,815)
Proceeds from sale of investments	166,003,940	137,906,953
Purchase of investments	<u>(171,310,157)</u>	<u>(128,579,117)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(7,157,613)</u>	<u>2,709,021</u>
INCREASE IN CASH	1,817,738	7,969,436
CASH - BEGINNING OF YEAR	<u>41,380,492</u>	<u>33,411,056</u>
CASH - END OF YEAR	<u>\$ 43,198,230</u>	<u>\$ 41,380,492</u>

See accompanying notes to consolidated financial statements.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND GENERAL

The Community Foundation of Middle Tennessee, Inc. and Subsidiaries (the “Foundation”) is a charitable organization whose purpose is to be a leader, catalyst and resource for philanthropy by building and holding a permanent and growing endowment for the Middle Tennessee community’s changing needs and opportunities. The Foundation provides flexible and cost-effective ways for civic-minded individuals, families and companies to contribute to their community. The assets of the Foundation are devoted to charitable uses of a public nature primarily benefiting the residents of Middle Tennessee in fields such as social services, education, health, the environment and the arts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of The Community Foundation of Middle Tennessee Properties, Nonprofit LLC, a single-member limited liability company formed to hold real estate donated to the Foundation, and Childcare Tennessee, Nonprofit LLC, a single-member limited liability company formed to ensure the accessibility and sustainability of quality childcare programs serving the children and families of Tennessee. There are no significant transactions between the three entities.

The consolidated financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation’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 the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support

Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Donated marketable securities are recorded at their fair value at the date of contribution based on their quoted market price.

Any gifts of equipment, facilities or materials are reported as net assets without donor restrictions unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as net assets with donor restrictions. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Grants awarded by federal, state and other sponsors are generally considered nonreciprocal transactions restricted by sponsors for certain purposes. Grant revenue is recognized when the conditions upon which it depends are substantially met, which primarily is when qualifying expenses occur. Payments received in advance of conditions being met are recorded as deferred revenue on the consolidated statements of financial position. Deferred revenue consisted of \$16,000 and \$2,300,270 at December 31, 2021 and 2020, respectively.

Fundraising event revenues are generated from sponsorships, ticket sales, donations, silent and online auction proceeds and sales of items at events held during the year and revenues are recognized when the events occur, which is the completion of the Foundation's performance obligation. Some of these revenues are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the amount paid and the exchange element.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are carried at fair value (money market funds and other short-term investments, corporate bonds, equities, government securities, and mutual funds - generally at quoted market prices; investment partnership interests, private equity funds and hedge funds - based on net asset value). Investments in property without a readily determinable fair value are carried at cost. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are recognized currently in the consolidated statements of activities as investment income.

Split-Interest Gifts

A charitable lead trust is an arrangement in which a donor establishes and funds a trust that provides for specific distributions to be made to the Foundation over a specified period. When a gift of this nature is received and the Foundation is not the trustee, a donor-restricted contribution is recognized in the period in which the trust is established. The contribution and related beneficial interest are measured at the present value of the expected future cash inflows, using the interest rate for U.S. Treasury bonds of similar terms at the time the trust is established as the discount rate. The discount rate is revised at each measurement date to reflect current market conditions. Distributions from the trust are reflected as a reduction in the beneficial interest and a reclassification from net assets with donor restrictions to net assets without donor restrictions. Accretion of the discount and revaluations of expected future cash flows based on changes in investment returns and discount rates used are recognized as adjustments to the beneficial interest and changes in the value of split-interest gifts in the consolidated statements of activities under net assets with donor restrictions.

Property and Equipment

Property and equipment are stated at acquisition cost, or at estimated fair value at date of gift, if donated, less accumulated depreciation. The Foundation's policy is to capitalize purchases with a cost of \$1,000 or more and an estimated useful life greater than one year. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (building - 39 years; furniture, fixtures and equipment - 5 to 7 years). When depreciable assets are sold, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized.

Grants Payable

Unconditional promises to give are recognized as grants payable and expenses in the period the grant award is approved by the Foundation.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency Funds Liability

The Foundation maintains certain funds to benefit other nonprofit agencies. Such funds are pooled with other funds for investment. A pro-rata share of the investment income or loss and a fee retained by the Foundation are debited or credited to each agency fund each year.

Fair Value Measurements

The Foundation classifies its assets and liabilities measured at fair value based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available) and Level 3 (valued based on significant unobservable inputs).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Money market funds, short-term investments and equities - These investments are valued at the closing price reported on the active market on which the individual funds are traded.

Corporate bonds, government securities and certain international bond funds - Securities for which quotations are readily available in active markets are valued at the most recent quote in the principal market in which such securities are normally traded. These investments also include securities valued on the basis of information provided by pricing services that employ valuation models reflecting such factors as benchmark yields, reported trades, broker/dealer quotes, bid/offer data and other relevant elements.

Mutual funds (excluding certain international bond funds included in level 2 valuation hierarchy) - Investments in these funds are valued using the net asset value per unit as quoted in active markets at the valuation date.

Partnership interests and private equity funds - These investments are valued at the Foundation's capital account balance as reported by the fund's general partner. The capital account balance represents the net asset value of the Foundation's share in the fund, which approximates fair value.

Hedge funds - Hedge funds are reported at the net asset value (or its equivalent) of the Foundation's share in the fund as calculated in the fund's audited financial statements, which approximates fair value.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Beneficial interest in lead trusts - The measurement of the Foundation's beneficial interest in charitable lead trusts was determined at the date of the gift and is adjusted annually for the change in present value of the estimated future cash flows. The valuation is based on the term of the trust or the actuarial life expectancy of the donor.

Agency funds liability - The value of the agency funds liability is determined based on the fair value of underlying investments held by the Foundation on behalf of participating agencies.

There have been no changes in the methodologies used at December 31, 2021 and 2020.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Program and Supporting Services

The following program and supporting services are included in the accompanying consolidated financial statements:

Program Services - includes grants and the cost of activities carried out to fulfill the Foundation's mission to provide support to nonprofit organizations.

Supporting Services

Management and General - relates to the overall direction of the organization. These expenses are not identifiable with a particular program or event or with fundraising but are indispensable to the conduct of those activities and are essential to the organization. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include creation and distribution of fundraising materials.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses allocated based on estimates of time and effort include compensation, other employee benefits, payroll taxes, professional fees, marketing, professional development, events and meetings, insurance coverage, membership and subscriptions, and gift cards and gifts. Building expenses and maintenance and depreciation are allocated based on a square-footage basis.

Income Taxes

The Foundation qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation pays tax on unrelated business income from certain activities. These activities and the related tax were insignificant in 2021 and 2020.

The Foundation files U.S. Federal Form 990 for organizations exempt from income tax and Form 990-T, an exempt organization business income tax return. The Community Foundation of Middle Tennessee Properties, Nonprofit LLC and Childcare Tennessee, Nonprofit LLC are disregarded entities for tax purposes and any activities of the subsidiaries are included in the Form 990 filed by the Foundation. In addition, the Foundation files a Tennessee state income tax return.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Foundation's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying consolidated financial statements.

Net Assets Without Donor Restrictions

The following net assets without donor restrictions classifications are included in the accompanying consolidated financial statements:

Board-Directed - The Board of Directors is responsible for approving distributions of income and, where permitted, principal, solely for those charitable purposes established by the Foundation.

Field-of-Interest - The donor may designate a functional area or field of interest, within which specific projects or beneficiaries are selected by the Foundation's Board.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Without Donor Restrictions (Continued)

Designated - Represents funds given by a donor who is committed to a specific charitable organization(s). The Foundation gives the donor assurance that the spirit of the gift is protected, and the assets given are prudently managed.

Scholarship - Scholarships or loans can be provided so that deserving young people can get an education they might not otherwise receive. Through these funds the donor can, for example, specify the schools the young people are to come from or the ones they are to attend.

Donor-Advised - The donor has the privilege of making recommendations relating to distributions. Such recommendations are taken into consideration by the Board when grants are decided upon but are advisory only and non-binding.

The Foundation has the ultimate authority and control over all net assets of these funds, and income derived therefrom (variance power), for the charitable purposes of the Foundation; therefore, the net assets of the above funds are classified as net assets without donor restrictions.

All funds can be created with a minimum gift of \$5,000, except Scholarship Funds, which have a \$10,000 minimum gift.

Net Assets With Donor Restrictions

The following net assets with donor-restriction classifications are included in the accompanying consolidated financial statements:

Charitable Lead Trusts - Donors establish and fund a trust with specific distributions to be made to the Foundation over a specified period based on the provisions outlined in the trust agreements. Upon termination of a trust, the remainder of the trust assets is paid to the donor or to beneficiaries designated by the donor.

Certain Bequests - Donors stipulate that the principal is to be invested in perpetuity by the Foundation. Income from the invested funds may be restricted to a specific field of interest and, therefore, is classified as net assets with donor restrictions until applicable restrictions are met.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services and In-Kind Contributions

Donated facilities and materials are recorded as gifts in the period received at fair value if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance nonfinancial assets or the donated service requires specialized skills, were performed by a donor who possesses such skills, and would have been purchased by the Foundation if not donated. Such services are recognized at fair value as support and expense in the period the services are performed and primarily include professional services.

A number of unpaid volunteers have made significant contributions of their time to assist the Foundation in implementing various programs. The value of contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of financial statements in conformity with 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.

Recent Authoritative Accounting Guidance

In September 2020, the Financial Account Standards Board (“FASB”) issues Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU is effective for the Foundation beginning January 1, 2022. The adoption of ASU 2020-07 is not expected to have a significant impact on the Foundation’s consolidated financial statements.

Events Occurring After Reporting Date

The Foundation has evaluated events and transactions that occurred between December 31, 2021 and July 28, 2022, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets available for general expenditures at December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash	\$ 43,198,230	\$ 41,380,492
Other receivables	337,590	396,997
Investments	<u>493,950,591</u>	<u>435,840,949</u>
Total financial assets	<u>537,486,411</u>	<u>477,618,438</u>
Less amounts not available to be used for general expenditures within one year:		
Grants payable	(42,667)	(1,833,296)
Agency funds liability	(16,340,106)	(12,395,053)
Assets limited to use:		
Field-of-interest	(107,914,677)	(94,184,452)
Designated	(46,280,977)	(42,010,462)
Scholarship	(22,956,678)	(20,749,950)
Donor-advised	(327,351,405)	(288,674,968)
Certain bequests	<u>(2,541,149)</u>	<u>(2,428,186)</u>
Financial assets not available to be used for general expenditures within one year	<u>(523,427,659)</u>	<u>(462,276,367)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 14,058,752</u>	<u>\$ 15,342,071</u>

Included in amounts restricted by donor with time or purpose restrictions are the Foundation's bequests. Income from the donor-restricted bequests are subject to an annual spending rate of approximately 5% as described in Note 10. Donor-restricted bequests are not available for general expenditure.

General expenditures do not include amounts to be given as grants.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Surplus cash from the prior year is invested in a reserve account.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to statutory limits. The Foundation’s cash balances generally exceed statutory limits. The Foundation has not experienced any losses in such accounts and management considers this to be a normal business risk.

The Foundation also maintains investment balances at various brokerage and investment companies. These investments consist of money market funds and other short-term investments, various mutual funds, stocks, bonds and alternative investments. Generally, they are not insured by the FDIC or any other government agency and are subject to investment risk, including the risk of loss of principal. Investors are provided limited protection by the Securities Investor Protection Corporation (“SIPC”), a nonprofit membership corporation funded by its member securities broker dealers. SIPC covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms up to \$500,000 per broker (including \$250,000 of cash).

NOTE 5 - INVESTMENTS

Foundation investments are generally pooled. Segregated accounts are created at the Foundation’s discretion, generally at the request of the donor or due to the nature of the gift.

Investments consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
<u>Investments at fair value</u>		
Money market funds and other short-term investments	\$ 21,788,982	\$ 19,218,798
Corporate bonds	22,677,229	18,153,480
Equities	111,798,343	92,061,863
Government securities	20,541,683	15,096,157
Mutual funds	155,865,652	134,260,803
Alternative investments	<u>161,232,518</u>	<u>157,004,091</u>
	493,904,407	435,795,192
<u>Investments at cost</u>		
Property	<u>46,184</u>	<u>45,757</u>
	<u>\$ 493,950,591</u>	<u>\$ 435,840,949</u>

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 6 - CHARITABLE LEAD TRUSTS

The Foundation is named beneficiary of various irrevocable charitable lead trusts. The Foundation is not the trustee and does not exercise control over the trusts' assets; therefore, the Foundation recognizes a receivable for its beneficial interest in those assets in the period the trust is created, with a corresponding credit to contributions with donor restrictions, based on the present value of the expected future cash inflows. The trust instruments provide for distributions to be made to the Foundation in amounts ranging from four to twenty one percent of the trust assets each year for periods of two years or more. Total cash distributions received by the Foundation from these trusts amounted to \$6,421,638 and \$5,796,576 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 6,917,030	\$ 6,917,030
Building	656,900	656,900
Furniture, fixtures and equipment	246,416	280,929
Construction in progress	<u>2,478,243</u>	<u>632,974</u>
	10,298,589	8,487,833
Less accumulated depreciation	<u>(560,032)</u>	<u>(550,507)</u>
	<u>\$ 9,738,557</u>	<u>\$ 7,937,326</u>

Depreciation expense recognized on property and equipment amounted to \$50,165 and \$58,608 for the years ended December 31, 2021 and 2020, respectively.

Construction in progress at December 31, 2021 pertains to the construction of a new office building and the required renovations to the new office. The estimated date of project completion is the first quarter of 2023 with total estimated costs of approximately \$15,000,000.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The Foundation has a Simplified Employee Pension Plan covering eligible employees age 21 years or older who have been employed by the Foundation for at least one year and received more than \$300 of compensation during the plan year. The Foundation contributed approximately \$84,000 and \$76,000 to the plan during 2021 and 2020, respectively.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 9 - FAIR VALUE MEASUREMENTS

The following table sets forth the Foundation's major categories of assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as of December 31:

2021	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Financial Assets:				
Investments:				
Money market funds and other				
short-term investments	\$ 21,788,982	\$ 21,788,982	\$ -	\$ -
Corporate bonds	22,677,229	-	22,677,229	-
Equities:				
Basic materials	1,816,186	1,816,186	-	-
Communication services	4,687,012	4,687,012	-	-
Consumer defensive	4,523,525	4,523,525	-	-
Consumer cyclical	14,993,138	14,993,138	-	-
Consumer goods	2,041,896	2,041,896	-	-
Energy	1,943,963	1,943,963	-	-
Financial	14,834,615	14,834,615	-	-
Healthcare	14,908,198	14,908,198	-	-
Industrial goods	13,893,868	13,893,868	-	-
Real Estate	1,632,729	1,632,729	-	-
Technology	33,332,257	33,332,257	-	-
Utilities	1,083,354	1,083,354	-	-
Other	2,107,602	2,107,602	-	-
Government securities	20,541,683	-	20,541,683	-
Mutual funds:				
Domestic equity funds	44,136,297	44,136,297	-	-
Domestic bond funds	5,228,624	5,228,624	-	-
International equity funds	58,759,175	58,759,175	-	-
International bond funds	45,911,156	879,235	45,031,921	-
Other	1,830,400	1,830,400	-	-
Total investments in the fair value hierarchy	<u>332,671,889</u>	<u>244,421,056</u>	<u>88,250,833</u>	<u>-</u>
Partnership interests	43,261,143			
Private equity	9,564,117			
Hedge funds	<u>108,407,258</u>			
Total investments measured at net asset value (a)	<u>161,232,518</u>			
Total investments at fair value	<u>493,904,407</u>	<u>244,421,056</u>	<u>88,250,833</u>	<u>-</u>
Beneficial interest in lead trusts	<u>74,889,185</u>	<u>-</u>	<u>74,889,185</u>	<u>-</u>
Total Financial Assets	<u>\$ 568,793,592</u>	<u>\$ 244,421,056</u>	<u>\$ 163,140,018</u>	<u>\$ -</u>
Financial Liabilities:				
Agency funds liability	<u>\$ (16,340,106)</u>	<u>\$ -</u>	<u>\$ (16,340,106)</u>	<u>\$ -</u>

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

2020	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Financial Assets:				
Investments:				
Money market funds and other				
short-term investments	\$ 19,218,798	\$ 19,218,798	\$ -	\$ -
Corporate bonds	18,153,480	-	18,153,480	-
Equities:				
Basic materials	2,075,338	2,075,338	-	-
Communication services	6,414,148	6,414,148	-	-
Consumer defensive	4,402,320	4,402,320	-	-
Consumer cyclical	13,596,529	13,596,529	-	-
Energy	884,849	884,849	-	-
Financial	15,431,341	15,431,341	-	-
Healthcare	12,451,415	12,451,415	-	-
Industrial goods	10,642,673	10,642,673	-	-
Real estate	808,839	808,839	-	-
Technology	24,461,534	24,461,534	-	-
Utilities	892,877	892,877	-	-
Government securities	15,096,157	-	15,096,157	-
Mutual funds:				
Domestic equity funds	33,498,175	33,498,175	-	-
Domestic bond funds	3,251,849	3,251,849	-	-
International equity funds	54,435,017	54,435,017	-	-
International bond funds	42,085,241	7,304,117	34,781,124	-
Other	990,521	990,521	-	-
Total investments in the fair value hierarchy	<u>278,791,101</u>	<u>210,760,340</u>	<u>68,030,761</u>	<u>-</u>
Partnership interests	40,208,952			
Private equity	8,281,616			
Hedge funds	<u>108,513,523</u>			
Total investments measured at net asset value (a)	<u>157,004,091</u>			
Total investments at fair value	<u>435,795,192</u>	<u>210,760,340</u>	<u>68,030,761</u>	<u>-</u>
Beneficial interest in lead trusts	78,825,394	-	78,825,394	-
Total Financial Assets	<u>\$ 514,620,586</u>	<u>\$ 210,760,340</u>	<u>\$ 146,856,155</u>	<u>\$ -</u>
Financial Liabilities:				
Agency funds liability	<u>\$ (12,395,053)</u>	<u>\$ -</u>	<u>\$ (12,395,053)</u>	<u>\$ -</u>

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

(a) *In accordance with Accounting Standards Codification Subtopic 820-10, certain investments that were measured at fair value using the net asset value per share (or the equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the investments at fair value presented in Note 5.*

Fair value of investments in certain entities that calculate net asset value per share (or its equivalent) are as follows:

	Fair Value 2021	Fair Value 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice
Partnership interests	\$ 43,261,143	\$ 40,208,952	\$ 3,164,404	monthly, quarterly, bi-annually	30-180 days
Private equity	\$ 9,564,117	\$ 8,281,616	\$ 8,666,374	daily, quarterly, bi-annually	30-90 days
Hedge funds	\$ 108,407,258	\$ 108,513,523	\$ -	quarterly, annually	30-90 days

A summary of the investment strategies for significant investments follows:

Partnership interests

The Foundation holds an investment with a fair value of approximately \$9,777,000 in 2021 (\$6,221,000 in 2020) in Davidson Kempner Institutional Partners, L.P. The investment objective of the fund is to achieve capital appreciation through event-driven investments which seek to exploit situations in which announced or anticipated events create inefficiencies in the pricing of investments.

The Foundation holds an investment with a fair value of approximately \$219,000 in 2021 (\$4,061,000 in 2020) in Renaissance Institutional Diversified Fund LLC. The investment objective of the fund is to employ a quantitative global investment strategy with exposure to a diversified universe of equity securities, futures, and forwards, using long-term alpha signals.

The Foundation holds an investment with a fair value of approximately \$4,086,000 in 2021 (\$4,952,000 in 2020) in Whiteoak Capital Partners. The investment objective of the fund is the earning of substantial current income by lending and investing in a diversified portfolio of fixed income securities.

The Foundation holds an investment with a fair value of approximately \$7,678,000 in 2021 (\$5,677,000 in 2020) in American Strategic Value Realty Fund. The investment objective of the fund is to offer institutional investors the opportunity to participate in a real estate investment strategy that targets enhanced yield and value-added return opportunities, with a secondary goal of diversification to reduce overall investment risk.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

Partnership interests (continued)

The Foundation holds an investment with a fair value of approximately \$8,546,000 in 2021 (\$7,124,000 in 2020) in Intercontinental Real Estate Corporation. The investment objective of the fund is to invest in a pool of real estate assets that are diversified by geography and property type, with a focus on yield-driven investments and value-added investments.

The Foundation holds an investment with a fair value of approximately \$8,492,000 in 2021 (\$7,864,000 in 2020) in Pointer Offshore, Ltd. The investment objective of the fund is to trade and invest in various securities, private investment companies and other investments.

Private equity funds

The Foundation holds an investment with a fair value of approximately \$2,296,000 in 2021 (\$2,212,000 in 2020) in Strategic Value Special Situations Feeder Fund III, L.P. The investment objective of the fund is to generate capital appreciation through global investments in a range of distressed financial and other assets.

Hedge funds

The Foundation holds an investment with a fair value of approximately \$75,195,000 in 2021 (\$70,726,000 in 2020) in Courage Special Situations Offshore Fund, Ltd. The investment objective of the fund is to achieve significant capital gains while minimizing risks associated with the broad security markets. The fund invests in a master fund which employs an investment strategy that focuses on event-driven, special situations and value-oriented investment opportunities.

The Foundation holds an investment with a fair value of approximately \$578,000 in 2021 (\$7,879,000 in 2020) in Courage Credit Opportunities Offshore Fund III, L.P. The investment objective of the fund is to achieve investment returns while emphasizing distressed investments in financially troubled companies, including those of companies that may be or have become involved in reorganization or bankruptcy proceedings.

The Foundation holds an investment with a fair value of approximately \$21,534,000 in 2021 (\$21,358,000 in 2020) in Courage Credit Opportunities Offshore Fund IV, L.P. The investment objective of the fund is to achieve investment returns while emphasizing distressed investments in financially troubled companies, including those of companies that may be or have become involved in reorganization or bankruptcy proceedings.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

Hedge Funds (continued)

The Foundation holds an investment with a fair value of approximately \$10,493,000 in 2021 (\$7,888,000 in 2020) in Ironwood Institutional Multi-Strategy Fund LLC. The investment objective of the fund is capital appreciation with limited variability of returns.

In addition to the above funds, the Foundation invests in approximately 38 other investments in certain entities that calculate net asset value per share or its equivalent (ranging in value up to approximately \$2,000,000) which engage in multi-strategy approaches for both domestic and international investments in public and private companies and other objectives.

Estimated Fair Value of Other Financial Instruments

The Foundation estimates that the fair value of all other financial instruments at December 31, 2021 and 2020, does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying consolidated statements of financial position. The estimated fair value amounts have been determined by the Foundation using available market information and appropriate valuation methodologies.

NOTE 10 - CERTAIN BEQUESTS

The Foundation's endowment consists of five permanently restricted bequests for donor-restricted funds established for a variety of purposes including support for public education, the acquisition of affordable housing, children, animals and the performing arts. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's donor-restricted endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act ("SUPMIFA").

Interpretation of applicable law - The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 10 - CERTAIN BEQUESTS (CONTINUED)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of the investments
- The investment policies of the Foundation

Spending policy - The Foundation has a policy of appropriating for distribution each year a payout range of 4% to 6% of total fund assets as determined annually by the Investment and Finance Committee. This payout will approximate 5% but may be adjusted by the committee at its sole discretion.

Investment return objective, risk parameters and strategies - The Foundation holds the assets in endowment funds to apply income there, both for long-term development purposes as well as for responding to current and changing charitable needs in Middle Tennessee. These circumstances require a growing asset base as well as a growing annual return on that base and dictate the following general philosophy guiding the Foundation's investments:

- Primary emphasis shall be placed on safety of principal by minimizing risks from either market or credit factors; and
- Moderate growth of principal and total return will be expected consistent with maintaining safety of principal.

The objective of the Foundation's investment management is to earn a real total rate of return averaging at least 4% per annum measured over a full market cycle (usually three to five years). The total fund objective is to compare favorably with the upper end performance (that is, the top 40%) of balanced fund managers, averaged over a full market cycle.

Investments of the Foundation are diversified to prevent adverse effects of any given investment from unduly penalizing the overall portfolio performance. Diversification is interpreted to include different types, characteristics and numbers of investments.

Asset allocation between equities, fixed income instruments and alternative investments is one method of diversification of investments of endowment funds. The portfolio is structured to consist of 40% to 80% equity securities, 60% to 20% fixed income securities, and up to 20% in alternative investment strategies.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 10 - CERTAIN BEQUESTS (CONTINUED)

A schedule of endowment net asset composition by type of fund as of December 31 follows:

	2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Accumulated investment gains	\$ -	\$ 579,232	\$ 579,232
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>-</u>	<u>1,961,917</u>	<u>1,961,917</u>
Total endowment funds	<u>\$ -</u>	<u>\$ 2,541,149</u>	<u>\$ 2,541,149</u>
	2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Accumulated investment gains	\$ -	\$ 466,269	\$ 466,269
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>-</u>	<u>1,961,917</u>	<u>1,961,917</u>
Total endowment funds	<u>\$ -</u>	<u>\$ 2,428,186</u>	<u>\$ 2,428,186</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies at December 31, 2021 or 2020.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 10 - CERTAIN BEQUESTS (CONTINUED)

A schedule of changes in endowment net assets follows for the years ended December 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2021	\$ -	\$ 2,428,186	\$ 2,428,186
Contributions	-	-	-
Investment income	-	58,920	58,920
Net appreciation (realized and unrealized)	-	204,336	204,336
Amounts appropriated for expenditure	-	(150,293)	(150,293)
Endowment net assets, December 31, 2021	\$ -	\$ 2,541,149	\$ 2,541,149
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2020	\$ -	\$ 2,302,782	\$ 2,302,782
Contributions	-	-	-
Investment income	-	59,266	59,266
Net appreciation (realized and unrealized)	-	211,922	211,922
Amounts appropriated for expenditure	-	(145,784)	(145,784)
Endowment net assets, December 31, 2020	\$ -	\$ 2,428,186	\$ 2,428,186

NOTE 11 - SUBSEQUENT EVENT

In March 2022, the Foundation entered into a credit arrangement with a bank for the purpose of financing the construction of the new facility. The agreement includes both a line of credit facility and a term loan. The line of credit is a non-revolving line of credit agreement with a commitment of up to \$7,500,000. The agreement expires in February 2024 and bears interest at the Bloomberg Short-Term Bank Yield Daily Floating Rate plus 0.4%. The term loan agreement is in the amount of \$7,500,000 and bears interest at a fixed rate of 2.19%. The term loan is due in interest only payments until March 2024. Commencing March 2024, the term loan is due in monthly principal installments of \$31,250 until March 2032 when the remaining principal balance is due in full.

ADDITIONAL INFORMATION

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC. AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>GRANT DESCRIPTION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANTOR'S NUMBER</u>	<u>GRANT PERIOD</u>	<u>ACCRUED (DEFERRED) 1/1/2021</u>	<u>RECEIPTS</u>	<u>EXPENDITURES</u>	<u>ADJUSTMENT</u>	<u>ACCRUED (DEFERRED) 12/31/2021</u>	
<u>U.S. Department of Health and Human Services</u>									
Passed Through Tennessee Department of Human Services									
Child Care and Development Block Grant	93.575	*	65809	3/30/2020 - 3/19/2021	\$ 34,702	\$ 247,799	\$ 233,014	\$ 18,163	\$ 38,080
Child Care and Development Block Grant	93.575	*	65809	3/30/2020 - 3/19/2022	(2,144,398)	10,269,578	12,413,976	-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ (2,109,696)</u>	<u>\$ 10,517,377</u>	<u>\$ 12,646,990</u>	<u>\$ 18,163</u>	<u>\$ 38,080</u>

*Considered a major program under Title 2 U.S. Code of Federal Regulations (CFR) Part 200

See Notes to the Schedule of Expenditures of Federal Award on page 28.

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.
AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity, of The Community Foundation of Middle Tennessee, Inc. and Subsidiaries (the "Foundation") under programs of the federal government for the year ended December 31, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Foundation has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
The Community Foundation of Middle Tennessee, Inc. and Subsidiaries
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of The Community Foundation of Middle Tennessee, Inc. and Subsidiaries (collectively, the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated July 28, 2022.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the consolidated financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kraft CPAs PLLC

Nashville, Tennessee
July 28, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Board of Directors
The Community Foundation of Middle Tennessee, Inc. and Subsidiaries
Nashville, Tennessee

REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited The Community Foundation of Middle Tennessee, Inc. and Subsidiaries (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2021. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kraft CPAs PLLC

Nashville, Tennessee
July 28, 2022

THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE, INC.
AND SUBSIDIARIES
(A TENNESSEE NOT-FOR-PROFIT CORPORATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings

There were no audit findings in the current year.

Prior year audit finding 2020-01 has been resolved.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs in the prior or current year.

APPENDIX A



CONNECTING
GENEROSITY WITH NEED

OFFICERS

Decosta E. Jenkins, *Chairman*
Jack B. Turner, *Secretary*
Lyle Beasley, *Treasurer*
Ellen E. Lehman, *President*

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Robert S. Lipman
Bert Mathews
Ralph W. Mosley
Donna D. Nicely
Ben R. Rechter
Susan W. Simons
Deborah Taylor Tate
Charles A. Trost
Deborah F. Turner
Steve Underwood
Betsy Walkup
Jerry B. Williams

Summary Schedule of Prior Audit Findings

Finding: 2020-001

Internal Control Over Beneficial Interest in Charitable Lead Trust

Management is responsible for establishing and maintaining effective internal control over financial reporting so that consolidated financial statements are complete, accurate, and presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

A charitable lead trust is an arrangement in which a donor establishes and funds a trust that provides for specific distributions to be made to the Foundation over a specific period. When a gift of this nature is received and the Foundation is not the trustee, a donor-restricted contribution is recognized in the period in which the trust is established. The contribution and related beneficial interest are measured at the present value of the expected future cash inflow, using the interest rate for U.S. Treasury bonds of similar terms at the time the trust is established as the discount rate.

Management’s Response: We concur.

Corrective Action:

- Review software available to make the calculations.
- Strengthen documented procedures to review, update and calculate net present value for all Charitable Lead Trust within PGCal. Distinguish the difference between an Annuity and a Unitrust and the unique way each is calculated.
- Comparison of Trustee reports to the reasonableness of our calculation. Challenge the Trustee if the calculation is not reasonable.
- Additional licenses will be purchased. Staff will complete Lead Trust School and provide sufficient training to other personnel for additional review.
- Establish effective monitoring controls and separation of duties, foster accountability and ownership.
- Address completeness and accuracy of the calculation.

Current Status: Corrective Action is completed.

ATTACHMENT F

Non-profit Grants Manual Receipt Acknowledgment



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

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

Recipient Name Community Foundation of Middle Tennessee

May 19, 2023

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

- Receipt of the Non-Profit Grants Manual, updated February 2, 2023, issued by the Division of Grants and Accountability. Electronic version can be located at the following:

www.nashville.gov/departments/finance/grants-and-accountability/grants

- The recipient has read, understands and hereby affirms that the agency will adhere to the requirements and expectations outlined within the Non-Profit Grants Manual.
- The recipient understands that if the organization has any questions regarding the Non-Profit Grants Manual or its content, they will consult with the Metro department that awarded their grant.

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

DocuSigned by:

 Signature of Authorized Representative
 Name: Hal Cato
 Title: CEO
 Agency Name: Community Foundation of Middle Tennessee
 Date: 5/23/2023

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Subject: Complete with DocuSign: Legislative Packet - CFMT CSPF Grant (N0543364xD719A) Council Mtg 06/20/23	
Source Envelope:	
Document Pages: 72	Signatures: 5
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Time Zone: (UTC-06:00) Central Time (US & Canada)	730 2nd Ave. South 1st Floor
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Signer Events

Signer Events	Signature	Timestamp
Aaron Pratt aaron.pratt@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/9/2023 2:21:25 PM Viewed: 6/9/2023 2:21:52 PM Signed: 6/9/2023 2:22:13 PM
	Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.185	

Electronic Record and Signature Disclosure:
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Kelly Flannery kelly.Flannery@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/9/2023 2:22:15 PM Viewed: 6/10/2023 3:18:31 PM Signed: 6/10/2023 3:18:45 PM
	Signature Adoption: Pre-selected Style Using IP Address: 107.199.109.147 Signed using mobile	

Electronic Record and Signature Disclosure:
Accepted: 6/10/2023 3:18:31 PM
ID: 497f90fa-894d-4a3b-acb0-8faa190bbfa3

Nicki Eke nicki.eke@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/10/2023 3:18:47 PM Viewed: 6/10/2023 3:39:39 PM Signed: 6/10/2023 8:35:46 PM
	Signature Adoption: Drawn on Device Using IP Address: 68.72.132.210 Signed using mobile	

Electronic Record and Signature Disclosure:
Accepted: 6/10/2023 3:39:39 PM
ID: 48de76e5-6af6-4b4a-a197-060908d38038

Balogun Cobb balogun.cobb@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/10/2023 8:35:48 PM Viewed: 6/12/2023 7:40:52 AM Signed: 6/12/2023 7:41:04 AM
	Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.144	

Electronic Record and Signature Disclosure:

Signer Events	Signature	Timestamp
Accepted: 6/12/2023 7:40:52 AM ID: 161c6946-506b-4a62-ade8-cb533e9230c4		
In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Danielle Godin danielle.godin@nashville.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 6/12/2023 7:41:06 AM Viewed: 6/12/2023 8:40:57 AM
Sally Palmer sally.palmer@nashville.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 6/9/2023 7:53:51 AM ID: 338d46d0-21a6-4ebb-b587-3431d722e906	COPIED	Sent: 6/12/2023 7:41:07 AM Viewed: 6/12/2023 7:53:45 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/9/2023 2:21:25 PM
Certified Delivered	Security Checked	6/12/2023 7:40:52 AM
Signing Complete	Security Checked	6/12/2023 7:41:04 AM
Completed	Security Checked	6/12/2023 7:41:07 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		