

# LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 07/07/26

Resolution  Ordinance

Contact/Prepared By: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Title (Caption): A resolution to approve the First Amendment to a grant contract for constructing affordable housing approved by RS2024-709 between The Metropolitan Government of Nashville and Davidson County, acting by and through the Metropolitan Housing Trust Fund Commission, and Habitat for Humanity of Greater Nashville, Samaritan Recovery Community, Inc., Living Development Concepts, Inc., Rebuilding Together Nashville and Tennessee Prison Outreach Ministry, Inc.

Submitted to Planning Commission?  N/A  Yes-Date: \_\_\_\_\_ Proposal No: \_\_\_\_\_

Proposing Department: \_\_\_\_\_ Requested By: \_\_\_\_\_

Affected Department(s): \_\_\_\_\_ Affected Council District(s): \_\_\_\_\_

**Legislative Category (check one):**

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Bonds                | <input type="checkbox"/> Contract Approval           | <input type="checkbox"/> Intergovernmental Agreement   |
| <input type="checkbox"/> Budget - Pay Plan    | <input type="checkbox"/> Donation                    | <input type="checkbox"/> Lease                         |
| <input type="checkbox"/> Budget - 4%          | <input type="checkbox"/> Easement Abandonment        | <input type="checkbox"/> Maps                          |
| <input type="checkbox"/> Capital Improvements | <input type="checkbox"/> Easement Accept/Acquisition | <input type="checkbox"/> Master List A&E               |
| <input type="checkbox"/> Capital Outlay Notes | <input type="checkbox"/> Grant                       | <input type="checkbox"/> Settlement of Claims/Lawsuits |
| <input type="checkbox"/> Code Amendment       | <input type="checkbox"/> Grant Application           | <input type="checkbox"/> Street/Highway Improvements   |
| <input type="checkbox"/> Condemnation         | <input type="checkbox"/> Improvement Acc.            | <input type="checkbox"/> Other: _____                  |

<b>FINANCE</b> Amount +/-: \$ _____ <b>Funding Source:</b> Capital Improvement Budget Capital Outlay Notes Departmental/Agency Budget Funds to Metro General Obligation Bonds Grant _____ Revenue Sources DocuSigned by: <i>Aaron Pratt</i> Approved by ON _____ Approved by Finance/Accounts: _____ Approved by Div Grants Coordination: _____	<b>Match: \$</b> _____ Judgments and Losses Local Government Investment Project Revenue Bonds Self-Insured Liability Solid Waste Reserve Unappropriated Fund Balance 4% Fund Other: _____ Date to Finance Director's Office: _____ <b>APPROVED BY</b> <b>FINANCE DIRECTOR'S OFFICE</b> Signed by: <i>Jennine Reed/myw</i> 62377A2A8742469...
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**ADMINISTRATION**

Council District Member Sponsors: \_\_\_\_\_

Council Committee Chair Sponsors: \_\_\_\_\_

Approved by Administration: \_\_\_\_\_ Date: \_\_\_\_\_

**DEPARTMENT OF LAW** Date to Dept. of Law: \_\_\_\_\_ Approved by Department of Law: \_\_\_\_\_

**Settlement Resolution/Memorandum Approved by:** \_\_\_\_\_

Date to Council: \_\_\_\_\_ For Council Meeting: \_\_\_\_\_  E-mailed Clerk

All Dept. Signatures  Copies  Backing  Legislative Summary  Settlement Memo  Clerk Letter  Ready to File

Department of Law - White Copy

Administration - Yellow Copy

Finance Department - Pink Copy

Resolution No. \_\_\_\_\_

A resolution to approve the First Amendment to a grant contract for constructing affordable housing approved by RS2024-709 between The Metropolitan Government of Nashville and Davidson County, acting by and through the Metropolitan Housing Trust Fund Commission, and Habitat for Humanity of Greater Nashville, Samaritan Recovery Community, Inc., Living Development Concepts, Inc., Rebuilding Together Nashville and Tennessee Prison Outreach Ministry, Inc.

WHEREAS, The Metropolitan Government of Nashville and Davidson County ("Metro"), acting by and through the Metropolitan Housing Trust Fund Commission, previously entered into grant contracts with Habitat for Humanity of Greater Nashville, Samaritan Recovery Community, Inc., Living Development Concepts, Inc., Rebuilding Together Nashville, and Tennessee Prison Outreach Ministry, Inc., for the express purpose of constructing affordable housing approved by RS2024-709; and

WHEREAS, the parties wish to amend the grant contracts by extending the term of the contracts a copy of which amendments are attached hereto and incorporated herein; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that the amendments to the grant contracts be approved.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That this First Amendment to the four grant contracts for constructing affordable housing between The Metropolitan Government of Nashville and Davidson County, acting by and through the Metropolitan Housing Trust Fund Commission, and Habitat for Humanity of Greater Nashville, Samaritan Recovery Community, Inc., Living Development Concepts, Inc., Rebuilding Together Nashville, and Tennessee Prison Outreach Ministry, Inc., copies of which are attached hereto and incorporated herein, are hereby approved, and the Metropolitan Mayor is hereby authorized to execute the same.

Section 2. That this resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

RECOMMENDED BY:

Signed by:

*Angela Hubbard*

\_\_\_\_\_  
Angela Hubbard, Director  
Housing Division

INTRODUCED BY:

\_\_\_\_\_  
\_\_\_\_\_

APPROVED AS TO AVAILABILITY

Signed by:

*Jenneen Reed/mjr*

\_\_\_\_\_  
Jenneen Reed, Director  
Department of Finance

Member(s) of Council

APPROVED AS TO FORM AND

LEGALITY

Signed by:

*Kelli Woodward*

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Assistant Metropolitan Attorney

**AMENDMENT #1 TO GRANT CONTRACT #2024-R13-H4H  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
HABITAT FOR HUMANITY OF GREATER NASHVILLE**

This contract amendment is entered into by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH THE METROPOLITAN HOUSING TRUST FUND COMMISSION**, a municipal corporation of the State of Tennessee (hereinafter referred to as "**Metro**") and **HABITAT FOR HUMANITY OF GREATER NASHVILLE** (hereinafter referred to as "**Recipient**"). It is mutually understood and agreed by and between said undersigned contracting parties that the subject Grant Contract approved is hereby amended as follows:

1. Grant contract section B.1 is deleted in its entirety and replaced with the following:  
  
B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 36 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within thirty-six months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

The remaining provisions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Contract:

**Recipient: HABITAT FOR HUMANITY OF GREATER NASHVILLE**

By: \_\_\_\_\_

**Danny Heron, Executive Director**

Date: \_\_\_\_\_

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

**APPROVED:**

*Peter Westerholm*  
Peter Westerholm, Chair  
Metropolitan Housing Trust Fund Commission

6/2/2026  
Date

**APPROVED AS TO AVAILABILITY OF FUNDS:**

Signed by:

*Jennene Reed/mjr*  
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Jennene Reed, Director  
Department of Finance

6/23/2026  
Date

**APPROVED AS TO RISK AND INSURANCE:**

Signed by:

*Balogun Cobb*  
68804BF12FD741C...  
Direct of Risk Management Services

6/23/2026  
Date

**APPROVED AS TO FORM AND LEGALITY:**

Signed by:

*Kelli Woodward*  
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Assistant Metropolitan Attorney

6/24/2026  
Date

**APPROVED BY THE METROPOLITAN GOVERNMENT OF NASHVILLE AND  
DAVISON COUNTY:**

\_\_\_\_\_  
Freddie O'Connell  
Metropolitan County Mayor

Attest, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

**FILED IN THE OFFICE OF THE METROPOLITAN CLERK:**

\_\_\_\_\_  
Metropolitan Clerk

\_\_\_\_\_  
Date

Tennessee Secretary of State  
Tre Hargett



Division of Business and Charitable Organizations  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243-1102

December 18, 2025

LOUIE ORMAN  
414 HARDING PLACE, SUITE 100  
NASHVILLE, TN 37211 USA

**RE:** Registration to Solicit Funds for Charitable Purposes

Organization Name: HABITAT FOR HUMANITY OF GREATER NASHVILLE

CO Number: CO2499

Expiration Date: 12/31/2026

Dear LOUIE ORMAN :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett  
Secretary of State

# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **FINANCIAL STATEMENTS**

*As of and for the Years Ended June 30, 2025 and 2024*

*And Report of Independent Auditor*

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

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## Report of Independent Auditor

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

### Opinion

We have audited the accompanying financial statements of Habitat for Humanity of Greater Nashville (“Habitat”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Habitat as of June 30, 2025 and 2024, 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. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Habitat and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted 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, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

*Cherry Bekaert LLP*

Nashville, Tennessee  
December 10, 2025

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents, including escrow accounts of \$1,500 and \$254,500, respectively	\$ 15,755,571	\$ 10,422,872
Grants receivable	622,857	2,911,683
Sponsor and other receivables, net of allowance of \$91,902 and \$85,030, respectively	237,106	715,406
Inventory - ReStores and other	1,092,538	1,169,702
Construction-in-progress - new homes	5,525,061	6,070,887
Land held for development	9,869,894	10,176,842
Mortgage notes receivable, net of discounts of \$31,420,400 and \$29,081,359, respectively	40,527,712	37,579,754
New Markets Tax Credit intangible assets, net	30,340	55,533
New Markets Tax Credit joint venture investment	1,106,278	2,307,652
New Markets Tax Credit joint venture cash	18,197	36,787
Right-of-use assets	343,546	487,815
Other assets	295,692	441,965
Property and equipment, net	13,854,053	14,111,728
<b>Total Assets</b>	<u><u>\$ 89,278,845</u></u>	<u><u>\$ 86,488,626</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,544,938	\$ 3,654,621
Deferred revenue	3,531,756	2,207,572
Escrow accounts	6,021	2,445
Notes payable, secured by mortgages, net of unamortized discount	21,986,402	20,424,401
Note payable, secured by real property	4,876,377	8,976,618
Notes payable, unsecured	406,158	398,507
New Markets Tax Credit joint venture note payable, net of issuance costs	1,459,356	3,134,336
Lease liabilities	359,921	501,281
Unearned revenue on mortgage loans	4,375,413	4,283,166
<b>Total Liabilities</b>	<u>40,546,342</u>	<u>43,582,947</u>
Net Assets:		
Net assets without donor restrictions	30,963,802	25,718,926
Net assets with donor restrictions	17,768,701	17,186,753
<b>Total Net Assets</b>	<u>48,732,503</u>	<u>42,905,679</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 89,278,845</u></u>	<u><u>\$ 86,488,626</u></u>

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Transfers to homeowners	\$ 9,335,240	\$ -	\$ 9,335,240
Grant income	6,981,958	150,000	7,131,958
Contributions	4,013,920	222,521	4,236,441
ReStore sales	4,737,626	-	4,737,626
Mortgage loan discount amortization	1,675,319	-	1,675,319
Contribution from discount on notes payable issued	-	2,036,371	2,036,371
Other income	267,435	-	267,435
Contributions of nonfinancial assets	4,348,739	-	4,348,739
Interest income	530,142	-	530,142
New Markets Tax Credit investment income	11,118	-	11,118
Gain on cancellation of debt	520,295	-	520,295
	<u>32,421,792</u>	<u>2,408,892</u>	<u>34,830,684</u>
Net assets released from restrictions	<u>1,826,944</u>	<u>(1,826,944)</u>	<u>-</u>
Total Support and Revenue	<u>34,248,736</u>	<u>581,948</u>	<u>34,830,684</u>
Expenses:			
Program services	26,093,758	-	26,093,758
Supporting services	2,910,102	-	2,910,102
Total Expenses	<u>29,003,860</u>	<u>-</u>	<u>29,003,860</u>
Change in net assets	5,244,876	581,948	5,826,824
Net assets, beginning of year	<u>25,718,926</u>	<u>17,186,753</u>	<u>42,905,679</u>
Net assets, end of year	<u>\$ 30,963,802</u>	<u>\$ 17,768,701</u>	<u>\$ 48,732,503</u>

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Transfers to homeowners	\$ 8,777,640	\$ -	\$ 8,777,640
Grant income	4,607,973	175,000	4,782,973
Contributions	3,545,268	688,947	4,234,215
ReStore sales	3,613,536	-	3,613,536
Mortgage loan discount amortization	1,543,269	-	1,543,269
Contribution from discount on notes payable issued	-	2,365,079	2,365,079
Other income	979,314	-	979,314
Contributions of nonfinancial assets	4,207,736	-	4,207,736
Interest income	416,334	-	416,334
New Markets Tax Credit investment income	23,192	-	23,192
	<u>27,714,262</u>	<u>3,229,026</u>	<u>30,943,288</u>
Net assets released from restrictions	1,253,783	(1,253,783)	-
Total Support and Revenue	<u>28,968,045</u>	<u>1,975,243</u>	<u>30,943,288</u>
Expenses:			
Program services	23,791,758	-	23,791,758
Supporting services	2,653,373	-	2,653,373
Total Expenses	<u>26,445,131</u>	<u>-</u>	<u>26,445,131</u>
Change in net assets	2,522,914	1,975,243	4,498,157
Net assets, beginning of year	23,196,012	15,211,510	38,407,522
Net assets, end of year	<u>\$ 25,718,926</u>	<u>\$ 17,186,753</u>	<u>\$ 42,905,679</u>

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

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2025

	Program Services				Supporting Services				Total
	Construction	Homeowner Support and Educational Ministries	Discounts on Mortgage Originations	ReStore Operations	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Construction costs - new homes	\$ 8,111,605	\$ -	\$ -	\$ -	\$ 8,111,605	\$ -	\$ -	\$ -	\$ 8,111,605
Salaries and related expenses	1,269,517	889,192	-	2,584,104	4,742,813	1,120,152	555,790	1,675,942	6,418,755
Mortgage discounts	-	-	4,053,917	-	4,053,917	-	-	-	4,053,917
Costs of ReStore sales	-	-	-	4,489,566	4,489,566	-	-	-	4,489,566
Interest and discount amortization	994,178	11,953	-	136,851	1,142,982	26,958	30,527	57,485	1,200,467
Office expenses	84,098	127,012	-	351,184	562,294	154,206	17,063	171,269	733,563
Depreciation	91,883	49,561	-	360,129	501,573	79,456	23,521	102,977	604,550
Contribution to Parkwood Collaboration	575,864	-	-	-	575,864	-	-	-	575,864
Small tools and equipment	83,433	219	-	23,597	107,249	25,860	42,989	68,849	176,098
Legal and professional	192,442	23,326	-	383	216,151	38,651	133,143	171,794	387,945
Down payment and mortgage assistance	-	377,500	-	-	377,500	-	-	-	377,500
Taxes and insurance	78,115	23,360	-	121,339	222,814	30,243	10,781	41,024	263,838
Other	49,583	62,519	-	32,950	145,052	10,765	132,205	142,970	288,022
Lease expense	51,522	185	-	185,735	237,442	3,577	129	3,706	241,148
Repairs and maintenance	75,145	10,253	-	80,404	165,802	19,643	6,918	26,561	192,363
Bank and credit card fees	40,896	379	-	83,866	125,141	12,310	10,137	22,447	147,588
Recruiting and training	14,545	6,281	-	12,078	32,904	78,611	33,098	111,709	144,613
Travel, meals, and entertainment	14,341	3,448	-	13,661	31,450	61,032	23,203	84,235	115,685
Vehicle expenses	51,272	669	-	45,360	97,301	5,479	1,067	6,546	103,847
Tithe to Habitat International	91,773	-	-	-	91,773	-	-	-	91,773
Printing and public relations	1,891	10,430	-	20,015	32,336	58,850	37	58,887	91,223
New Markets Tax Credit amortization	-	-	-	-	-	-	59,737	59,737	59,737
Advertising	1,613	2,120	-	23,000	26,733	28,080	414	28,494	55,227
Special events	-	-	-	-	-	51,820	-	51,820	51,820
Sponsor and volunteer appreciation	141	-	-	3,355	3,496	23,158	492	23,650	27,146
	<u>\$ 11,873,857</u>	<u>\$ 1,598,407</u>	<u>\$ 4,053,917</u>	<u>\$ 8,567,577</u>	<u>\$ 26,093,758</u>	<u>\$ 1,828,851</u>	<u>\$ 1,081,251</u>	<u>\$ 2,910,102</u>	<u>\$ 29,003,860</u>

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

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services			Total
	Homeowner Support and Educational		Discounts on Mortgage	ReStore	Total Program	Fundraising	Management and General	Total Supporting	
	Construction	Ministries	Originations	Operations	Services		Services	Services	
Construction costs - new homes	\$ 7,713,254	\$ -	\$ -	\$ -	\$ 7,713,254	\$ -	\$ -	\$ -	\$ 7,713,254
Salaries and related expenses	1,168,751	861,625	-	2,090,491	4,120,867	1,035,394	506,108	1,541,502	5,662,369
Mortgage discounts	-	-	3,823,431	-	3,823,431	-	-	-	3,823,431
Costs of ReStore sales	-	-	-	3,459,895	3,459,895	-	-	-	3,459,895
Interest and discount amortization	955,046	13,841	-	68,711	1,037,598	26,028	44,333	70,361	1,107,959
Contribution to Parkwood Collaboration	865,678	-	-	-	865,678	-	-	-	865,678
Office expenses	91,240	106,821	-	325,577	523,638	117,735	81,529	199,264	722,902
Depreciation	92,181	33,230	-	213,991	339,402	65,807	23,603	89,410	428,812
Legal and professional	238,859	19,043	-	3,492	261,394	35,527	117,521	153,048	414,442
Down payment and mortgage assistance	-	314,500	-	-	314,500	-	-	-	314,500
Other	11,123	68,601	-	37,645	117,369	11,716	54,263	65,979	183,348
Taxes and insurance	67,408	18,633	-	128,648	214,689	31,306	9,295	40,601	255,290
Small tools and equipment	62,941	1,274	-	143,445	207,660	19,736	1,166	20,902	228,562
Repairs and maintenance	90,880	5,152	-	39,380	135,412	11,878	4,349	16,227	151,639
Lease expense	85,113	109	-	184,706	269,928	3,473	76	3,549	273,477
Travel, meals, and entertainment	15,724	3,553	-	16,376	35,653	81,614	27,358	108,972	144,625
Recruiting and training	10,651	3,325	-	13,231	27,207	84,616	20,442	105,058	132,265
Bank and credit card fees	25,395	1,380	-	65,306	92,081	14,263	12,247	26,510	118,591
Tithe to Habitat International	99,761	-	-	-	99,761	-	-	-	99,761
Vehicle expenses	38,560	654	-	48,247	87,461	5,204	-	5,204	92,665
Printing and public relations	1,350	5,146	-	8,811	15,307	59,901	-	59,901	75,208
Advertising	956	637	-	19,156	20,749	39,023	392	39,415	60,164
Sponsor and volunteer appreciation	3,147	25	-	5,652	8,824	31,865	1,560	33,425	42,249
New Markets Tax Credit amortization	-	-	-	-	-	-	34,561	34,561	34,561
Special events	-	-	-	-	-	39,484	-	39,484	39,484
	<u>\$ 11,638,018</u>	<u>\$ 1,457,549</u>	<u>\$ 3,823,431</u>	<u>\$ 6,872,760</u>	<u>\$ 23,791,758</u>	<u>\$ 1,714,570</u>	<u>\$ 938,803</u>	<u>\$ 2,653,373</u>	<u>\$ 26,445,131</u>

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,826,824	\$ 4,498,157
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Contribution from discount on notes payable issued	(2,036,371)	(2,365,079)
Transfers to homeowners	(4,903,823)	(4,639,709)
Depreciation and amortization	664,287	463,373
Bad debt expense	10,295	14,983
Gain on disposal of property and equipment	10,421	(680,153)
Noncash lease expense	10,776	18,954
Mortgage loan discount amortization	(1,675,319)	(1,543,269)
Amortization of discount on notes payable and issuance costs	982,655	944,488
New Markets Tax Credit investment income allocation	(11,118)	(23,192)
Gain on cancellation of New Markets Tax Credit financing	(520,295)	-
Changes in operating assets and liabilities:		
Grants receivable	2,288,826	(1,618,645)
Sponsor and other receivables	468,005	(601,734)
Construction-in-progress - new homes	545,826	(2,120,628)
Land held for development	(37,822)	(2,628,578)
Inventory - ReStores and other	77,164	(314,941)
Other assets	146,273	(98,047)
Accounts payable and accrued expenses	(109,683)	925,749
Deferred revenue	1,324,184	(688,593)
Escrow accounts	3,576	(31,386)
Net cash flows from operating activities	<u>3,064,681</u>	<u>(10,488,250)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(357,681)	(3,230,727)
Proceeds from sale of property and equipment	2,500	898,250
Proceeds from sale of land held for development	347,655	-
Mortgage payments received	3,723,434	3,215,457
New Markets Tax Credit joint venture investment net distribution	17,787	23,192
Net cash flows from investing activities	<u>3,733,695</u>	<u>906,172</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of notes payable	4,904,039	9,350,665
Principal payments on financing lease liabilities	(12,870)	(12,359)
Repayments on notes payable	(6,375,436)	(2,467,099)
Net cash flows from financing activities	<u>(1,484,267)</u>	<u>6,871,207</u>
Net change in cash, cash equivalents, and NMTC joint venture cash	5,314,109	(2,710,871)
Cash, cash equivalents, and NMTC joint venture cash, beginning of year	10,459,659	13,170,530
Cash, cash equivalents, and NMTC joint venture cash, end of year	<u>\$ 15,773,768</u>	<u>\$ 10,459,659</u>
Cash and cash equivalents, including escrow accounts, end of year	\$ 15,755,571	\$ 10,422,872
New Markets Tax Credit joint venture cash, end of year	18,197	36,787
	<u>\$ 15,773,768</u>	<u>\$ 10,459,659</u>

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

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### Note 1—Organization and purpose

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

### Note 2—Summary of significant accounting policies

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

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

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Habitat or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent unamortized discount on notes payable, contributions receivable, and amounts available for programs.

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

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

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

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### Note 2—Summary of significant accounting policies (continued)

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

Habitat follows guidance that clarifies the accounting for uncertainty in income taxes recognized in an organization’s financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Habitat has no uncertain tax positions as of June 30, 2025 or 2024.

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

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

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

*Home Sales and Mortgage Notes Receivable* – Transfers to homeowners are recorded at the gross amount of payments to be received over the lives of the mortgage notes receivable. These mortgage payments do not include interest and, accordingly, the mortgages have been discounted at various interest rates based upon prevailing market rates at the inception of the mortgages. Discounts are amortized over the lives of the mortgages. The discounted value of mortgages at the time of sale is generally less than the home’s fair market value. Therefore, management believes losses resulting from non-payment of mortgages are not reasonably probable and, accordingly, no allowance for credit loss for mortgage notes receivable has been recorded. Past due status is based on contractual terms of the mortgage notes receivable. At 120 days past due, the mortgage notes receivable become subject to foreclosure. As of June 30, 2025 and 2024, there were no foreclosures.

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

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

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### Note 2—Summary of significant accounting policies (continued)

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

*Deferred Revenue* – Deferred revenue consists of deposits received on conditional promises to give from sponsors of future home building and totaled \$3,531,756 and \$2,207,572 at June 30, 2025 and 2024, respectively.

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

*Program Services* – Program services include construction, ReStore operations, homeowner support, and educational ministries, and the discounts on mortgage originations. The cost of home building is charged to program services upon transfer to the homeowner. Program services include the cost of new homes transferred, which have an average cost of \$245,806 and \$248,815 for the years ended June 30, 2025 and 2024, respectively.

*Advertising* – Advertising costs are charged to expense as incurred. Advertising expense totaled \$55,227 and \$60,164 for the years ended June 30, 2025 and 2024, respectively.

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

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

*Leases* – Habitat follows Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*, which requires that Habitat recognize right-of-use (“ROU”) assets and lease liabilities for operating leases on the statement of financial position. Leased property meeting certain criteria is capitalized and the present value of the related lease payments is recorded as a liability. Amortization of capitalized leased assets is computed using the straight-line method over the term of the lease. ROU assets recorded by Habitat were \$343,546 and \$487,815 as of June 30, 2025 and 2024, respectively.

*Subsequent Events* – Habitat evaluated subsequent events through December 10, 2025, when these financial statements were available to be issued. Effective September 10, 2025, Habitat executed a purchase agreement for property to be developed for consideration totaling \$2,150,000.

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

#### Note 3—Revenue recognition

Revenue is recognized when Habitat transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

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

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

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

#### Note 4—Liquidity and availability of resources

Habitat regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Habitat considers all expenditures related to its ongoing activities of bringing people together to build homes, communities, and hope, as well as the conduct of services undertaken to support those activities to be general expenditures.

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

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents, less escrow accounts	\$ 15,754,071	\$ 10,168,372
Grants receivable due in one year	622,857	2,911,683
Sponsor and other receivables	<u>237,106</u>	<u>665,364</u>
Total financial assets, at year-end	16,614,034	13,745,419
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	<u>(425,212)</u>	<u>(902,460)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,188,822</u>	<u>\$ 12,842,959</u>

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

### Note 5—Grants receivable

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

	<b>2025</b>	<b>2024</b>
Habitat for Humanity of Tennessee	\$ 266,544	\$ 1,090,296
Employee Retention Credit receivable	-	740,021
Foundations and other	356,313	1,081,366
	<u>\$ 622,857</u>	<u>\$ 2,911,683</u>

### Note 6—Sponsor and other receivables

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

	<b>2025</b>	<b>2024</b>
Unconditional promises to give	\$ 329,008	\$ 800,436
Less allowance for uncollectible contributions	(91,902)	(85,030)
Net unconditional promises to give	237,106	715,406
Less amounts receivable in less than one year, net	(237,106)	(715,406)
Receivable in one to five years, net	<u>\$ -</u>	<u>\$ -</u>

### Note 7—Construction-in-progress – new homes

A summary of new home construction activity for 2025 is as follows:

	<b>Number</b>	<b>Costs</b>
New homes under construction, June 30, 2024	35	\$ 6,070,887
Additional costs incurred on beginning inventory		2,502,703
New homes started in 2025	32	5,063,076
New homes closed in 2025	(33)	(8,111,605)
New homes under construction, June 30, 2025	<u>34</u>	<u>\$ 5,525,061</u>

A summary of new home construction activity for 2024 is as follows:

	<b>Number</b>	<b>Costs</b>
New homes under construction, June 30, 2023	37	\$ 3,950,250
Additional costs incurred on beginning inventory		5,067,415
New homes started in 2024	29	4,766,467
New homes closed in 2024	(31)	(7,713,254)
New homes under construction, June 30, 2024	<u>35</u>	<u>\$ 6,070,878</u>

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

### Note 8—Property and equipment

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

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 4,644,203	\$ 4,644,203
Buildings	10,261,494	10,242,779
Office equipment	802,760	783,694
Leasehold improvements	99,675	99,675
Vehicles and trailers	723,471	695,023
Other	530,203	309,547
	<u>17,061,806</u>	<u>16,774,921</u>
Less accumulated depreciation	<u>(3,207,753)</u>	<u>(2,663,193)</u>
	<u>\$ 13,854,053</u>	<u>\$ 14,111,728</u>

### Note 9—Land held for development

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

	<u>2025</u>	<u>2024</u>
Hamilton Hills	\$ 1,387,634	\$ 1,317,436
Bella Terra	2,024,133	1,700,423
Wilson County - Hunters Point	-	350,000
Dickson County	48,970	67,952
Cheatham County	152,125	118,673
Sherwood Homes at Park Preserve	-	1,245,084
Parkwood Collaboration	973,430	663,430
Robertson County	59,841	11,453
Stoney Brook	4,677,518	4,495,868
Wilson County - South Maple	293,317	206,523
Goodlettsville	252,926	-
	<u>\$ 9,869,894</u>	<u>\$ 10,176,842</u>

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2025 AND 2024*

**Note 10—Mortgage notes receivable**

At June 30, 2025 and 2024, Habitat holds mortgage notes receivable totaling \$71,948,112 and \$66,661,113, respectively, at face value generally with original maturities of 30 years. The notes are non-interest bearing mortgages, payable in equal monthly installments, and are secured by deeds of trust on the properties. The notes have been discounted at various interest rates ranging from 4.5% to 9.0% over the lives of the mortgages. Mortgages are reported net of unamortized discount.

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

	<u>2025</u>	<u>2024</u>
First mortgages	\$ 53,307,707	\$ 49,581,190
Second mortgages	15,568,852	14,283,367
Third mortgages	3,061,553	2,786,556
Fourth mortgages	<u>10,000</u>	<u>10,000</u>
	71,948,112	66,661,113
Less unamortized discount	<u>(31,420,400)</u>	<u>(29,081,359)</u>
	<u>\$ 40,527,712</u>	<u>\$ 37,579,754</u>

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

	<u>2025</u>	<u>2024</u>
31 - 60 days past due	\$ 542,733	\$ 866,681
61 - 90 days past due	194,138	430,844
Greater than 90 days past due	<u>382,079</u>	<u>240,539</u>
Total past due	1,118,950	1,538,064
Current	<u>70,829,162</u>	<u>65,123,049</u>
	<u>\$ 71,948,112</u>	<u>\$ 66,661,113</u>

Principal payments due on mortgage notes receivable are as follows:

**Years Ending June 30,**

2026	
2027	\$ 2,665,762
2028	2,965,566
2029	3,010,291
2030	3,025,940
Thereafter (including non-paying second and third mortgages of \$5,345,705)	<u>3,008,310</u> 57,272,243
Notes receivable at face value	71,948,112
Less unamortized discount	<u>(31,420,400)</u>
	<u>\$ 40,527,712</u>

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2025 AND 2024*

**Note 11—New Market Tax Credits intangible assets**

Habitat incurred \$27,125 in guarantor fees, \$13,333 in audit fees, \$64,400 in asset management fees, and \$26,250 in consulting fees related to its New Markets Tax Credit (“NMTC”) financing in December 2017, to be amortized over seven years, the period to which the assets apply. Habitat incurred \$13,972 in qualified active low income community business (“QALICB”) services, \$20,000 in audit fees, \$53,554 in asset management fees, and \$23,284 in consulting fees related to its NMTC financing in June 2020, to be amortized over seven years, the period to which the assets apply. The intangible assets represent fees paid to the third party administrator in the transaction, who is responsible for ensuring Habitat performs and complies with all aspects of the transaction requirements.

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

	<u>2025</u>	<u>2024</u>
QALICB guarantor fee	\$ 13,972	\$ 41,096
CDE audit fee	20,000	33,333
Asset management fee	53,554	117,954
Consulting fee	<u>23,284</u>	<u>49,534</u>
Total NMTC intangible assets	110,810	241,917
Accumulated NMTC amortization	<u>(80,470)</u>	<u>(186,384)</u>
NMTC intangible assets, net	<u>\$ 30,340</u>	<u>\$ 55,533</u>

In December 2017, Habitat invested, along with five other Habitat affiliates, in a partnership, Harbor Habitat Leverage II, LLC (“HHL”), with 16.6667% ownership to take advantage of NMTC financing. Habitat invested a combination of cash and construction in progress totaling \$1,207,410, enabling it to secure a 20-year loan in the amount of \$1,715,000 payable to Harbor Community Fund XIII, LLC (“HCF”), a community development entity. The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low-income residents. During 2025, this NMTC unwound and the remaining intangible assets were written off.

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

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

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,201,374	\$ 1,201,374
Distributions received	(1,721,669)	(12,074)
Share of income	<u>520,295</u>	<u>12,074</u>
Ending balance	<u>\$ -</u>	<u>\$ 1,201,374</u>

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

### Note 11—New Market Tax Credits intangible assets (continued)

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

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

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,106,278	\$ 1,106,278
Distributions received	(11,118)	(11,118)
Share of income	11,118	11,118
Ending balance	<u>\$ 1,106,278</u>	<u>\$ 1,106,278</u>

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

	<u>2025</u>		<u>2024</u>	
	<u>Harbor Habitat Leverage II, LLC</u>	<u>Harbor Habitat Leverage III, LLC</u>	<u>Harbor Habitat Leverage II, LLC</u>	<u>Harbor Habitat Leverage III, LLC</u>
Assets:				
Notes receivable	\$ -	\$ 4,447,352	\$ 7,244,463	\$ 4,447,352
Total assets	<u>\$ -</u>	<u>\$ 4,447,352</u>	<u>\$ 7,244,463</u>	<u>\$ 4,447,352</u>

At June 30, 2025 and 2024, both Harbor Habitat Leverage II, LLC and Harbor Habitat Leverage III, LLC had no liabilities and minimal activity, apart from the unwind of Harbor Habitat Leverage II, LLC.

### Note 12—Notes payable

	<u>2025</u>	<u>2024</u>
Notes payable to Tennessee Housing Development Agency, non-interest bearing, payable in monthly principal installments totaling \$107,376 (at June 30, 2025) with varying maturities through May 2054, secured by non-interest bearing first mortgages held by Habitat, with a discounted value of \$15,069,240. The notes have an undiscounted balance outstanding of \$27,707,845 and \$26,181,856 at June 30, 2025 and 2024, respectively. Discount rates ranging from 4.5% to 5.25% were applied to arrive at net present value of the notes payable at issuance. Contribution revenue of \$1,443,420 and \$1,863,570 has been recognized in 2025 and 2024, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$12,638,605 and \$11,964,906, respectively.	\$ 15,069,240	\$ 14,216,950
Notes payable to Habitat International, non-interest bearing, payable in monthly principal installments ranging from \$72 to \$2,395 through July 2030.	406,158	398,507

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2025 AND 2024*

**Note 12—Notes payable (continued)**

	<b>2025</b>	<b>2024</b>
Notes payable to The Housing Fund, Inc. secured by certain real property, non-interest bearing, payable in 120 to 180-equal monthly principal installments of \$282 to \$549, through June 2030. The notes have been discounted using a rate of 4.5%. Contribution revenue of \$104,819 was recognized in 2018 to present the difference between the present value of the notes payable and their undiscounted balances of \$371,818 and \$428,184, at June 30, 2025 and 2024, respectively. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$84,075 and \$100,719, respectively.	\$ 287,743	\$ 327,465
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$7,793, maturing at various times through March 2057. The notes payable have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2025 and 2024 of \$2,220,523 and \$1,883,973, respectively. Contribution revenue of \$144,985 and \$66,093 was recognized in 2025 and 2024, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$853,295 and \$748,354, respectively.	1,367,228	1,135,619
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$2,440, maturing at various times through July 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2025 and 2024 of \$608,757 and \$638,042, respectively. Contribution revenue of \$440,844 was recognized in 2018 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$265,470 and \$278,258, respectively.	343,287	359,784
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$1,757, maturing at various times through June 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2025 and 2024 of \$396,374 and \$417,453, respectively. Contribution revenue of \$231,484 was recognized in 2018 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$165,921 and \$174,620, respectively.	230,453	242,833

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

#### Note 12—Notes payable (continued)

	<u>2025</u>	<u>2024</u>
Note payable to bank, secured by certain real property with a net book value of \$4,495,868 at June 30, 2024, at an interest rate of 7.45%, with interest only payments due through maturity in June 2025.	\$ -	\$ 3,750,000
Note payable to bank, secured by certain real property with a net book value of \$6,496,294 at June 30, 2025, at a variable interest rate of 4% below prime (3.5% at June 30, 2025), with 82-monthly principal payments of \$26,333 and a balloon payment of the unpaid principal in July 2030.	1,930,662	2,246,658
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$2,777, maturing at various times through November 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2025 and 2024 of \$686,237 and \$719,565, respectively. Contribution revenue of \$417,299 was recognized in 2019 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$288,815 and \$302,774, respectively.	397,422	416,791
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$7,405, maturing at various times through December 2052. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2025 and 2024 of \$2,417,414 and \$2,115,870, respectively. Contribution revenue of \$149,565 and \$191,860 was recognized in 2025 and 2024, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$999,437 and \$888,093, respectively.	1,417,977	1,227,777
Note payable to bank, secured by certain real property with a net book value of \$6,442,269 at June 30, 2025, at a variable interest rate of 4% below prime (3.5% at June 30, 2025), with a 20-year amortization maturing in May 2029.	2,945,715	2,979,960

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2025 AND 2024*

**Note 12—Notes payable (continued)**

	<u>2025</u>	<u>2024</u>
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$1,782, maturing at various times through May 2049. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding of \$494,942 and \$516,325 at June 30, 2025 and 2024, respectively. Contribution revenue of \$239,550 was recognized in 2022 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$207,483 and \$216,432, respectively.	\$ 287,459	\$ 299,893

Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$12,999, maturing at various times through September 2052. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding of \$4,425,981 and \$3,807,426 at June 30, 2025 and 2024, respectively. Contribution revenue of \$298,401 and \$243,556 was recognized in 2025 and 2024, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2025 and 2024 amounted to \$1,840,388 and \$1,610,137, respectively.	2,585,593	2,197,289
	<u>\$ 27,268,937</u>	<u>\$ 29,799,526</u>

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

	<u>2025</u>	<u>2024</u>
Notes payable, secured by mortgages, net of unamortized discount	\$ 21,986,402	\$ 20,424,401
Notes payable, secured by real property	4,876,377	8,976,618
Notes payable, unsecured	406,158	398,507
	<u>\$ 27,268,937</u>	<u>\$ 29,799,526</u>

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

#### Note 12—Notes payable (continued)

Future principal maturities of notes payable are as follows:

##### Years Ending June 30,

2026	\$ 2,342,983
2027	2,353,799
2028	2,329,984
2029	5,096,853
2030	2,270,732
Thereafter	<u>30,218,075</u>
Total principal maturities	44,612,426
Amounts representing imputed interest	<u>(17,343,489)</u>
	<u><u>\$ 27,268,937</u></u>

#### Note 13—Line of credit

Habitat has a \$950,000 line of credit agreement with a bank bearing interest at the bank's index rate plus 1% (8.5% at June 30, 2025). The line of credit is secured by real estate. The line of credit has a maturity date of September 2025. At June 30, 2025 and 2024, no borrowings were outstanding under the line of credit agreement.

#### Note 14—NMTC joint venture note payable

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

The loan was secured by substantially all the assets acquired by Habitat from the project loan proceeds. The debt was associated with a put option feature under an option agreement between the partnership's related parties that was expected to be exercised in 2025 that would effectively extinguish the liability from Habitat. The balance of the note payable at June 30, 2024 was \$1,715,000, net of issuance costs of \$35,871. Debt issuance costs of \$53,253 are being amortized to interest expense over the 20-year term of the loan. In December 2024, the investment fund exercised a put option, resulting in HCF holding the debt, thereby releasing Habitat from any future obligation outstanding under the promissory note. Upon release from future obligations under the promissory note, Habitat recognized \$520,295 of debt forgiveness income included in the statements of activities. As of June 30, 2025, there was no outstanding amount due on this promissory note.

Simultaneous with these transactions, HHL entered into an option agreement (the "Option Agreement") with USBCDC, who is the sole-member of Twain Investment Fund 296, LLC (the "Twain Fund"), and the upstream effective owner of HCF. Under the terms of the Option Agreement, USBCDC exercised its put option on December 20, 2024. Under the terms of the agreement, HHL purchased the ownership interest of the fund and resulted in approximately \$520,000 in debt forgiveness income during the year ended June 30, 2025.

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

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### Note 14—NMTC joint venture note payable (continued)

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

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

The loan is secured by substantially all the assets acquired by Habitat from the project loan proceeds. The debt is associated with a put option feature under an option agreement between the partnership's related parties that is expected to be exercised in 2027 that will effectively extinguish the liability from Habitat. The balance of the note payable at June 30, 2025 and 2024 was \$1,521,250 net of issuance costs of \$61,894 and \$66,043, respectively. Debt issuance costs of \$82,986 are being amortized to interest expense over the 20-year term of the loan.

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

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

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

### Note 15—Employee Retention Credit

Under the Coronavirus Aid, Relief, and Economic Security Act, Habitat was eligible for a refundable Employee Retention Credit ("ERC") subject to certain criteria. Habitat claimed an ERC recognized as grant income in the statement of activities for the year ended June 30, 2023. Included in grants receivable on the statement of financial positions for ERC are \$740,021 at June 30, 2024. This balance was received during the year ended June 30, 2025.

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

#### Note 16—Net assets with donor restrictions

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

	<u>2025</u>	<u>2024</u>
Unamortized discount on notes payable issued	\$ 17,343,489	\$ 16,284,293
Contributions purpose restricted for other projects	395,212	402,460
Unconditional promises to give, net	<u>30,000</u>	<u>500,000</u>
	<u>\$ 17,768,701</u>	<u>\$ 17,186,753</u>

For the year ended June 30, 2025, Habitat released \$977,177 related to amortization discount on notes payable issued and \$849,767 for the purpose and time restrictions being fulfilled. The total amount of net assets released from restrictions for the year ended June 30, 2025 is \$1,826,944, as reported on the statement of activities. For the year ended June 30, 2024, Habitat released \$934,054 related to amortization discount on notes payable issued and \$ 319,729 for the purpose and time restrictions being fulfilled. The total amount of net assets released from restrictions for the year ended June 30, 2024 is \$1,253,783, as reported on the statement of activities.

#### Note 17—Concentrations

Habitat maintains its cash in bank accounts that at times may exceed federally insured limits. Habitat has not experienced any losses in such accounts. Deposits are insured by the Federal Deposit Insurance Corporation. Management believes Habitat is not exposed to any significant credit risk on its cash balances. Uninsured balances at June 30, 2025 and 2024 totaled \$-0- and \$119,362, respectively.

#### Note 18—Leases

Habitat leases certain office space, warehouse space, and equipment. Habitat determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Habitat has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on the relative stand-alone prices.

ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term if it is reasonably certain these options would be exercised by Habitat. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of our lease agreements include variable payments. Variable lease payments are not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expenses as incurred. In order to determine the present value of lease payments, Habitat uses the risk-free rate based on the information available at lease commencement to determine the present value of lease payments.

Habitat's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Habitat does not have leases where it is involved with the construction or design of an underlying asset. Habitat has no material obligation for leases signed but not yet commenced as of June 30, 2025. Habitat does not have any material subleases activities.

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2025 AND 2024*

**Note 18—Leases (continued)**

Practical Expedients Elected

- Habitat has elected the practical expedient not to recognize leases with terms of 12 months or less on the statement of financial position and instead to recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments in incurred. Therefore, Habitat’s short-term lease expense for the period does not reflect ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the year ended June 30, 2025.
- Habitat has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

Classification of right-of-use assets and lease liabilities as of June 30 is as follows:

<u>Leases</u>	<u>Balance Sheet Classification</u>	<u>2025</u>	<u>2024</u>
Assets:			
Operating right-of-use assets	Right-of-use assets	\$ 326,307	\$ 457,751
Finance right-of-use assets	Right-of-use assets	17,239	30,064
Total lease assets		<u>\$ 343,546</u>	<u>\$ 487,815</u>
Liabilities:			
Operating lease liabilities	Lease liabilities	\$ 341,932	\$ 470,388
Finance lease liabilities	Lease liabilities	17,989	30,893
Total lease liabilities		<u>\$ 359,921</u>	<u>\$ 501,281</u>

Future minimum lease payments as of June 30, 2025 are as follows:

<u>Maturity Analysis</u>	<u>Finance</u>	<u>Operating</u>
2026	\$ 13,652	\$ 138,855
2027	4,727	144,409
2028	-	73,619
Total undiscounted cash flows	18,379	356,883
Less present value discount	(390)	(14,951)
Total lease liabilities	<u>\$ 17,989</u>	<u>\$ 341,932</u>

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

### Note 18—Leases (continued)

Required supplemental information relating to our leases for the years ended June 30 is as follows:

	<u>2025</u>	<u>2024</u>
Lease expense:		
Finance lease expense:		
Amortization of right-of-use assets	\$ 12,825	\$ 12,825
Interest on lease liabilities	750	1,138
Operating lease expense	<u>136,922</u>	<u>136,381</u>
Total operating and finance lease cost	<u>\$ 150,497</u>	<u>\$ 150,344</u>
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 133,932	\$ 125,099
Operating cash flows from finance leases	782	1,147
Financing cash flows from finance leases	12,870	12,359
Lease assets obtained in exchange for lease liabilities:		
Operating leases	-	245,662
Finance leases	-	6,300
Lease term (in years) and discount rate:		
Weighted-average remaining lease term in years for finance leases	1.39	2.37
Weighted-average remaining lease term in years for operating leases	2.50	3.47
Weighted-average discount rate for finance leases	3.17%	3.13%
Weighted-average discount rate for operating leases	3.52%	3.53%

### Note 19—Commitments and contingencies

In connection with the development of Park Preserve and Village by the Creek subdivisions, Habitat has obtained letters of credit totaling \$5,433,000 and \$3,642,000 at June 30, 2025 and 2024, respectively, securing the completion of certain improvements. Habitat had no outstanding borrowings associated with these letters of credit at June 30, 2025 or 2024. The letters of credit expire through November 2026.

Habitat has multi-year commitments under information technology contracts and other agreements for various services. A summary of future minimum payments as of June 30, 2025 is as follows:

#### Years Ending June 30,

2026	\$ 9,703
2027	4,708
2028	54
	<u>\$ 14,465</u>

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

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2025 AND 2024*

**Note 20—Contributed nonfinancial assets**

Contributed nonfinancial assets received by Habitat are recorded based on their estimated value. A summary of contributed nonfinancial assets is as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
ReStore donations	\$ 4,097,724	\$ 3,877,275
Building supplies and home appliances	142,591	179,030
Mortgage servicing	108,024	101,184
Operating supplies	400	50,247
	<u>\$ 4,348,739</u>	<u>\$ 4,207,736</u>

Habitat recognized nonfinancial assets within revenue, including ReStore donations, building supplies, and mortgage servicing. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Various donors contributed products to the ReStore for sale to customers. Habitat valued the contribution based upon its sales price of the contributed assets.

Various donors contribute building supplies and home appliances that are used in constructing homes transferred to homeowners. Habitat valued the contribution based upon current costs to purchase.

A financial institution services mortgages on behalf of Habitat. Habitat valued the contribution based upon estimated costs to pay a third party servicer.

Approximately 5,001 and 5,482 individuals contributed significant amounts of time to Habitat's activities during the years ended June 30, 2025 and 2024, respectively. The financial statements do not reflect the value of these services because they do not meet the recognition criteria prescribed by U.S. GAAP.

**Note 21—Retirement plan**

Habitat has a defined contribution retirement plan for its employees, which was established as a Simple IRA. As described in the plan document, substantially all full-time employees are eligible to participate in the plan. Discretionary contributions may be made at the option of the Board of Directors. Habitat recognized retirement plan expense of \$74,419 and \$74,557 for the years ended June 30, 2025 and 2024, respectively.

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

### Note 22—Supplemental cash flow information

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

Supplemental Cash Flow Information:

	<u>2025</u>	<u>2024</u>
Equipment acquired through issuance of finance lease	\$ -	\$ 6,300
Noncash forgiveness of NMTC loans	\$ 1,715,000	\$ -
Interest paid	\$ 364,653	\$ 265,038

Supplemental Schedule of Noncash Investing and Financing Activities:

	<u>2025</u>	<u>2024</u>
Issuance of non-interest bearing mortgage loans	\$ 9,335,240	\$ 8,777,640
Discount on non-interest bearing mortgage loans	(4,053,917)	(3,823,431)
Transfers to homeowners subject to non-interest bearing mortgage loans	\$ 5,281,323	\$ 4,954,209

### Note 23—Related parties

At June 30, 2025 and 2024, Habitat owed notes payable, net of discounts, totaling approximately \$10,247,175 and \$11,340,015, respectively, to financial institutions which have executives who serve on Habitat's Board of Directors.

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

Habitat annually remits a portion of its unrestricted contributions (excluding in-kind contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For the years ended June 30, 2025 and 2024, Habitat contributed \$91,773 and \$99,761, respectively, to Habitat International.

Habitat has received Self-Help Homeownership Opportunity Program funds from Habitat International. Of the funds received, 75% were in the form of a grant with the remaining 25% repayable under non-interest bearing four-year notes payable. During the years ended June 30, 2025 and 2024, Habitat was granted \$426,708 and \$709,827, respectively. At June 30, 2025 and 2024, the balances of the loans totaled \$406,158 and \$398,507, respectively.

AMENDED AND RESTATED

Bylaws  
of  
Habitat for Humanity of Greater Nashville, Inc.

**ARTICLE I**

**NAME**

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

**ARTICLE II**

**PURPOSE**

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

**ARTICLE III**

**OFFICES**

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

**ARTICLE IV**

**MEMBERS**

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

## **ARTICLE V**

### **BOARD OF DIRECTORS**

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

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

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

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

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

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

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

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

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

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

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

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

## **ARTICLE VI**

### **MEETINGS**

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

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

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

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

- (c) one the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee; or
- (d) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first class, registered or certified postage affixed.

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

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

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

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

- (a) He or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding the meeting or transacting business at the meeting;
- (b) His or her dissent or abstention from the action taken is entered in the minutes of the meeting; or
- (c) He or she delivers written notice of his or her dissent or abstention to the presiding Officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

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

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

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

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

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

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

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

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

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

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

## **ARTICLE VII**

### **OFFICERS**

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

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

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

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

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

**Section 6. Vice Chairman.** The Vice Chairman, or Vice Chairmen in the order designated, in the event there be more than one Vice Chairman, shall assist the Chairman in the duties so assigned, perform the duties and possess and exercise the

powers of the Chairman in the event of the Chairman's absence or disability, and perform such other duties as the Board of Directors or the Chairman may from time to time prescribe. Upon completion of the term as Vice Chairman, the Vice Chairman will become Chairman for a one year term.

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

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

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

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

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

## **ARTICLE VIII**

### **INDEMNIFICATION**

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

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

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

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

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

## **ARTICLE IX**

### **CORPORATE ACTIONS**

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

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

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

## **ARTICLE X**

### **FISCAL YEAR**

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

## **ARTICLE XI**

### **CORPORATE SEAL**

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

**ARTICLE XII**

**DEPOSITORIES**

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

**ARTICLE XIII**

**AMENDMENTS**

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

**ARTICLE XIV**

**INVALIDITY**

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

**ARTICLE XV**

**AUTHORITY**

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

**Adopted July 26, 2019**

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

*Mendy Mazzo, Board Chair  
7/26/19*



*Lucile Houseworth  
7/26/19*



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

In reply refer to: 4077350282  
Nov. 06, 2017 LTR 4168C 0  
58-1636286 000000 00

00020535  
BODC: TE

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



041416

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

Dear Taxpayer:

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

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

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

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

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

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

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

4077350282  
Nov. 06, 2017 LTR 4168C 0  
58-1636286 000000 00  
00020536

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

Sincerely yours,



Stephen A. Martin  
Director, EO Rulings & Agreements

**AMENDMENT #1 TO GRANT CONTRACT #2024-R13-SRC  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
SAMARITAN RECOVERY COMMUNITY, INC.**

This contract amendment is entered into by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH THE METROPOLITAN HOUSING TRUST FUND COMMISSION**, a municipal corporation of the State of Tennessee (hereinafter referred to as "**Metro**") and SAMARITAN RECOVERY COMMUNITY, INC. (hereinafter referred to as "**Recipient**"). It is mutually understood and agreed by and between said undersigned contracting parties that the subject Grant Contract approved is hereby amended as follows:

1. Grant contract section B.1 is deleted in its entirety and replaced with the following:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 36 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within thirty-six months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

The remaining provisions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Contract:

**Recipient: SAMARITAN RECOVERY COMMUNITY, INC.**

By: Mark Lasko  
**Dr. Mark Lasko, Executive Director**

Date: 6/8/2026

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

**APPROVED:**

	6/8/2026
Peter Westerholm, Chair Metropolitan Housing Trust Fund Commission	Date

**APPROVED AS TO AVAILABILITY OF FUNDS:**

<small>Signed by:</small> 	6/23/2026
<small>62377A2A8742469...</small> JENNEEN REED, Director Department of Finance	Date

**APPROVED AS TO RISK AND INSURANCE:**

<small>Signed by:</small> 	6/23/2026
<small>68804BF12FD741C...</small> Management Services	Date

**APPROVED AS TO FORM AND LEGALITY:**

<small>Signed by:</small> 	6/24/2026
<small>2CBBFAAF2F3B4D4...</small> Assistant Metropolitan Attorney	Date

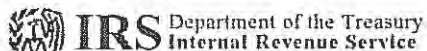
**APPROVED BY THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:**

\_\_\_\_\_  
Freddie O'Connell  
Metropolitan County Mayor

Attest, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

**FILED IN THE OFFICE OF THE METROPOLITAN CLERK:**

Metropolitan Clerk	Date
--------------------	------



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0752857843  
Oct. 28, 2014 LTR 4168C 0  
62-0723592 000000 00  
00018594  
BODC: TE

SAMARITAN RECOVERY COMMUNITY INC  
319 S 4TH ST  
NASHVILLE TN 37206-4103



011977

Employer Identification Number: 62-0723592  
Person to Contact: CUSTOMER SERVICE  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Oct. 17, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in May 1965.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

# SAMARITAN RECOVERY COMMUNITY, INC.

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## Charter Information

January 3, 1964 - Founded - "Samaritans Anonymous, Inc."  
Stated purpose in the original charter:

"...aiding in the rehabilitation of derelict alcoholic men by providing counseling and necessary relief."

March 7, 1968 - Name changed to "Samaritans, Inc."

July 11, 1973 - Purpose was amended to include women & other drugs.

June 10, 1991 - Name changed to "Samaritan Recovery Community, Inc."

319 SOUTH FOURTH STREET • NASHVILLE, TENNESSEE 37206 • (615) 244-4802



A United Way Member Agency

Professionally Managed by  
Managed Care Associates, Inc.  
Nashville, Tennessee

C.A.R.F.  
Accredited

GENERAL RELEASE

STATE OF TENNESSEE

Original  
Charter

Charter of Incorporation

- Jan 1964

Be it known that Edward J. Shea, Kenneth B. Schoen, G. J. Farleton and  
Thomas P. Wall, Jr., and E. Rogus Fajardo

are hereby constituted a body politic and corporate, by the name of and style of  
Charitable Anonymous

for the purpose of aiding in the rehabilitation of derelict alcoholic men by  
providing counselling and necessary relief.



"...aiding in the rehabilitation of derelict alcoholic  
men by providing counseling and necessary relief."

# State of Tennessee



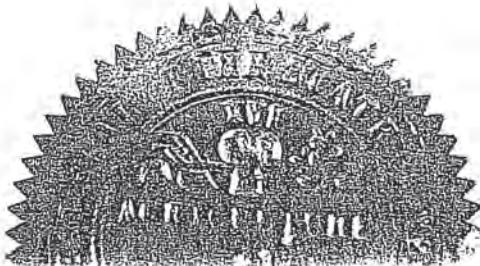
## Department of State

I, JOE C. CARR, Secretary of State of the State of Tennessee, do hereby certify that the annexed is a true and correct copy of the Amendment to Charter of Incorporation of

SAMARITANS ANONYMOUS, INC.

which was recorded in this office on March 7, 1968 in Record Book P-52, page 1260 Changing the name to

SAMARITANS, INCORPORATED



IN WITNESS WHEREOF, I have hereto affixed my signature and the Great Seal of the State, at Nashville, this 24<sup>th</sup> day of March in the year of our Lord nineteen hundred 71

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

Samaritans Incorporated.

2. The purpose of the corporation is amended to read as follows:

"The object and purpose of Samaritans Incorporated shall be to provide programs and facilities to aid the rehabilitation of persons who are harmfully dependent on alcohol or other chemical substances, without regard to sex, race, economic or social circumstance, creed, color or national origin."

~~3. The amendment was duly adopted at a meeting of the members on May 25, 1973.~~

4. This amendment shall take effect upon its filing with the Secretary of State.

Dated this July 11, 1973

Samaritans Incorporated

By Jordan Castle  
Secretary

1973 JUL 11 25

ARTICLES OF AMENDMENT TO THE CHARTER

OF

SAMARITANS, INCORPORATED

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is Samaritans, Incorporated

JUN 7 1994

2. The text of each amendment adopted is:

Article One - Name

The name of this organization shall be SAMARITAN RECOVERY COMMUNITY, INC.

CERTIFIED COPY  
*Russell M. Oldfield*  
SECRETARY OF STATE

3. The corporation is a nonprofit corporation.

4. The manner (if not set forth in the amendment) for implementation of any exchange, reclassification, or cancellation of memberships is as follows:

N A

5. The amendment was duly adopted on April 18, 1991 (must be month, day, and year) by

- the incorporators without members' approval, as such was not required.
- the board of directors without members' approval, as such was not required.
- the members.

[NOTE: Please mark the applicable box in #5.]

6. Indicate which of the following statements applies by marking the applicable box:

- Additional approval for the amendment (as permitted by Section 48-60-301 of the Tennessee Nonprofit Corporation Act) was not required.
- Additional approval for the amendment was required by the charter and was obtained.

7. If the amendment is not to be effective when these articles are filed by the Secretary of State, the date/time it will be effective is \_\_\_\_\_, 19\_\_\_\_ (date) \_\_\_\_\_ (time).

[NOTE: The delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

June 10, 1991  
Signature Date  
Member - Board of Trustees  
Signer's Capacity

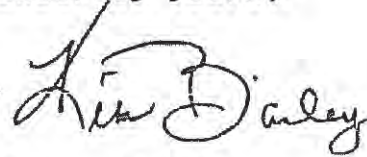
Samaritan Recovery Community, Inc.  
Name of Corporation  
*Russell M. Oldfield*  
Signature  
Russell M. Oldfield  
Name (typed or printed)

0752857843  
Oct. 28, 2014 LTR 4168C 0  
62-0723592 000000 00  
00018595

SAMARITAN RECOVERY COMMUNITY INC  
319 S 4TH ST  
NASHVILLE TN 37206-4103

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

A handwritten signature in black ink that reads "Kim D. Bailey". The signature is written in a cursive style with a large, stylized initial "K".

Kim D. Bailey  
Operations Manager, AM Operations 3



**Division of Business and Charitable Organizations**  
**Department of State**  
 State of Tennessee  
 312 Rosa L. Parks Avenue, 6th Floor  
 Nashville, Tennessee 37243  
 Phone: 615-741-2286  
[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

**Tre Hargett**  
 Secretary of State

Wendy Gula  
 410 SOUTH 5TH STREET  
 NASHVILLE, TN 37206, USA

06/11/2026

**Request Type: Certificate of Existence/Authorization**

Issuance Date: 06/10/2026

Request #: C2026064058

**Document Receipt**

Order Number: C2026064058

Verification #: 3365FE92

Receipt #: 2026-611632

Filing Fee: \$20.00

Payment: eCheck - 3922748199

\$20.00

Entity Name:	SAMARITAN RECOVERY COMMUNITY, INC.		
SOS Control #:	000117546	Initial Filing Date:	01/03/1964
Entity Type:	Nonprofit Corporation	Formation Locale:	Tennessee
Status:	Active	Duration Term:	Perpetual
Fiscal Year Close:	June	Annual Report Due:	10/01/2026
Business County:	DAVIDSON		
Benefit Type:	Public Benefit Corporation	Religious Type:	Non-Religious

**CERTIFICATE OF EXISTENCE**

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

**SAMARITAN RECOVERY COMMUNITY, INC.**

- \* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- \* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- \* has filed the most recent annual report required with this office;
- \* has appointed a registered agent and registered office in this State;
- \* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
 Secretary of State

Tennessee Secretary of State  
Tre Hargett



Division of Business and Charitable Organizations  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243-1102  
[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

May 14, 2026

Mrs. WENDY L GULA  
410 SOUTH FIFTH STREET  
NASHVILLE, TN 37206 USA

**RE:** Registration to Solicit Funds for Charitable Purposes  
Organization Name: SAMARITAN RECOVERY COMMUNITY, INC.  
CO Number: CO4704  
Expiration Date: 12/31/2026

Dear Mrs. WENDY L GULA :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett  
Secretary of State

## SAMARITAN RECOVERY COMMUNITY, INC.

Entity Type: Nonprofit Corporation  
Formed in: TENNESSEE  
Term of Duration: Perpetual  
Religious Type: Non-Religious  
Benefit Type: Public Benefit Corporation

Status: Active  
Control Number: 000117546  
Initial Filing Date: 1/3/1964 4:30:00 PM  
Fiscal Ending Month: June  
AR Due Date: 10/01/2026

### Registered Agent

SAMARITAN RECOVERY COMMUNITY, INC.  
410 S 5TH ST  
NASHVILLE, TN 37206-4103

### Principal Office Address

410 S 5TH ST  
NASHVILLE, TN 37206-4103

### Mailing Address

410 S 5TH ST  
NASHVILLE, TN 37206-4103

AR Standing: Good	RA Standing: Good	Other Standing: Good	Revenue Standing: N/A
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History (51) 

Name History (3) 

GOING FURTHER

SAMARITAN RECOVERY  
COMMUNITY, INC.

FINANCIAL REPORT

DECEMBER 31, 2025



CPAs & ADVISORS

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## Roster of Those Charged With Governance and Management Officials

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### **BOARD OF DIRECTORS**

#### **Chairperson**

Kim Cooney

#### **Vice Chairperson**

Peter Erikson

#### **Treasurer/Secretary**

Evan Holladay

#### **Board Members**

Mike Coode

Walker Choppin

Todd Friedenber

William Karger

Ashley Randall

James McKenzie

Warren Smith

### **MANAGEMENT OFFICIALS**

#### **Executive Director**

Dr. Mark Lasko

#### **Deputy Director**

Daniel Breeden



## Independent Auditor's Report

**To the Board of Directors  
Samaritan Recovery Community, Inc.  
Nashville, Tennessee**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Samaritan Recovery Community, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Samaritan Recovery Community, Inc. as of June 30, 2025 and 2024, 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 and the standards applicable to financial audits contained in *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 Financial Statements section of our report. We are required to be independent of Samaritan Recovery Community, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Samaritan Recovery Community, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Samaritan Recovery Community, Inc.'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.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.


#### **Other Information**

Management is responsible for the other information included in the annual financial report. The other information comprises the Roster of Those Charged with Governance and Management Officials but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2026, on our consideration of Samaritan Recovery Community, Inc.'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 Samaritan Recovery Community, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Samaritan Recovery Community, Inc.'s internal control over financial reporting and compliance.



Chattanooga, Tennessee  
April 13, 2026

# Samaritan Recovery Community, Inc.

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2025 AND 2024 (AS RESTATED)

	<u>2025</u>	<u>2024</u> (as restated)
<b>ASSETS</b>		
Cash and cash equivalents	\$ 864,463	945,183
Investments	1,461,260	1,316,734
Accounts receivable, net	16,303	75,101
Grants receivable	592,163	534,821
Notes receivable	10,799,953	10,122,574
Accrued interest receivable	474,475	264,412
Prepaid expenses and other assets	38,042	33,815
Property and equipment, net	<u>1,176,677</u>	<u>1,295,258</u>
 Total assets	 <u>\$ 15,423,336</u>	 <u>\$ 14,587,898</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 232,647	\$ 700,680
Deferred grant revenue	<u>2,323,936</u>	<u>2,323,936</u>
 Total liabilities	 <u>2,556,583</u>	 <u>3,024,616</u>
<b>NET ASSETS</b>		
Without donor restrictions	<u>12,866,753</u>	<u>11,563,282</u>
 Total net assets	 <u>12,866,753</u>	 <u>11,563,282</u>
 Total liabilities and net assets	 <u>\$ 15,423,336</u>	 <u>\$ 14,587,898</u>

**The Notes to Financial Statements are an integral part of these statements.**

# Samaritan Recovery Community, Inc.

## STATEMENT OF ACTIVITIES JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributed financial assets	\$ 155,500	\$ -	\$ 155,500
Contributed nonfinancial assets	1,925,000	-	1,925,000
Grant revenue	5,401,087	-	5,401,087
Service revenue	373,895	-	373,895
Investment return, net of investment expenses	154,239	-	154,239
Interest income	210,063	-	210,063
Other income	24,252	-	24,252
	<u>8,244,036</u>	<u>-</u>	<u>8,244,036</u>
Total operating revenue	8,244,036	-	8,244,036
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues, gains, and other support	<u>8,244,036</u>	<u>-</u>	<u>8,244,036</u>
<b>OPERATING EXPENSES</b>			
Program-related expenses	4,629,273	-	4,629,273
General and administrative	2,311,292	-	2,311,292
	<u>6,940,565</u>	<u>-</u>	<u>6,940,565</u>
Total operating expenses	6,940,565	-	6,940,565
Change in net assets	1,303,471	-	1,303,471
NET ASSETS, beginning of year, as restated	<u>11,563,282</u>	<u>-</u>	<u>11,563,282</u>
NET ASSETS, end of year	<u>\$ 12,866,753</u>	<u>\$ -</u>	<u>\$ 12,866,753</u>

**The Notes to Financial Statements are an integral part of this statement.**

# Samaritan Recovery Community, Inc.

## STATEMENT OF ACTIVITIES JUNE 30, 2024 (AS RESTATED)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributed financial assets	\$ 197,020	\$ -	\$ 197,020
Contributed nonfinancial assets	641,667	-	641,667
Grant revenue	6,393,847	-	6,393,847
Service revenue	423,024	-	423,024
Investment return, net of investment expenses	183,371	-	183,371
Interest income	139,124	-	139,124
Other income	6,943	-	6,943
	<u>7,984,996</u>	<u>-</u>	<u>7,984,996</u>
Total operating revenue	7,984,996	-	7,984,996
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues, gains, and other support	<u>7,984,996</u>	<u>-</u>	<u>7,984,996</u>
<b>OPERATING EXPENSES</b>			
Program-related expenses	3,310,285	-	3,310,285
General and administrative	613,726	-	613,726
	<u>3,924,011</u>	<u>-</u>	<u>3,924,011</u>
Total operating expenses	3,924,011	-	3,924,011
Change in net assets	4,060,985	-	4,060,985
NET ASSETS, beginning of year, as restated	<u>7,502,297</u>	<u>-</u>	<u>7,502,297</u>
NET ASSETS, end of year	<u>\$ 11,563,282</u>	<u>\$ -</u>	<u>\$ 11,563,282</u>

**The Notes to Financial Statements are an integral part of this statement.**

Samaritan Recovery Community, Inc.

**STATEMENT OF FUNCTIONAL EXPENSES**  
**JUNE 30, 2025**

	Program Services					Total Program Expenses	General and Administrative	Total
	Intensive Residential	Transitional Living	Supportive Housing	Nonresidential	Respite			
<b>EXPENSES</b>								
Salaries	\$ 966,332	\$ 474,475	\$ -	\$ 6,790	\$ 282,626	\$ 1,730,223	\$ 767,129	\$ 2,497,352
Payroll taxes and benefits	190,898	86,277	54	1,458	19,629	298,316	338,656	636,972
Total salaries, taxes and employee benefits	1,157,230	560,752	54	8,248	302,255	2,028,539	1,105,785	3,134,324
Professional fees	138,557	110,815	-	-	8,317	257,689	277,973	535,662
Food	116,345	116,015	-	-	44,705	277,065	-	277,065
Supplies	75,738	73,377	-	-	30,901	180,016	5,526	185,542
Office expenses	1,083	1,252	-	-	1,728	4,063	2,111	6,174
Telephone	1,291	1,416	-	-	605	3,312	817	4,129
Occupancy	816,135	816,161	-	-	18,536	1,650,832	432,961	2,083,793
Equipment rental and maintenance	22,921	22,721	-	-	8,303	53,945	51,796	105,741
Insurance	19,312	12,746	1,545	3,862	-	37,465	92,242	129,707
Travel	5,342	4,046	-	-	1,088	10,476	6,269	16,745
Dues and subscriptions	43,199	41,399	-	-	12,668	97,266	39,130	136,396
Miscellaneous	17,455	9,012	-	-	2,138	28,605	12,958	41,563
Bad debt	-	-	-	-	-	-	77,645	77,645
Depreciation	-	-	-	-	-	-	206,079	206,079
Total functional expenses	\$ 2,414,608	\$ 1,769,712	\$ 1,599	\$ 12,110	\$ 431,244	\$ 4,629,273	\$ 2,311,292	\$ 6,940,565

The Notes to Financial Statements are an integral part of this statement.

## Samaritan Recovery Community, Inc.

### STATEMENT OF FUNCTIONAL EXPENSES JUNE 30, 2024

	Program Services					Total Program Expenses	General and Administrative	Total
	Intensive Residential	Transitional Living	Supportive Housing	Nonresidential	Respite			
<b>EXPENSES</b>								
Salaries	\$ 921,953	\$ 572,119	\$ 181	\$ 14,557	\$ -	\$ 1,508,810	\$ 97,314	\$ 1,606,124
Payroll taxes and benefits	279,970	157,370	99	5,284	-	442,723	21,766	464,489
Total salaries, taxes and employee benefits	1,201,923	729,489	280	19,841	-	1,951,533	119,080	2,070,613
Professional fees	201,785	138,366	-	-	-	340,151	126,425	466,576
Food	87,051	86,154	-	-	-	173,205	-	173,205
Supplies	56,484	54,678	-	-	-	111,162	2,202	113,364
Office expenses	1,684	4,169	-	-	-	5,853	523	6,376
Telephone	1,779	1,604	-	148	-	3,531	813	4,344
Occupancy	304,867	305,174	-	-	-	610,041	145,803	755,844
Equipment rental and maintenance	18,198	18,198	-	-	-	36,396	-	36,396
Insurance	20,576	13,580	1,646	4,115	-	39,917	1,251	41,168
Travel	4,407	4,427	-	-	-	8,834	1,675	10,509
Dues and subscriptions	6,721	7,901	-	-	-	14,622	1,006	15,628
Miscellaneous	7,580	7,460	-	-	-	15,040	18,532	33,572
Bad debt	-	-	-	-	-	-	136,857	136,857
Depreciation	-	-	-	-	-	-	59,559	59,559
Total functional expenses	\$ 1,913,055	\$ 1,371,200	\$ 1,926	\$ 24,104	\$ -	\$ 3,310,285	\$ 613,726	\$ 3,924,011

The Notes to Financial Statements are an integral part of this statement.

# Samaritan Recovery Community, Inc.

## STATEMENTS OF CASH FLOWS JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,303,471	\$ 4,060,985
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation expense	206,079	59,559
Bad debt expense	77,645	136,857
Realized and unrealized gains on investments	(117,729)	(149,426)
<b>Change in operating assets and liabilities:</b>		
Accounts receivable	(18,847)	(135,423)
Grant receivables	(57,342)	(207,039)
Accrued interest receivable	(210,063)	(139,124)
Prepaid expenses and other assets	(4,227)	(4,796)
Accounts payable and accrued expenses	(468,033)	507,396
Due to developer	-	(627,107)
Deferred grant revenue	-	1,873,936
	<u>710,954</u>	<u>5,375,818</u>
Net cash provided by operating activities		
	<u>710,954</u>	<u>5,375,818</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Notes receivable	(677,379)	(5,235,082)
Purchase of investments	(222,224)	(523,783)
Proceeds from sales of investments	195,427	495,195
Purchase of property and equipment	(87,498)	(1,154,118)
	<u>(791,674)</u>	<u>(6,417,788)</u>
Net cash used in investing activities		
	<u>(791,674)</u>	<u>(6,417,788)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(80,720)	(1,041,970)
CASH AND CASH EQUIVALENTS, beginning of year	<u>945,183</u>	<u>1,987,153</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 864,463</u>	<u>\$ 945,183</u>

**The Notes to Financial Statements are an integral part of these statements.**

## Notes To Financial Statements

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Samaritan Recovery Community, Inc. (the Organization) conform with United States generally accepted accounting principles (GAAP) and practices within the not-for-profit industry. The Financial Accounting Standards Board (FASB) has adopted the FASB Accounting Standards Codification (ASC) as the single source of authoritative nongovernmental GAAP.

The policies that materially affect financial position and results of operations are summarized as follows:

#### **Nature of Operations**

Samaritan Recovery Community, Inc., a non-profit organization, is involved in the treatment of chemical dependency (alcohol and drug addiction). All programs are conducted on-premises except for supportive housing and the out-patient program.

The Organization entered into a management agreement with XMI Capital in December of 2015 for the management of the Organization. In December of 2020, the board of directors approved a renewal of the agreement that extends the term until December 1, 2025. The management fee is computed based on a percentage of monthly net revenues. The management fee is included in professional fees in the statement of functional expenses and was \$264,944 and \$386,541 for the years ended June 30, 2025 and 2024, respectively.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### **Basis of Presentation**

To ensure observances of limitations and restrictions placed on the use of resources available to the Organization, resources are classified for accounting and financial reporting purposes into categories established according to their nature and purpose in the two categories as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the Organization and its purposes.

*Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has passed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Revenue Recognition**

The Organization follows the guidance in ASC 606, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this ASC is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services.

The majority of the Organization's revenues come from contributions, grant revenue, investment income, and interest income which are outside the scope of ASC 606. Revenues within the scope of ASC 606 include service revenue and other income. The Organization recognizes service revenue at a point in time, which is at the point when the services are provided and contractually billable. Payment for services is typically received shortly after the time the services are provided. Other income is recognized at a point in time, which is at the point when services have been provided.

## Notes To Financial Statements

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue Recognition (Continued)

Revenue is reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gain and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions in net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributed financial and nonfinancial assets are recorded as revenue in the period received or upon the receipt of an unconditional promise to give. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of appreciated assets are recorded at the estimated fair value at the date of receipt by the Organization.

The Organization recognizes revenues on cost reimbursement grants as qualifying expenses are incurred. Federal and state grant funds received as advances are recorded as deferred grant revenue. Conditional federal and state grants received are recorded as deferred grant revenue until they become unconditional, that is, when the conditions on which they depend are substantially met.

#### Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, the Organization received \$1,925,000 and \$641,667, respectively, of contributed rental revenue which did not have donor-imposed restrictions. The rent is recorded at estimated per square foot rental rates in the Organization's market.

#### Cash and Cash Equivalents

The Organization considers all cash and highly-liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents held as a portion of the Organization's investment portfolio are classified as investments and are not considered to be cash equivalents for the statement of cash flows.

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an adjustment to a valuation allowance based on its assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental health care coverage, and other collection indicators. Management's assessment is based primarily on a detailed review of the Organization's historical collections. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

#### Investments

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Fair values of marketable securities with readily determinable fair values are based on quoted market prices.

#### Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization places its cash equivalents with financial institutions and limits the amount of credit exposure to any one financial institution. From time to time, the Organization's cash balances exceed federal depository insurance coverage and management considers this to be a normal business risk. The Organization has not experienced any losses on its cash equivalents. The Organization's investments do not represent significant concentrations of credit risk inasmuch of the Organization's investments are diversified among many issuers.

## Notes To Financial Statements

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective classes of assets, five to seven years for vehicles and furniture and equipment and thirty years for improvements. Depreciation is calculated using the straight-line method. Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized.

#### Functional Expenses

The costs of providing various programs and other activities for the Organization have been summarized on a functional basis in the statements of activities. Expenses are charged directly to the program or supporting service receiving the goods or services. In instances where more than one program or supporting service benefits, cost may be allocated based on square footage, time and effort, or other allocation criteria.

#### Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose would be subject to taxation as unrelated business income.

The Organization accounts for income taxes in accordance with income tax accounting guidance in ASC Topic 740. The Organization follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Organization's non-taxable status would not have a material effect on the Organization's financial statements. The Organization is subject to routine audits by taxing jurisdiction; however, there are currently no audits for tax periods in progress.

#### Marketing and Advertising Costs

The Organization follows the policy of charging the cost of marketing and advertising cost to expense as incurred. Marketing and advertising expense was \$40,104 and \$29,118 for the years ended June 30, 2025 and 2024, respectively.

#### Subsequent Events

Management performed an evaluation of subsequent events through April 13, 2026 the date these financial statements were available to be issued.

### NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year on the statement of financial position date, comprise the following as June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 864,463	\$ 945,183
Investments	1,461,260	1,316,734
Accounts receivable	16,303	75,101
Grants receivable	<u>592,163</u>	<u>534,821</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,934,189</u>	<u>\$2,871,839</u>

As part of the Organization'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. In general, the Organization maintains sufficient assets on hand to meet six months of normal operating expenses.

## Samaritan Recovery Community, Inc.

## Notes To Financial Statements

## NOTE 3. INVESTMENTS

A summary of investments at June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
U.S. Treasury Notes	\$ 32,005	\$ 98,593
Mutual funds	1,331,425	1,127,837
Certificates of deposit	-	49,620
Bonds	86,287	36,516
Cash sweep	<u>11,543</u>	<u>4,168</u>
Total	<u>\$1,461,260</u>	<u>\$1,316,734</u>

The following schedule summarizes the investment income (loss) and its classification in the statements of activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 45,522	\$ 42,291
Net realized and Unrealized gains	117,729	149,426
Investment expenses	<u>(9,012)</u>	<u>(8,346)</u>
Total investment income	<u>\$154,239</u>	<u>\$183,371</u>

## NOTE 4. NOTES RECEIVABLE

In conjunction with the Shelby House project further described in Note 11, the Organization's notes receivable at June 30, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Barnes Housing Trust Loan; interest at 1.90%; principal and interest due at maturity December 31, 2061	\$ 2,296,861	\$ 2,105,176
CHI Loan; interest at 1.90%; principal and interest due at maturity December 31, 2063	450,000	450,000
SRC Loan; interest at 1.90%; principal and interest due at maturity December 31, 2063	2,028,771	1,730,471
TCAP Loan; interest at 1.90%; principal and interest due at maturity December 31, 2063	1,873,936	1,686,542
Sellers Note, interest at 1.90%; principal and interest due annually beginning in 2023 through maturity December 2063	<u>4,150,385</u>	<u>4,150,385</u>
	<u>\$10,799,953</u>	<u>\$10,122,574</u>

All notes are due from Shelby House I, LP. Except for the Barnes Housing Trust Fund Loan and Sellers Note, the notes receivables are secured by deeds of trust. The Barnes Housing Trust Fund and Sellers Note are unsecured. All notes are subordinate to Shelby House I, LP's construction loan note and bridge loan note. Settlement of the notes receivable are in conjunction with a purchase option contained within the Organization's facility lease agreement. See Note 6.

## Notes To Financial Statements

### NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 and 2024, consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 57,480	\$ 57,480
Improvements	3,210	-
Equipment	67,908	52,800
Vehicles	235,296	167,399
Furniture and fixtures	<u>1,220,558</u>	<u>1,219,275</u>
	1,584,452	1,496,954
Accumulated depreciation	<u>(407,775)</u>	<u>(201,696)</u>
Total property and equipment, net	<u>\$1,176,677</u>	<u>\$1,295,258</u>

### NOTE 6. LEASES

In conjunction with the Shelby House project as described in Note 11, the Organization leases its facilities under a lease agreement with Shelby House 1, LP. The lease does not meet the definition of a lease within ASC 842 and therefore no right-of-use asset and lease liability has been recorded. The lease expires in December 2044. Under the terms of the lease, the Organization pays annual rents of \$1 plus operating expenses. The lease contains a purchase option whereby the Organization may purchase the facilities for the value of the notes receivable as described in Note 4. Rent expense for facilities, which includes in-kind contributed rent, was \$1,925,000 and \$641,671 for the years ended June 30, 2025 and 2024, respectively.

In addition, the Organization leases office equipment under an operating lease agreement that expires in June 2026. Monthly rents are fixed at \$286. The Organization elected not apply the provision of ASC 842 as management determined the amounts were not material to the financial statements. Future minimum rental payments for 2026 are \$3,143.

### NOTE 7. FUNDING CONCENTRATION

The Organization receives a major portion of the funds that it uses to conduct its programs from the Tennessee Department of Mental Health and Substance Abuse Service under several federal grant contracts and multiple state grant contracts. This represents approximately 55% of the Organization's total support and revenue as of June 30, 2025. A major reduction of funds from one of the grants, should this occur, would have a material effect on the programs and the financial position of the Organization.

### NOTE 8. EMPLOYEE BENEFIT PLAN

The Organization has a 401(k) plan for all eligible employees of the Organization. The Organization contributes 5% of an eligible employee's salary. Contributions were \$12,443 and \$4,416 for the years ended June 30, 2025 and 2024, respectively.

### NOTE 9. FAIR VALUE MEASUREMENTS

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

## Notes To Financial Statements

### NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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 need to 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. There have been no changes in the methodologies used at June 30, 2025 and 2024.

*Cash sweep:* Carrying amount is a reasonable estimate of fair value given the short term nature.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Certificates of deposits, Bonds and U.S. Treasury Notes:* The fair value of certificate of deposit, bonds and U.S. Treasury Notes are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for specific securities but rather by relying in the securities' relationship to other benchmark quoted securities (Level 2).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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 fair value measurement at the reporting date.

The tables below present the recorded amount of assets measured at fair value on a recurring basis at June 30, 2025 and 2024:

	<b>Balance as of June 30, 2025</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Other Unobservable Inputs (Level 3)</b>
Mutual funds:				
Equities	\$1,124,780	\$1,124,780	\$ -	\$ -
Fixed income	<u>206,645</u>	<u>206,645</u>	<u>-</u>	<u>-</u>
Total mutual funds	1,331,425	1,331,425	-	-
U.S. Treasury Notes	32,005	-	32,005	-
Cash sweep	11,543	11,543	-	-
Bonds	<u>86,287</u>	<u>-</u>	<u>86,287</u>	<u>-</u>
Total assets at fair value	<u>\$1,461,260</u>	<u>\$1,342,968</u>	<u>\$118,292</u>	<u>\$ -</u>

## Samaritan Recovery Community, Inc.

## Notes To Financial Statements

## NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

	Balance as of June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Mutual funds:				
Equities	\$1,094,753	\$1,094,753	\$ -	\$ -
Fixed income	<u>33,084</u>	<u>33,084</u>	-	-
Total mutual funds	1,127,837	1,127,837	-	-
Certificates of deposit	49,620	-	49,620	-
U.S. Treasury Notes	98,593	-	98,593	-
Cash sweep	4,168	4,168	-	-
Bonds	<u>36,516</u>	<u>-</u>	<u>36,516</u>	<u>-</u>
Total assets at fair value	<u>\$1,316,734</u>	<u>\$1,132,005</u>	<u>\$184,729</u>	<u>\$ -</u>

## NOTE 10. DEFERRED GRANT REVENUE

In connection with the Shelby House Project described in Note 11, the Organization received two grants, \$450,000 from the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) and \$1,873,936 from the Tennessee Housing Development Agency (THDA). The grants contain restrictive covenants whereby the Organization would be obligated to repay the grants should the restrictive covenants not be met.

The TDMHSAS grant requires the property units to be maintained for twenty years for Tennessee adults behavioral health consumers or family households that include at least one adult who has a diagnostic and statistic manual, version mental illness diagnosis or mental illness and co-occurring substance use disorder and have very low income according to definition of U.S. Department of Housing and Urban Development at the time of moving into the unit.

The THDA grant requires the forty-eight property units receiving THDA funding are to be maintained for thirty years for rental housing for extremely low-income individuals, individuals with income at or below 30% of the AMI. Additionally, nine units are to be zero bedroom units, thirty-five units are to be one-bedroom units, and four units are to be two-bedroom units.

## NOTE 11. SHELBY HOUSE PROJECT AND RELATED PARTY TRANSACTIONS

Shelby House is a multi-phase project that provides for mixed-use, mixed-income housing. Phase I consisted of constructing a 70,000 square foot treatment facility for the Organization's operations, 195 units of affordable workforce rental housing for low-income residents and a parking garage. To facilitate the project, Shelby House 1, LP (SH1) was formed. The Organization created a wholly owned subsidiary, SRC Shelby House I GP (SRC GP), which is the general partner of SH1. In December 2024, the Organization sold its existing land to SH1 for phase one construction and received the Sellers Note as described in Note 4. Additionally, the Organization received funding allocated for the development and construction totaling \$6,649,568. These funds were provided to SH1 in return for the notes described in Note 4. SRC GP has not been consolidated as management determined SRC GP is not material.

The second phase of Shelby House, brining an additional 289 units of affordable workforce rental housing for low-income residents, began during the year ended June 30, 2025. To facilitate the project, Shelby House II, LP (SH2) was formed. The Organization created a wholly owned subsidiary, SRC Shelby House II, LLC. (SRC LLC), which is the general partner of SH2. The Organization is scheduled to receive \$4,000,000 in funding for development and construction which will be provided to SH2 for which the Organization will receive a note receivable. For the year ended June 30, 2025, no funding was received by the Organization. SRC LLC has not been consolidated as management determined SRC LLC is not material.

## Notes To Financial Statements

### NOTE 12. RESTATEMENT OF PRIOR YEAR NET ASSETS

During the year ended June 30, 2023, the Organization provided \$737,107 of funding for the Shelby House project. This funding was originally recorded as an expense. However, the Organization received a note receivable in exchange for the funding. As discussed in Note 10, a \$450,000 grant received during the year ended June 30, 2023, was determined to contain conditions which precluded the grant from being recorded as revenue. In connection with Shelby House Project, during the year ended June 30, 2024, it was determined the Organization did not donate but sold its existing property. The sale of the property was not previously recorded. In connection with the notes receivable discussed in Note 4, accrued interest had not been recorded. During 2024, the Organization determined the gain on sale of property was incorrect as a result of an understatement of accumulated depreciation in the amount of \$82,503. The gain on sale of property has been restated from \$2,940,540 as previously reported to \$3,023,045. Accordingly, property and equipment on the statements of financial position has been restated at June 30, 2024 from the previously reported amount of \$1,212,755 to \$1,295,258. Accordingly, beginning net assets of the Organization have been restated to reflect these changes. The impact of the restatement on net assets as previously reported is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Total net assets at June 30, 2023, as previously reported	\$4,066,859	\$ -	\$4,066,859
Decrease in grant revenue	(450,000)	-	(450,000)
Decrease in construction expense	737,107	-	737,107
Increase in accrued interest receivable	125,288	-	125,288
Gain on sale of property	<u>3,023,043</u>	<u>-</u>	<u>3,023,043</u>
Total net assets at June 30, 2023, as restated	<u>\$7,502,297</u>	<u>\$ -</u>	<u>\$7,502,297</u>

### NOTE 13. COMMITMENTS AND CONTINGENCIES

The Organization is currently involved in a civil investigation conducted by the U.S. Department of Justice (DOJ) regarding alleged noncompliance with the Americans with Disabilities Act (ADA). The DOJ has proposed a settlement in the amount of \$150,000. The Organization has contested the findings and issued a counteroffer of \$15,000. As of the date these financial statements were available to be issued, the DOJ has not responded to the counteroffer. The Organization's primary objective is to resolve the investigation for a reasonable sum without resorting to litigation; however, the final outcome of these negotiations remains uncertain.

Management, in consultation with legal counsel, believes that a loss is reasonably possible. Because a definitive settlement amount has not been reached, the Organization has not accrued a liability for this matter as of June 30, 2025. The range of potential loss is estimated to be between \$15,000 and \$150,000.

Samaritan Recovery Community, Inc.

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
JUNE 30, 2025**

Grantor	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed through Tennessee Department of Mental Health and Substance Abuse Services</b>			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	82366	\$ 1,690,496
Addiction Recovery Services - COVID-19	93.959	82413	<u>92,905</u>
Total			<u>1,783,401</u>
State Opioid Resposne - Spoke	93.788	78005	343,080
Grants to states from Meidcare	93.778	86284	<u>310,434</u>
Total Medicaid Cluster			<u>310,434</u>
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	82370	218,875
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>2,655,790</u>
<b>STATE AWARDS</b>			
<b>TENNESSEE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES</b>			
Continuum of Care Services	N/A	82366	217,707
Continuum of Care Services (TennCare Shared Savings)	N/A	82366	179,995
ADAT Treatment	N/A	82370	145,361
ADAT Supervised Probation	N/A	82370	54,991
Addiction Recovery Program	N/A	82372	169,994
TDOC SFY	N/A	82368	84,579
OAC Community Treatment	N/A	84898	254,644
Public Behavioral Health Workforce Sign-On	N/A	80974	33,750
Supportive Housing Recovery		82375	<u>59,339</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>1,200,360</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 3,856,150</u>

The Notes to Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

## Notes To Schedule of Expenditures of Federal and State Awards

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### NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of the Organization under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

### 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

### NOTE 3. INDIRECT COST RATE

The Organization has elected not to use the applicable de minimis indirect cost rate allowed under the Uniform Guidance.

### NOTE 4. PAYMENTS TO SUBRECIPIENTS

There were no payments made to subrecipients during the year ended June 30, 2025.



## 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*

**To the Board of Directors  
Samaritan Recovery Community, Inc  
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 financial statements of Samaritan Recovery Community, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 13, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 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*.

### Organization's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Chattanooga, Tennessee  
April 13, 2026



## Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

**To the Board of Directors  
Samaritan Recovery Community, Inc  
Nashville, Tennessee**

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Samaritan Recovery Community, Inc.'s 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 Samaritan Recovery Community, Inc.'s major federal program for the year ended June 30, 2025. Samaritan Recovery Community, Inc.'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, Samaritan Recovery Community, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Samaritan Recovery Community, Inc. 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 Samaritan Recovery Community, Inc.'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 Samaritan Recovery Community, Inc.'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 Samaritan Recovery Community, Inc.'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 generally accepted auditing standards, *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 Samaritan Recovery Community, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Samaritan Recovery Community, Inc.'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 Samaritan Recovery Community, Inc.'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 Samaritan Recovery Community, Inc.'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.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
April 13, 2026

## Schedule of Findings and Questioned Costs

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### SECTION I - SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified  Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified  Yes  None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes  No

Identification of major programs:

#### Federal Assistance Listing Number

93.959

#### Name of Federal Program or Cluster

Block Grant for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

## Schedule of Findings and Questioned Costs

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### SECTION II - FINANCIAL STATEMENT FINDINGS

#### **Finding 2025-001**

**Criteria:** Effective internal control over financial reporting requires that all significant balance sheet accounts be reconciled to supporting documentation and subsidiary ledgers on a periodic basis (typically monthly). This is a fundamental control to ensure that financial data is accurate, complete, and valid in accordance with Generally Accepted Accounting Principles (GAAP).

**Condition** During our audit for the year ended June 30, 2025, we identified that the Organization did not perform timely or comprehensive reconciliations between the general ledger (GL) and the underlying subsidiary records. This included accounts receivable, prepaid assets, capital assets, accrued expenses, and deferred revenue.

**Cause:** The deficiency was caused by the lack of a formalized month-end closing process.

**Effects:** Without regular reconciliations, there is an increased risk that material misstatements, whether caused by error or fraud, could occur and remain undetected. This condition results in inaccurate financial reporting to the governing board and year-end audit adjustments needed to correct account balances.

**Questioned Costs:** There were no questioned costs.

**Context:** The audit process identified misstatements that required audit adjustments to the financial statements. Specifically, audit adjustments were necessary to decrease total assets by \$62,874 and increase total liabilities by \$8,013. These cumulative adjustments resulted in a total decrease to the change in net assets of \$70,887.

**Recommendation:** We recommend that the Organization develop a month end closing process that includes (1) all GL balance sheet accounts to be reconciled to subsidiary records within a determined number of days (e.g. 15 days) of month end; (2) all reconciliations are documented, dated, and signed by the preparer and reviewer (management level personnel) to ensure accuracy and completeness; (3) all reconciliations and the supporting subsidiary records are maintained to provide a supportable audit trail.

**Views of Responsible Officials:** We agree with the finding and intend to implement appropriate processes and procedures to mitigate the finding.

### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

## Schedule of Prior Audit Findings

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### SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001

Status: Fully corrected.

### SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.



# Samaritan

RECOVERY COMMUNITY

Where change begins with a single step.

April 13, 2026

Corrective Action Plan: 2025-001

Name of Responsible Person:

Management acknowledges the finding and has already begun implementing the following procedures to address the lack of account reconciliations:

1. The Organization will develop and implement a formal month end closing checklist that lists each balance sheet account requiring reconciliation to the subsidiary records (e.g. accounts receivable and payable, capital assets, accrued expenses)
2. Management has reviewed the audit adjustments and has corrected the underlying subsidiary records to ensure the beginning balances for the next fiscal year are accurate and supported.
3. To ensure oversight, review of the reconciliations will verify that the total on the subsidiary records agrees the general ledger balances or that any variance is documented, supportable, and explained.

Anticipated Corrective: Date: May 31, 2026

Sincerely,

Mark C. Lasko, PhD.  
*CEO / Executive Director*  
Samaritan Recovery Community

**AMENDMENT #1 TO GRANT CONTRACT #2024-R13-LDC  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
LIVING DEVELOPMENT CONCEPTS, INC.**

This contract amendment is entered into by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH THE METROPOLITAN HOUSING TRUST FUND COMMISSION**, a municipal corporation of the State of Tennessee (hereinafter referred to as "**Metro**") and **LIVING DEVELOPMENT CONCEPTS, INC.** (hereinafter referred to as "**Recipient**"). It is mutually understood and agreed by and between said undersigned contracting parties that the subject Grant Contract approved is hereby amended as follows:

1. Grant contract section B.1 is deleted in its entirety and replaced with the following:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 36 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within thirty-six months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

The remaining provisions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Contract:

**Recipient: LIVING DEVELOPMENT CONCEPTS, INC.**

By: Henry Miller  
Henry Miller, Executive Director

Date: 5/27/2026

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

**APPROVED:**

*Peter Westerholm*

Peter Westerholm, Chair  
Metropolitan Housing Trust Fund Commission

6/2/2026

Date

**APPROVED AS TO AVAILABILITY OF FUNDS:**

Signed by:

*Jennicee Reed*

Jennicee Reed, Director  
Department of Finance

6/23/2026

Date

Signed by:

**TO RISK AND INSURANCE:**

*Balogun Cobb*

Balogun Cobb

Direct of Risk Management Services

6/23/2026

Date

**APPROVED AS TO FORM AND LEGALITY:**

Signed by:

*Kelli Woodward*

Kelli Woodward

Assistant Metropolitan Attorney

6/24/2026

Date

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

Freddie O'Connell  
Metropolitan County Mayor

Attest, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

**FILED IN THE OFFICE OF THE METROPOLITAN CLERK:**

Metropolitan Clerk

Date

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**INDEPENDENT AUDITORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2025 AND DECEMBER 31, 2024**

**LIVING DEVELOPMENT CONCEPTS, INC.  
INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

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**LIVING DEVELOPMENT CONCEPTS, INC.**

Roster of Board of Directors and Executive Staff as of December 31, 2025

**Board of Directors**

Rashena Wright .....	Chairperson
Derrick Miller.....	Vice Chairperson
Marvelyn Kinzer .....	Treasurer
Lori L. Newberry.....	Secretary
Robert Stockard, Jr.....	Member

**Executive Staff**

Henry Miller.....	Executive Director/CEO
Duanna Murphy.....	Co-Executive Director
Derrick Miller.....	Program Director



CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors of  
Living Development Concepts, Inc.  
3250 Dickerson Pike, Suite 212  
Nashville, TN 37207

### **Opinion**

We have audited the financial statements of Living Development Concepts, Inc., which comprise the statement of financial position as of December 31, 2025 and December 31, 2024, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Living Development Concepts, Inc. as of December 31, 2025 and December 31, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Living Development Concepts, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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



SPD CPA Firm  
Nashville, TN  
June 1, 2026

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 AND DECEMBER 31, 2024**

	<b>2025</b>	<b>2024 - RESTATED</b>
<b>Assets</b>		
Current assets		
Cash and Cash Equivalents	\$ 892,746	\$ 1,239,875
Investment Property	1,067,624	725,308
Total current assets	1,960,370	1,965,183
Fixed Assets		
Right of Use Asset	6,047	13,934
Property	178,770	178,770
Furniture and Equipment	12,750	8,850
Accumulated Depreciation	(94,126)	(86,298)
Total fixed assets	103,441	115,256
<b>Total assets</b>	<b>\$ 2,063,811</b>	<b>\$ 2,080,439</b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts Payable	\$ -	\$ 193,428
Lease Liability- Current Portion	6,047	7,887
Rental Security Deposits	1,660	1,660
Note Payable	240,029	87,279
Total current liabilities	247,736	290,254
Long-term liabilities		
Lease Liability-LT Portion	-	6,047
<b>Total liabilities</b>	<b>247,736</b>	<b>296,301</b>
Net Assets		
Without Donor Restrictions	569,681	880,060
With Donor Restriction	1,246,394	904,078
Total net assets	1,816,075	1,784,138
<b>Total liabilities and net assets</b>	<b>\$ 2,063,811</b>	<b>\$ 2,080,439</b>

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

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Gross tenant rent potential	\$ 26,890	\$ -	\$ 26,890
Less: Vacancy	-	-	-
Net tenant rent potential	<u>26,890</u>	<u>-</u>	<u>26,890</u>
Grant Revenue	-	449,839	449,839
Concession Events	559,741	-	559,741
Developer Fees	40,200	-	40,200
Other Income	8,026	-	8,026
Net Assets Released From Restrictions	<u>107,523</u>	<u>(107,523)</u>	<u>-</u>
Total Operating Revenue	<u>742,380</u>	<u>342,316</u>	<u>1,084,696</u>
Expenses			
Affordable Housing	1,026,530	-	1,026,530
General and Administrative	<u>26,229</u>	<u>-</u>	<u>26,229</u>
Total Expenses	<u>1,052,759</u>	<u>-</u>	<u>1,052,759</u>
Change in Net Assets	(310,379)	342,316	31,937
Net Assets, Beginning of Year	<u>880,060</u>	<u>904,078</u>	<u>1,784,138</u>
Net Assets, End of Year	<u>\$ 569,681</u>	<u>\$ 1,246,394</u>	<u>\$ 1,816,075</u>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF ACTIVITIES - RESTATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Gross tenant rent potential	\$ 22,800	\$ -	\$ 22,800
Less: Vacancy	-	-	-
Net tenant rent potential	<u>22,800</u>	<u>-</u>	<u>22,800</u>
Grant Revenue	62,555	426,563	489,118
Concession Events	525,747	-	525,747
Other Income	3,409	-	3,409
Net Assets Released From Restrictions	679,641	(679,641)	-
Total Operating Revenue	<u>1,294,152</u>	<u>(253,078)</u>	<u>1,041,074</u>
Expenses			
Affordable Housing	1,006,173	-	1,006,173
General and Administrative	46,319	-	46,319
Total Expenses	<u>1,052,492</u>	<u>-</u>	<u>1,052,492</u>
Change in Net Assets	241,660	(253,078)	(11,418)
Net Assets, Beginning of Year	638,400	1,157,156	1,795,556
Net Assets, End of Year	<u>\$ 880,060</u>	<u>\$ 904,078</u>	<u>\$ 1,784,138</u>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 31,937	\$ (11,418)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,827	6,936
(Decrease) Increase in accounts payable	(193,428)	193,428
Decrease (Increase) in right of use asset	7,887	9,557
Net cash (used) provided by operating activities	<u>(145,777)</u>	<u>198,503</u>
<b>Cash flows from investing activities</b>		
Investment property	(1,009,211)	-
Sale of investment property	666,895	253,078
Donation of fixed assets	(3,900)	-
Net cash (used) provided by investing activities	<u>(346,216)</u>	<u>253,078</u>
<b>Cash flows from financing activities</b>		
Lease Liability	(7,887)	(9,557)
Draws on Housing Fund Note	437,220	496,977
Payments on Housing Fund Note	(284,469)	(409,698)
Net cash provided by financing activities	<u>144,864</u>	<u>77,722</u>
Net (decrease) increase in cash and cash equivalents	(347,129)	529,303
Cash and cash equivalents, beginning of year	1,239,875	710,572
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 892,746</u></u>	<u><u>\$ 1,239,875</u></u>
Interest Paid	<u>\$ 20,432</u>	<u>\$ 6,869</u>

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

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<b>Affordable Housing</b>	<b>General and Administrative</b>	<b>Total</b>
Bank Service Charges	\$ -	\$ 270	\$ 270
Advertising and Promotions	-	100	100
Automobile Expense	-	461	461
Business License and Permits	-	31	31
Charitable Contributions	-	100	100
Computer and Internet Expenses	-	2,145	2,145
Contract Labor	492,072	-	492,072
Insurance Expense	5,940	1,254	7,194
Interest and Fees Expense	20,432	-	20,432
Office Supplies	-	662	662
Payroll Expenses	135,781	-	135,781
Professional Fees	270,637	7,685	278,322
Amortization of Right of Use Asset	-	7,887	7,887
Meals and Entertainment	-	820	820
Repairs and Maintenance	1,650	-	1,650
Settlement Charges	44,932	-	44,932
Taxes - Property	4,002	-	4,002
Utilities	736	-	736
Depreciation	7,827	-	7,827
Dues and Subscriptions	-	1,867	1,867
Payroll Processing Fee	-	1,762	1,762
Volunteer Reimbursements	15,050	-	15,050
Application Fee	576	-	576
Merchant Card Processing Fee	-	1,185	1,185
Loss on Sale of Investment	26,895	-	26,895
<b>Total Expenses</b>	<b>\$ 1,026,530</b>	<b>\$ 26,229</b>	<b>\$ 1,052,759</b>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Affordable Housing</b>	<b>General and Administrative</b>	<b>Total</b>
Bank Service Charges	\$ -	\$ 242	\$ 242
Advertising and Promotions	-	681	681
Automobile Expense	-	90	90
Business License and Permits	-	40	40
Charitable Contributions	-	5,251	5,251
Computer and Internet Expenses	-	2,435	2,435
Contract Labor	470,000	-	470,000
Insurance Expense	6,448	2,011	8,459
Interest Expense	6,869	-	6,869
Miscellaneous Expense	10,793	-	10,793
Office Supplies	-	552	552
Payroll Expenses	103,477	-	103,477
Professional Fees	230,299	18,466	248,765
Amortization of Right of Use Asset	-	9,557	9,557
Rent Expense	-	1,930	1,930
Repairs and Maintenance	75	-	75
Settlement Charges	69,285	-	69,285
Taxes - Property	8,759	-	8,759
Depreciation	6,936	-	6,936
Dues and Subscriptions	-	1,595	1,595
Payroll Processing Fee	-	1,988	1,988
Volunteer Reimbursements	24,875	-	24,875
Application Fee	2,750	-	2,750
Merchant Card Processing Fee	-	1,481	1,481
Loss on Sale of Investment	65,607	-	65,607
<b>Total Expenses</b>	<b>\$ 1,006,173</b>	<b>\$ 46,319</b>	<b>\$ 1,052,492</b>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

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**NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY  
OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of the Organization

Living Development Concepts, Inc. (The Organization), is a Tennessee Not-For-Profit corporation. The Organization is a Community Housing Development Organization established to transform communities by innovative partnership and initiatives that revitalizes neighborhoods by creating affordable housing for eligible populations.

Programs

***ABC's of Home Ownership Program- Education:***

The Organization develops housing solutions for qualified first-time buyers earning low-to-moderate incomes. The Organization provides free workshops and one-on-one sessions to help individuals understand what is required and to navigate through the home buying process.

***Affordable Housing Program:***

The Organization's mission is to promote home ownership through education and development. We build, renovate, sell, and rent affordable housing for veterans, seniors, families and individuals that are at or below eighty percent of the area medium income.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly revenue is recognized when earned, support and promises to give are recognized when received and expenses are recorded when incurred.

The financial statements presentation follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification (FASB ASC 958), Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958, The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets Without Donor Restrictions — Net assets that are not restricted by purpose or time either temporarily or permanently by explicit donor stipulations or by law. Board designation does not constitute a donor restriction.

Net Assets With Donor Restrictions — Net assets that are restricted by purpose or time either temporarily or permanently by explicit donor stipulations or by law.

At December 31, 2025 and December 31, 2024, The Organization had \$1,246,394 and \$904,078, respectively in assets with donor restrictions. See Note 4.

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

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Revenue, Support, and Expenses

The Organization receives contributions from corporations and individual donors and recognizes revenue when cash or a firm promise to give is obtained.

Contributions received are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Functional Expenses

Management allocates expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditures classification. Other expenses that are common to several programs are allocated based on various relationships.

In-Kind Donations

The Organization follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification (FASB ASC 958), Financial Statements of Not-for-profit Organizations regarding contributions received and contributions made. These standards require recording the value of donated goods or services that create or enhance non-financial assets require specialized skills. Subject matter experts lend their time and talents at no charge to spare the organization the cash outlay for such goods and services rendered. All in-kind donations are captured and reported appropriately in the Organization's financial records.

The Organization records donated goods at fair value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a tax-exempt entity under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income tax is considered necessary.

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

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Fixed Assets

Disbursements for property and equipment are capitalized and reflected in the statement of financial position at cost. Expenditures for additions and major improvements are capitalized while those for maintenance and repairs are charged to expenses as incurred. Depreciation, which is reflected as an expense in the statement of activities, is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	3—10
Buildings	20—39

**NOTE 2—LIQUIDITY AND AVAILABILITY**

As of December 31, 2025 and December 31, 2024, The Organization has \$892,746 and \$1,239,875, respectively of financial assets, consisting of cash and money market funds, available within one year of the statement of financial position date to meet cash needs for general expenditures.

**NOTE 3—INVESTMENT PROPERTY**

The Organization periodically receives undeveloped land from the Metropolitan Government of Nashville and Davidson County to develop and sell or rent the property for affordable housing. As of December 31, 2025 and December 31, 2024, the land plus improvements totaled \$1,067,624 and \$725,308, respectively, consisting of the following properties:

**December 31, 2025:**

Lot at 908 28 <sup>th</sup> Ave	\$ 216,473
Lot at Dabbs Ave	287,054
Lot at 8 Cannon St	323,660
Lot at Ezell Rd	44,117
Lot at 169 Old Hermitage	68,017
Lot at 919 43 <sup>rd</sup> Ave N	56,015
Lot at 2909 Booker St	72,288
<b>TOTAL</b>	<b>\$ 1,067,624</b>

**December 31, 2024:**

Lot at 908 28 <sup>th</sup> Ave	\$ 69,699
Lot at 1601 Wheless St	138,203
Lot at 0 Dabbs Ave	42,315
Lot at 8 Cannon St	95,050
Lot at 0 Ezell Rd	40,450
Lot at 169 Old Hermitage	59,550
Lot at 919 43 <sup>rd</sup> Ave N	51,350
Lot at 2909 Booker St	58,750
Lot at 229 Center Ct	169,941
<b>TOTAL</b>	<b>\$ 725,308</b>

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

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**NOTE 4—ASSETS WITH DONOR RESTRICTIONS**

Total Net Assets with Donor Restrictions as of December 31, 2025 and December 31, 2024, was \$1,246,394 and \$904,078 respectively based on the following agreements:

The Organization entered into agreements with Metropolitan Government of Nashville and Davidson County to receive property and grant funds for the construction of affordable housing units. The Affordability Period will commence upon the signing of the declaration and continuing for a period of thirty (30) years thereafter. The intent is to preserve these properties for low-income citizens of Davidson County.

Once the property is sold, the Organization is released from its restriction. If the property is maintained as rental property, the restriction remains for the affordability period of 30 years.

As of December 31, 2025 and December 31, 2024, these investment properties totaled \$1,067,624 and \$725,308, respectively (See Note 3).

The Organization entered into an agreement with the Metropolitan Development and Housing Agency (MDHA) in accordance with the Neighborhood Stabilization Program 2 (NSP2):

1. 1611 21 <sup>st</sup> Avenue North	\$ 100,000
2. 1102 Clay Street	<u>78,770</u>
Total	<u>\$ 178,770</u>

In consideration for the funds received, the following restrictions are placed on the property:

1. For the entire Affordability Period, the property shall be occupied only by households whose incomes meet the requirements described below.
2. The property must be set aside for households that that qualify as middle-income households, which select households must have annual incomes that do not exceed 50 to 120 percent of the area median income, as determined by HUD and in accordance with the NSP2 Requirements, as may be amended from time to time.
3. The foregoing income and rent restrictions (the Affordability Restrictions) shall begin at Project Completion, which is defined as the date on which all necessary title transfer requirements and construction work have been performed, and MDHA has entered the project completion information into the disbursement and information system established by HUD. The Affordability Restrictions shall continue for a period of 20 years beginning on the date of Project Completion (the Affordability Period). The Property must remain affordable for the entire Affordability Period.
4. The Affordability Restrictions may be released in writing by MDHA in its sole discretion, prior to the end of the Affordability Period. A sale by foreclosure or transfer in lieu of foreclosure under a deed of trust encumbering the Property that has priority shall terminate the Affordability Period and the Affordability Restrictions, to the extent permitted by HUD.

**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

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**NOTE 5—NOTE PAYABLE**

In March 2025, the Organization received a loan commitment in the amount of \$450,000 from the Housing Fund for the development of three affordable housing units.

The loan is for a term of 12 months, interest-only with a balloon payment after the expiration of the interest-only term. Interest rate is listed as prime, currently between 6.75% and 7.50%. The balance of the loan as of December 31, 2025 was \$240,029.

In June 2024, the Organization received a loan commitment in the amount of \$291,450 from the Housing fund for the development of affordable housing units. The loan term was 12 months, interest-only with a balloon payment after the expiration of the interest only term. Interest rate of prime-floating. The balance of the loan as December 31, 2024 was \$87,279. The loan was repaid in March 2025.

**NOTE 6—RIGHT OF USE ASSETS**

The Organization leases office space in the building known as The Ellwood, located at 3250 Dickerson Pike under a non-cancelable operating lease classified as a right of use asset. The term of the lease is 36 months and commenced on October 1, 2023.

Future minimum lease payments under the lease recorded as Right of Use asset and lease liability are as follows

2026	6,047
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**NOTE 7—CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject The Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At December 31, 2025 and December 31, 2024, The Organization had \$642,746 and \$989,875, respectively, in excess of the FDIC insured limit.

**NOTE 8—PRIOR YEAR RESTATEMENT**

Prior year net assets were restated to include investment property and rental property as assets with donor restrictions.

**NOTE 9--SUBSEQUENT EVENTS**

The following investment properties were sold:

- In January 2026, investment property at 8 Cannon St. was sold for \$295,000
- In April 2026, investment property at 908 28<sup>th</sup> Ave North was sold for \$326,000

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024**

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In May 2026, all outstanding balances to The Housing Fund were repaid.

There were no other subsequent events requiring disclosure as of June 1, 2026 the date management evaluated such events. June 1, 2026 is the date the financial statements were available to be issued.



**Division of Business and Charitable Organizations**  
**Department of State**  
 State of Tennessee  
 312 Rosa L. Parks Avenue, 6th Floor  
 Nashville, Tennessee 37243  
 Phone: 615-741-2286  
[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

**Tre Hargett**  
 Secretary of State

HENRY MILLER  
 3250 DICKERSON PIKE, SUITE 212  
 NASHVILLE, TN 37207, USA

03/31/2026

**Request Type: Certificate of Existence/Authorization**

Issuance Date: 03/27/2026

Request #: C2026033292

**Document Receipt**

Order Number: C2026033292

Verification #: 22A0CF6C

Receipt #: 2026-389632

Filing Fee: \$20.00

Payment: eCheck - 3918488939

\$20.00

Entity Name:	LIVING DEVELOPMENT CONCEPTS, INC.	Initial Filing Date:	05/11/2001
SOS Control #:	000407965	Formation Locale:	Tennessee
Entity Type:	Nonprofit Corporation	Duration Term:	Perpetual
Status:	Active	Annual Report Due:	09/01/2026
Fiscal Year Close:	May	Religious Type:	Non-Religious
Business County:	DAVIDSON		
Benefit Type:	Public Benefit Corporation		

**CERTIFICATE OF EXISTENCE**

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

**LIVING DEVELOPMENT CONCEPTS, INC.**

- \* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- \* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- \* has filed the most recent annual report required with this office;
- \* has appointed a registered agent and registered office in this State;
- \* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
 Secretary of State

Tennessee Secretary of State  
Tre Hargett



Division of Business and Charitable Organizations  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243-1102

May 27, 2025

Mr. HENRY MILLER  
3250 DICKERSON PIKE, SUITE 212  
NASHVILLE, TN 37207 USA

**RE:** Registration to Solicit Funds for Charitable Purposes  
Organization Name: LIVING DEVELOPMENT CONCEPTS, INC.  
CO Number: CO5229  
Renewal Date: 06/30/2026

Dear Mr. HENRY MILLER :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett  
Secretary of State

**By Laws**

**Of**

**Living Development**

**Concepts, Inc.**

## ARTICLE I

### Living Development Concepts, Inc.

The name of the Corporation is Living Development Concepts, Inc. It is intended that the Corporation shall have the status of Corporation which is exempt from federal income taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future federal tax laws not for profit, as an organization described in Section 501 (c) (3) of the Code.

## ARTICLE II

### OFFICES

**Section 2.1 Corporate Office.** The principal office of the Corporation shall be located at 3250 Dickerson Pike, Suite 212, Nashville, Tennessee, 37207. In addition to its registered and principal offices the corporation may have other offices and/or facilities at such other places as the Board of Trustees may from time to time determine and as the business of the Corporation may require. The address of the principal office may be changed by the Board of Trustees by amendment to the Corporation's Charter.

**Section 2.2 Registered Office.** The registered office of the Corporation required to be maintained in the State of Tennessee Nonprofit Corporation Act, as amended from time to time may, but need not, be identical with the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by Board of Trustees.

## ARTICLE III

### PURPOSE AND USE OF FUNDS

**Section 3.1 Purposes.** The purpose of the Corporation is to provide training and education to young men and women in the construction industry as well as assist with finding employment. The Corporation is to build homes including affordable homes for low income families. The Corporation is organized exclusively for religious, charitable, scientific, literary, and educational purposes within the meaning of Section 501 (c)(3) of the Code, including the receipt and acceptance of property, whether real, personal, or mixed, by gift or bequest from any person or entity; the retention, administration and investment of such property in accordance with the terms of the Corporation's Charter and these By-Laws; and the distribution of such property for the Charitable Purposes as herein delineated and/or (a) one or more organizations described in Section 501 (c)(3) of the Code and either Section 509 (a) (1) or Section 509 (a)(2) of the Code, Contributions to which are deductible under Section 170 (c)(2) , Section 2055(a) and Section 2522 (a) of the Code, or (b) A State, a possession of the United States, or any political subdivision of any of the forgoing, or the United States or the District of Columbia, contribution to which are deductible under Section 170 (c)(1), Section 2055 (a) and Section 2522 (a) gift or bequest of property be received or accepted in such a manner as to require the disposition of its income or principal to any person, governmental unit or organization, other than a Qualified Beneficiary or for other than Charitable Purposes.

**Section 3.2 Use of Funds.** In making distribution to effectuate the religious, charitable, scientific, literacy and educational purposes of the Corporation, as delineated in Section 3.1 above, the Board of Trustees shall have the authority to make distributions if both income and principal in such promotions and amounts as the Board of Trustees, in its discretion, determines advisable, provided that all such distributions are consistent with all applicable federal tax laws and regulations as herein provide. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, nonprofits of the Corporation shall be distributable to, or inure to; the benefit of its trustees or officers or any other private person, except as provided in Section 5.11, Section 6.10 and Article XI as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, as set forth in the Charter and Section 3.1 above. No substantial part of the activities of the Corporation shall be the carrying on of the propaganda, or be the participation in, or intervention in (including the publishing or distribution of statement), any political campaign on behalf of (or in opposition to) any candidate for public office.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 3.3 Administration of Funds.** In the event the Corporation is a private foundation within the meaning of Section 509 of the Code for a taxable year, the Corporation (a) tax on undistributed its income for each tax year in such manner so that it will not become subject to the tax on undistributed income for each tax year, in such a manner so that it will not become subject to the self-dealing, as defined in Section 4941 (d) of the Code (c) shall not retain any excess business holdings, as defined in Section 4943 (c) of the Code; (d) shall not make any investments in a manner expenditures, as defined in Section 4945 (d) of the Code. In order to fully effectuate the provisions of these Sections the Corporation shall adopt such procedures, and shall otherwise adhere to such administrative requirements as may from time to time be necessary, in order to fully comply with all applicable federal tax laws and regulations.

**Section 3.4 Termination of Corporation.** The Board of Trustees shall have the authority to terminate the Corporation at any time that, by a unanimous vote, it deems such termination appropriate or advisable. In such event, after paying, or making provision for the payment of all liabilities of the Corporation exclusively for Charitable Purposes, any assets not so distributed shall be distributed to one or more Qualified Beneficiaries, as the Board of Trustees shall determine. Any assets not so disposed of by the Board of Trustees shall be disposed of by the court having equity jurisdiction in the county in which the principal; office of the Corporation is then located, with the distribution of assets to be made for such Charitable Purposes, or to such Qualified Beneficiaries, as such court shall determine.

**ARTICLE IV**

**MEMBERS**

**Section 4.1 Non-Members.** The Corporation shall have members with no voting rights, no meeting requirements, and no compensations. Memberships are given to donors who contribute between \$500.00 and more to the organization. Recognition of membership will be distributed in publication.

By Laws  
Of  
Living Development Concepts, Inc.

ARTICLE V

BOARD OF TRUSTEES

**Section 5.1 General Powers.** The business and affairs of the Corporation shall be supervised by its Board of Trustees, which shall exercise in the name of and behalf of the Corporation all of the rights and privileged legally exercisable by the Corporation as a corporate entity, except as many otherwise be provided by law, the Charter, or these By-laws. The Board of Trustees, as the governing body of the corporation, shall have the authority to receive, administer, invest and distribute property on behalf of the Corporation in accordance with the provisions set forth in these By-laws. May serve as committee members and give advice or make recommendations.

**Section 5.2 Number, Tenure and Qualifications.** The number of the members of the Board of Trustees shall be not less than three (3) not more than nine (9). However, the number of trustees may be increased or decreased from time to time by the Board of Trustees by amendment of these By-laws, but no decrease shall have the effect of shortening the term of an incumbent trustee or reducing the number of trustees below three (3). The initial members of the Board of Trustees shall be appointed by the Incorporate(s) for staggered terms of approximately one, two and three years, in order properly to stagger the terms thereafter and permit expiration of terms immediately following the annual meeting.

In the event additional members are added to the Board of Trustees, the initial terms of office of such additional trustees shall be staggered in such a manner to assure that the terms of office of not more than one-half (1/2) of all of the trustees will expire in any one year. The initial members of the Boards of Trustees shall be appointed by the Incorporate(s) to serve until after the first annual meeting of the Board of Trustees and until his or her successor shall have been elected and qualified. At its annual meeting, the Board of Trustees shall elect individuals to serve on the Board of Trustees for a term that does not exceed a period of five (5) years. Each trustee shall hold office until his or her term shall have expired and his or her successor shall have been elected and qualified, or until his or her earlier resignation, removal from office, or death. A retiring trustee may succeed himself or herself. Trustees shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of Tennessee.

**Section 5.3 Advisor Members.** The Board of Trustees may elect advisory members from time to time, who may attend, without vote, all meetings of the Board of Trustees. Advisory members shall serve at the pleasure of Board of Trustees and shall advise and counsel the Board of Trustees on appropriate matters.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.4 Annual Meeting.** The annual meeting of the Board of Trustees shall be held within or without the State of Tennessee on the last business day of the fifth (5th) month following the close of the Corporation's fiscal year, or at such other time and date prior thereto and following the close of the Corporation's fiscal year as shall be determined by the Board of Trustees. The purpose of the annual meeting shall be to elect trustees and officers and transact such other business as may properly be brought before the meeting. If the election of trustees and officers shall not be held on the day herein designated for any annual meeting of the Board of Trustees, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Board of Trustees as soon thereafter as may be convenient.

**Section 5.5 Special Meetings.** Special meetings of the Board of Trustees may be called by the President, or at the request of any trustee. The President shall fix the time and place, either within or without the State of Tennessee, of any special meeting.

**Section 5.6 Notices.** Notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Trustees must be specified in the notice of such meeting and no other business shall be transacted at that meeting.

**Section 5.7 Quorum.** A majority of the total number of Trustees in office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

**Section 5.8 Participation in Meetings.** Each Trustee other than an advisory member shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Trustees. The affirmative vote of a majority of the Trustees present at the meeting at which a quorum is present shall be the act of the Board of Trustees, except as may otherwise be specifically provided by law, by the Charter, or by these By-laws. Members of the Board of Trustees absent from any meetings shall be permitted to vote at such meeting by written proxies. The members of the Board of Trustees or any committee designated by the Board of Trustees, may participate in a meeting of the Board of Trustees, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute in person at such meeting. The Trustees shall be promptly furnished a copy of the minutes of the meetings of the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.9 Actions Without A Meeting.** Any action required or permitted to be taken at a meeting by the Board of Trustees, or by any committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Trustees. The action must be evidenced by the one (1) or more counterparts signed by each member entitled to vote on the action indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Trustees or committee.

A consent signed under the Section shall have the same force and effect as a meeting vote of the Board of Trustees, or any committee thereof, and may be described as such in any document.

**Section 5.10 Vacancies.** Any vacancy occurring in the Board of Trustees including vacancies created by the removal of trustees without cause or for cause may be filled by the affirmative vote of a majority of the remaining trustees in office, so long as the requirements of Section 5.2 are satisfied. A Trustee elected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, or if there is no predecessor until the next election of Trustees. If a vacancy is not filled within ninety (90) days of the event which resulted in there being fewer Trustees than required by the Charter of By-laws, any Trustee may apply to a court having equity jurisdiction in the county in which the Corporation has its principal office to have such court appoint a sufficient number of Trustees so that the corporation will have the number of Trustees required by its Charter or By-laws, whichever number is greater. Any trusteeship to be filled by reason of an increase in the number of trustees may be filled by election by the Board of Trustees for a term of office continuing only until the next election of trustees.

**Section 5.11 Compensation and Reimbursement of Expenses.** Each trustee shall be entitled to receive reasonable compensation, as may from time to time be set by the Board of Trustees for services rendered to the Corporation. In addition, each trustee may be paid his or her reasonable expenses incurred by the trustee directly related to the affairs of the Corporation upon prior approval by the Board of Trustees and proper substantiation of such expenses. No such payments shall preclude any trustee from serving the corporation in any capacity and receiving compensation therefore.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.12 Presumption of Assent.** A trustee of the corporation who is present at a meeting of the Board of Trustees at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be presumed to have assented to the action taken, unless his or dissent shall be entered in the minutes of the meeting, or unless he or shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

**Section 5.13 Resignation.** A trustee may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

**ARTICLE VI**

**OFFICERS**

**Section 6.1 Number.** There shall be a resident and a Secretary of the Corporation, each of whom shall be elected in accordance with the provisions of this Article. The Board of Trustees may also elect one (1) or more Vice-Presidents, a Treasurer, and such other assistant officers, as the Board of Trustees may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the office of President and Secretary.

**Section 6.2 Election and Term of Office.** The initial officers of the corporation shall be elected by the incorporator(s) for a term of office expiring immediately following the first annual meeting of the Corporation. The Board of Trustees at its annual meeting shall elect the officers of the Corporation annually. If the election of the officers shall not be held at such meeting, such election shall be held, as soon thereafter as may be convenient. Each officer shall hold office for a term of one (1) year expiring immediately following the annual meeting at which he or she was elected and until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. A retiring officer may not succeed himself or herself in office, but may be eligible for election to another office or to the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 6.3 President.** The President shall be the principal executive officer of the Corporation. He or she shall, when present, preside at all meetings of the Board of Trustees and the Executive Committee, and shall in general perform all of the duties, and have all of the authority, incident to the office of the chief executive officer of a corporation, and such other duties as may from time be prescribed by the Board of Trustees. The President may sign, with the Secretary or any other proper officer thereunto authorized by the Board of Trustees deeds, mortgages, bonds, contracts, or other instruments which the Board of Trustees has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or these By-Laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed.

**Section 6.4 Vice-President.** In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice President in the order designated at the time of the election) shall perform the duties of the President (pending election, if necessary, of a successor pursuant to Section 6.8 below) and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Any vice-President shall perform such duties as may from time to time be assigned to him or her by the Board of Trustees.

**Section 6.5 Secretary.** The Secretary will keep the minutes of the proceedings of the Board of Trustees in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as requires by the law; be custodians of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which address shall be furnished to the Secretary by each Trustee; and in general perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the President of the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 6.6 Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of all the Corporations; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be select in accordance with the provisions of Article VIII of these By-laws; disburse the funds of the Corporation in accordance with the directives of the Board of Trustees, taking proper vouchers for such disbursements, and render to the Board of Trustees, and accounting for all the transactions of the Treasurer and of the financial conditions of the Corporation; and in general perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the President or other Board of Trustees.

**Section 6.7 Removal.** Any member of the Board of Trustees removed from office pursuant to Section 513 shall be automatically removed as an officer, the Board of Trustees may by a two-thirds (2/3) vote remove any officer when in its judgment, the best interest of the Corporation will be served thereby. Chairperson serves 5 years a 2/3 vote must carry for two consecutive meeting for the removal.

**Section 6.8 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the affirmative vote of a majority of the Board of Trustees for the un-expired portion of the term.

**Section 6.9 Resignations.** An officer may resign his or her office at any time by tendering his or her resignation in writing to the President, or in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such written notice, or if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

**Section 6.10 Salaries and Expenses.** The officers of the Corporation shall be entitled to reasonable compensation, as may be set by the Board of Trustees from time to time for services rendered to the Corporation. Reasonable expenses incurred by all of the officers of the Board of Trustees in the course of coordination shall be reimbursed by the Corporation upon proper substantiation. No officer shall be prevented from receiving reasonable compensation by reason of the fact that he also is a member of the Board of Trustees.

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Living Development Concepts, Inc.**

**ARTICLE VII**

**EXECUTIVE COMMITTEE AND OTHER COMMITTEES**

**Section 7.1 Appointment of Executive Committee.** The Board of Trustees by resolution adopted by a majority of its voting members, may designate three (3) or more of its members to constitute an executive Committee and shall hold office until the next annual meeting of the Board of Trustees following his or her designation and until his or her successor has been appointed and qualified. The designation of the Executive Committee and the delegation of authority thereto shall not operate to relieve the Board of Trustees, or any member thereto, of any responsibility by law.

**Section 7.2 Authority of Executive Committee.** The Executive Committee, when the Board of Trustees is not in session, shall have and may exercise all the authority of the Board of Trustees except to the extent, if any that such authority shall be limited by the resolution appointing to the Executive Committee or by these By-laws. All action taken by the Executive Committee shall be subject to ratification by the Board of Trustees. However, the Executive Committee shall not have the authority of the Board of Trustees with respect to filling any vacancy on the Board of Trustees; amending or repealing any resolution of the Board of Trustees which by its express terms is not so amendable or repealable; amending or repealing the Charter or the By-laws of the corporation; adopting a plan of merger or consolidation, selling, leasing, or otherwise disposing of all or substantially all the property and assets of the corporation other than in the usual and regular course of its business; or voluntarily dissolving the Corporation or revoking a voluntary dissolution.

**Section 7.3 Meeting of Executive Committee.** Regular meeting of the Executive Committee may be held at such times and places as the Executive Committee may from time to time fix by resolution. Special meetings of the Executive Committee may be called by any member upon concurrence of a majority of the members of the Executive Committee upon not less than three (3) business days' notice prior thereto. The notices provided for in this Section shall state the place, date, and hour of the meeting, and the business proposed to be transacted at the meeting.

**Section 7.4 Quorum of Executive Committee.** A majority of the voting members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof. Action of the Executive Committee must be authorized by the affirmative vote of a majority of all voting members present at a meeting at which a quorum is present.

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**Section 7.5 Action of Executive Committee.** *Without a meeting.* Any action required or permitted to be taken by the Executive Committee without a meeting may be taken without a meeting in accordance with the revisions of Section 5.9 of these By-laws.

**Section 7.6 Executive Committee Procedures.** The Executive Committee shall fix its own rules of procedure, provided such rules are not inconsistent with these By-laws. The Executive Committee shall keep regular minutes of its proceedings and report its proceedings to the Board of Trustees for its information at the next meeting of the Board of Trustees held after such proceedings.

**Section 7.7 Vacancies, Resignations and Removal.** Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the voting members of the Board of Trustees. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the voting members of the Board of Trustees. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 7.8 Standing Committees.** The Board of Trustees may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning. Such committees shall consist of three (3) or more members, shall be under the control and serve at the pleasure of the Board of Trustees of these By-laws shall maintain a permanent record of actions and proceedings and shall regularly submit a report of their actions to the Boards of Trustees which shall ratify the actions of each committee. The President, or his or her designee, shall serve on each Committee as an ex-officio member. Such standing committees shall have such authority as the Board of Trustees may stipulate, except that no committee shall have the authority of the Board of Trustees with respect to those matters delineated in Section 5.2 above.

**Section 7.9 Ad Hoc Committee.** The President, with the approval of the Board of Trustees as evidenced by resolution, may from time to time create such ad hoc committees, as the President believes necessary or desirable to investigate matters or advise the Board of Trustees. Ad Hoc Committees shall limit their activities to the accomplishment of the tasks for which created and shall have no power to act except as specifically conferred by resolution of the Board of Trustees. Such committees shall operate until their tasks have been accomplished or until discharged by the Board of Trustees.

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**ARTICLE VIII  
CONTRACTS, LOANS, CHECKS, DEPOSITS,  
INVESTMENTS**

**Section 8.1 Contracts and Employment of Agents.** The Board of Trustees may authorize any trustee, officer or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Trustees shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants, and other counsel, legal, investment, or otherwise, as the Board of Trustees shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by such individuals or entities. Such authority may be general or confined to specific instances.

**Section 8.2 Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its names, unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances.

**Section 8.3 Checks, Drafts, and Etc.** All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, as shall from time to time be determined by resolution of the Board of Trustees.

**Section 8.4 Deposits.** All funds of the Corporation or otherwise employed shall be deposited from time to time to the credits of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board of Trustees may from time to time select.

**Section 8.5 Investment Authority.** The Board of Trustees shall be authorized to retain assets distributed to the Corporation, even though such assets may constitute an over concentration in one or more similar investments. Further, the Board of Trustees shall have the authority to make investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time, provided the retention of such property is in the best interest of the corporation and does not in any way jeopardize the tax-exempt status of the Corporation.

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**ARTICLE IX**

**STANDARDS OF CONDUCT**

**Section 9.1 Standards of Conduct.** A trustee or an officer of the Corporation shall discharge his or her duties as a trustee or as an officer, including duties as a member of a committee:

- a) In good faith;
- b) With the care of an ordinarily prudent person in a like position would exercise under similar circumstances; and
- c) In a manner he or she reasonably believes to be in the best interest of the Corporation.

**Section 9.2 Reliance on Third Parties.** In discharging his or her duties, a trustee or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data if prepared or presented by:

- a) One or more officers or employees of the corporation whom the Trustee or officer reasonably believes to be reliable and competent in the matters presented;
- b) Legal counsel, public accountants and other persons as matters the trustees or officer reasonably believes are within the persons professional or expert competence; or
- c) With respect to a trustee, a committee of the Board or Boards of which the trustee is not a member, as to matters within its jurisdiction, if the trustee or officer reasonably believes the committee merits confidence.

**Section 9.3 Bad Faith.** A trustee or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 9.2 unwarranted.

**Section 9.4 No Liability.** A trustee or officer is not liable for any action taken, or any failure to take action, as a trustee or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of Section 48-58-601 of the Act. No repeal or modification of the provisions of this Section 9.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time such repeal or modification.

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**Section 9.5 No Fiduciary.** No trustee or officer shall be deemed to be a fiduciary with respect to the Corporation or with respect to any property held or administrated by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

**Section 9.6 Prohibition on Loans.** No loans or guarantees shall be made by the Corporation to its trustees or officers. Any trustee who assents to or participates in the make of such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

**ARTICLE X**

**CONFLICTS OF INTEREST**

**Section 10.1 General.** A conflict of interest transaction is a transaction with the corporation which a trustee or officer of the Corporation has a direct or indirect interest. A trustee or officer of the Corporation has an indirect interest in a transaction if, but not only if, a party to the transaction is another entity in which the trustee or officer has a material interest, or of which the trustee or officer is a general partner, director, officer, or trustee. A conflict of interest transaction is not voidable, or the basis for imposing liability on the trustee or officer, if the transaction was fair at the time it was entered into, or if the transaction is approved as provided in Section 10.2.

**Section 10.2 Manner of Approval.** A transaction in which a trustee or officer of the Corporation has a conflict of interest may be approved if:

- a) The material facts of the transaction and the interest of the Trustee or Officer were disclosed or known to the Board of Trustees or to committee consisting entirely of members of the Board of Trustees, and the Board of Trustees or such committee authorized, approved, or ratified the transaction; or
- b) Approval is obtained from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

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**Section 10.3 Quorum Requirements.** For purposes of Section 10.2, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of majority of the members of the Board of Trustees, or of a committee consisting entirely of members of the Board of Trustees, who have no direct or indirect interest in the transaction; but a transaction may not be authorized, approved, or ratified under this Article by a single trustee. A quorum is present for the purpose of taking action under this article if a majority of the members of the Board of Trustees who have no direct or indirect interest in the transaction vote, authorized, approved, or ratify the transaction. The presence of, or vote cast by, a trustee with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection 10.2 (a) if the transaction is otherwise approved as provided in Section 10.2.

**ARTICLE XI**

**INDEMNIFICATION AND ADVANCEMENT OF  
EXPENSES**

**Section 11.1 Mandatory Indemnification of Trustees and Officers.** To the maximum extent permitted by the provision of Section 48-58-501, et. seq., of the act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to the indemnification under this section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a trustee or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made a named defendant or respondent which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the proceeding or any appeal thereof reasonable expenses actually incurred with respect to the "Proceeding", all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

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- a) The proceeding was instituted by reason of the fact that such person is or was a trustee of the Corporation; and
- b) The trustee or officer conducted himself or herself in good faith, and he or she reasonably believed (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the trustee or officer did not meet the standard of conduct herein described.

**Section 11.2 Permissive Indemnification Of Employee and Agents.** The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501. Et seq. of the Act as amended from time to time (provided however, that if an amendment to the act in any way limits or restrict the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person, heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 11.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Charter, by these By-laws, by contract, or by general or specific action of the Board of Trustees.

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**Section 11.3 Non-Exclusive Application.** The rights to indemnification and advancement of expenses set forth in Sections 11.1 and 11.2 above are contractual between the Corporation and the person being indemnified, and his or her heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Trustees, by these By-Laws, by the purchase and maintenance by the Corporation of insurance on behalf of a trustee, officer, employee, or agent of the Corporation, or by an agreement with the Corporation providing such indemnification all of which means of indemnification and advancement of expenses are hereby specifically authorized.

**Section 11.4 Non-Limiting Application.** The provision of this Article XI shall not limit the power of the Corporation to pay or reimburse expenses incurred by a trustee, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

**Section 11.5 Prohibited Indemnification.** Notwithstanding any other provision of this Article XI. The Corporation shall not indemnify or advance expenses to or on behalf of any trustee, officer, employee, or agent of the Corporation, or such person's heir, executors, administrators or legal representatives:

- a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation for act or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Act; or
- b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or
- c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit, was improperly received by him or her.

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**Section 11.6 Repeal or Modification Not Retroactive.** No Repeal or modification of the provisions of this Article XI, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

**ARTICLE XII**

**NOTICES AND WAIVER OF NOTICE**

The notices provided for in these By-Laws shall be communicated in person, telegraph, teletype, or by mail (including e-mail) or private carrier. Written notice is effective at the earliest of (a) receipt; (b) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed hereon; (c) on the date shown on the return receipt. If sent by registered mail, return receipt requested, and the receipt signed by or on behalf of the addressee; or (d) twenty (20) days after its deposit in the United States mail, if mail correctly, addressed, and with other than first class, registered, or committee member of the Corporation under the Provisions of the Charter, these By-laws, or the Act, a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XIII**

**FISCAL YEAR**

The fiscal year of the Corporation shall end on the last day of December, or on such other dates as may be fixed from time to time by the Board of Trustees.

**ARTICLE XIV**

**PROCESS FOR LOW-INCOME BENEFICIARIES**

Low income beneficiaries, including committee members and most of our applicants will be involved in the advisement regarding the design, location, development and management of our affordable housing rental program. We will elect a committee for each planned rental housing project. Each committee member will be educated and informed of the Federal, State and Local government regulations to rehabilitating and/or building housing. Consideration includes:

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- a) The cost of the rehabilitation and/or property
- b) The size of the rental housing property
- c) The cost of the affordable housing
- d) The possibility of vandalism and/or theft during the process, as well as security and safety.

**Development of projects is discussed during committee meetings.**

All projects will be managed by CHDO Board Members, as well as the low income committee members will be educated about:

- The process of obtaining project funding.
- Obtaining permits.
- Ordering materials.
- Contract management and project/job tracking.

Our organization will make every attempt to include all potential affordable housing rental applicants from the beginning of the rehabilitation and/or construction phase to its completion.

**ARTICLE XV**

**AMENDMENTS**

These By-laws and the Charter may be altered, amended, or repealed, and a new Charter or By-laws adopted, upon the affirmative vote of two-thirds (2/3) of the Board of Trustees at any annual or special meeting, except to the extent that such alteration, amendment, or repeal is inconsistent with Article XV hereof.

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**ARTICLE XVI**

**EXEMPT STATUS**

The Corporation has been organized and will be operated exclusively for exempt from federal income tax under Section 501 (a) of the Internal Revenue code as an organization described in Section 501 (c) (3).

These By-laws are adopted and shall be effective this 15<sup>th</sup> day of August, 2009.

Henry O. Mills

Suanna Kimberly Mills  
Incorporator

STATE OF CALIFORNIA  
DEPARTMENT OF REVENUE

PROPERTY TAX

NOTICE OF TAXPAYER'S RIGHTS

As a taxpayer, you have the right to be treated fairly and to be heard. You have the right to be informed of the reasons for any tax assessment and to be heard before any tax is levied. You have the right to be heard before any tax is levied. You have the right to be heard before any tax is levied.

For more information, please contact the Department of Revenue at (916) 227-2300. You may also visit our website at [www.sfdwr.com](http://www.sfdwr.com).



CINCINNATI OH 45999-0038

In reply refer to: 0248367576  
June 06, 2016 LTR 4168C 0  
62-1855943 000000 00  
00023964  
BODC: TE

LIVING DEVELOPMENT CONCEPTS INC  
% HENRY MILLER  
3250 DICKERSON PIKE STE 212  
NASHVILLE TN 37207



22593

Employer ID Number: 62-1855943  
Form 990 required: YES

Dear Taxpayer:

This is in response to your request dated May 25, 2016, regarding your tax-exempt status.

We issued you a determination letter in May 2002, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

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

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

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

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

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

0248367576  
June 06, 2016 LTR 4168C 0  
62-1855943 000000 00  
00023965

LIVING DEVELOPMENT CONCEPTS INC  
% HENRY MILLER  
3250 DICKERSON PIKE STE 212  
NASHVILLE TN 37207

Sincerely yours,

*Doris P. Kenwright*

Doris Kenwright, Operation Mgr.  
Accounts Management Operations 1

<https://livingdevelopmentconcepts.org/>

# Living Development Concepts, Inc.

*Building Affordable Housing and Creating Strong Neighborhoods*

**Living Development Concepts, Inc. (LDC)** is a nonprofit organization dedicated to building affordable housing, implementing green initiatives, and fostering strong communities in local Middle Tennessee counties. We achieve our mission through various services, including new home construction and homebuyer education, facilitated in collaboration with HUD-approved housing counseling agencies.

**LDC** is committed to creating homeownership opportunities for low-to-moderate income families. During the past 23 years, **LDC** has helped over 1,000 households purchase their first home, and has developed and sold more than 500 single-family homes.

**Before you build a house, you must set the foundation. Education along with preparation is the key.**

*To Close the Gaps on Homeownership: We Can Assist You. **Let's Unlock the Key to Homeownership!***

**AMENDMENT #1 TO GRANT CONTRACT #2024-R13-RTN  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
REBUILDING TOGETHER NASHVILLE**

This contract amendment is entered into by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH THE METROPOLITAN HOUSING TRUST FUND COMMISSION**, a municipal corporation of the State of Tennessee (hereinafter referred to as "**Metro**") and (hereinafter referred to as "**Recipient**"). It is mutually understood and agreed by and **REBUILDING TOGETHER NASHVILLE** said undersigned contracting parties that the subject Grant Contract approved is hereby amended as follows:

1. Grant contract section B.1 is deleted in its entirety and replaced with the following:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 36 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within thirty-six months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

The remaining provisions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Contract:

**Recipient: REBUILDING TOGETHER NASHVILLE**

By:   
\_\_\_\_\_  
**Andrea Prince, Executive Director**

Date: 5/27/2026

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

**APPROVED:**

*Peter R Westerholm*  
Peter Westerholm, Chair  
Metropolitan Housing Trust Fund Commission

6/2/2026  
Date

Signed by:

**AVAILABILITY OF FUNDS:**

*Jenneen Reed/mjw*  
62377A2A8742469...  
Jenneen Reed, Director  
Department of Finance

6/23/2026  
Date

**APPROVED AS TO RISK AND INSURANCE:**

Signed by:

*Balogun Cobb*  
68804BF12FD741C...  
Direct of Risk Management Services

6/23/2026  
Date

**APPROVED AS TO FORM AND LEGALITY:**

Signed by:

*Kelli Woodward*  
2CBBFAAF2F3B4D4...  
Assistant Metropolitan Attorney

6/24/2026  
Date

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

\_\_\_\_\_  
Freddie O'Connell  
Metropolitan County Mayor

Attest, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

**FILED IN THE OFFICE OF THE METROPOLITAN CLERK:**

\_\_\_\_\_  
Metropolitan Clerk

\_\_\_\_\_  
Date

Tennessee Secretary of State  
Tre Hargett



Division of Business and Charitable Organizations  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243-1102

November 19, 2025

Ms. ANDREA PRINCE  
6101 CENTENNIAL BLVD.  
NASHVILLE, TN 37209 USA

**RE:** Registration to Solicit Funds for Charitable Purposes  
Organization Name: REBUILDING TOGETHER-NASHVILLE  
CO Number: CO9393  
Expiration Date: 12/31/2026

Dear Ms. ANDREA PRINCE :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett  
Secretary of State

**REBUILDING TOGETHER NASHVILLE, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2025 AND 2024**

**REBUILDING TOGETHER NASHVILLE, INC.**  
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**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors and Management  
Rebuilding Together Nashville, Inc.  
Nashville, Tennessee

**Opinion**

We have audited the accompanying financial statements of Rebuilding Together Nashville, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025, and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together Nashville, Inc. as of June 30, 2025, and 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rebuilding Together Nashville, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

*Bellenfant, PLLC*

Nashville, Tennessee  
November 3, 2025

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

**ASSETS**

**CURRENT ASSETS**

	<b>2025</b>	<b>2024</b>
Cash and Cash Equivalents	\$ 841,116	\$ 648,104
Accounts Receivable	173,098	234,121
Accounts Receivable - Restricted	-	17,000
Prepaid Expenses	10,800	22,626
Accrued Revenue	218,921	75,673
Total Current Assets	1,243,935	997,524

**FIXED ASSETS**

Trailer	7,485	7,485
Less: Accumulated Depreciation	(5,986)	(5,236)
Total Fixed Assets	1,499	2,249
Total Assets	<u>\$ 1,245,434</u>	<u>\$ 999,773</u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 8,567	\$ 12,290
Accrued Vacation	7,620	6,000
Unearned Revenue	219,818	82,824
Total Current Liabilities	236,005	101,114

**NET ASSETS**

Net Assets Without Donor Restrictions	789,611	815,835
Net Assets With Donor Restrictions	219,818	82,824
Total Net Assets	1,009,429	898,659
Total Liabilities and Net Assets	<u>\$ 1,245,434</u>	<u>\$ 999,773</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and Grants:			
Government	\$ 462,411	\$ 705,305	\$ 1,167,716
Corporate	537,043	110,418	647,461
Individuals	31,603	-	31,603
Events	88,031	-	88,031
Interest	7,954	-	7,954
In-Kind	8,270	-	8,270
Other	75	-	75
Net Assets Released from Restrictions	<u>678,729</u>	<u>(678,729)</u>	<u>-</u>
Total Support and Revenue	<u>1,814,116</u>	<u>136,994</u>	<u>1,951,110</u>
<b>EXPENSES</b>			
Program Services	1,517,174	-	1,517,174
Supporting Services			
Management and General	126,919	-	126,919
Fundraising	<u>196,247</u>	<u>-</u>	<u>196,247</u>
Total Supporting Services	<u>323,166</u>	<u>-</u>	<u>323,166</u>
Total Expenses	<u>1,840,340</u>	<u>-</u>	<u>1,840,340</u>
Change in Net Assets	(26,224)	136,994	110,770
Net Assets, Beginning of Year	<u>815,835</u>	<u>82,824</u>	<u>898,659</u>
Net Assets, End of Year	<u>\$ 789,611</u>	<u>\$ 219,818</u>	<u>\$ 1,009,429</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b>SUPPORT AND REVENUE</b>	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Contributions and Grants:			
Government	\$ 166,766	\$ 595,526	\$ 762,292
Corporate	866,819	234,198	1,101,017
Individuals	33,059	-	33,059
Events	74,603	-	74,603
Interest	19	-	19
In-Kind	675	-	675
Net Assets Released from Restrictions	<u>887,422</u>	<u>(887,422)</u>	<u>-</u>
Total Support and Revenue	<u>2,029,363</u>	<u>(57,698)</u>	<u>1,971,665</u>
<b>EXPENSES</b>			
Program Services	1,157,092	-	1,157,092
Supporting Services			
Management and General	99,892	-	99,892
Fundraising	<u>120,499</u>	<u>-</u>	<u>120,499</u>
Total Supporting Services	220,391	-	220,391
Total Expenses	<u>1,377,483</u>	<u>-</u>	<u>1,377,483</u>
Change in Net Assets	651,880	(57,698)	594,182
Net Assets, Beginning of Year	<u>163,955</u>	<u>140,522</u>	<u>304,477</u>
Net Assets, End of Year	<u>\$ 815,835</u>	<u>\$ 82,824</u>	<u>\$ 898,659</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 297,727	\$ 58,928	\$ 115,135	\$ 471,790
Staff Benefits	23,619	1,033	8,518	33,170
Payroll Taxes	22,495	5,840	7,899	36,234
Total Compensation	<u>343,841</u>	<u>65,801</u>	<u>131,552</u>	<u>541,194</u>
Rent and Utilities	12,733	1,605	1,771	16,109
Occupancy	-	1,495	-	1,495
Office Supplies	880	5,411	-	6,291
Professional Development	5,079	1,569	3,125	9,773
Professional Fees	-	37,291	-	37,291
Travel and Meetings	8,561	2,897	1,799	13,257
Insurance	13,419	1,649	-	15,068
Contract Labor	1,019,484	-	25,277	1,044,761
RT National Dues	22,083	-	-	22,083
Materials and Supplies	64,101	-	-	64,101
Logistics	14,394	-	-	14,394
Other	3,448	-	-	3,448
Dues and Subscriptions	-	3,068	-	3,068
Database and Electronics	131	5,386	-	5,517
Fundraising	-	-	32,723	32,723
Depreciation	750	-	-	750
In-Kind	8,270	-	-	8,270
Bank Fees	-	747	-	747
Total	<u>\$ 1,517,174</u>	<u>\$ 126,919</u>	<u>\$ 196,247</u>	<u>\$ 1,840,340</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 207,983	\$ 42,849	\$ 79,812	\$ 330,644
Staff Benefits	16,292	-	4,603	20,895
Payroll Taxes	15,117	3,342	4,884	23,343
Total Compensation	<u>239,392</u>	<u>46,191</u>	<u>89,299</u>	<u>374,882</u>
Rent and Utilities	12,363	1,547	1,547	15,457
Occupancy	-	1,420	-	1,420
Office Supplies	1,018	1,747	-	2,765
Professional Development	1,919	33,511	992	36,422
Travel and Meetings	5,830	4,007	501	10,338
Insurance	9,810	1,447	-	11,257
Contract Labor	766,118	-	-	766,118
RT National Dues	17,014	-	-	17,014
Materials and Supplies	57,073	-	-	57,073
Logistics	40,722	-	-	40,722
Other	3,879	2,480	-	6,359
Dues and Subscriptions	-	1,212	-	1,212
Database and Electronics	321	5,734	-	6,055
Fundraising	-	-	28,160	28,160
Depreciation	958	-	-	958
In-Kind	675	-	-	675
Bank Fees	-	596	-	596
Total	<u>\$ 1,157,092</u>	<u>\$ 99,892</u>	<u>\$ 120,499</u>	<u>\$ 1,377,483</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2025</u>	<u>2024</u>
Change in Net Assets	\$ 110,770	\$ 594,182
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	750	958
(Increase) Decrease in:		
Accounts Receivable	78,023	(187,079)
Prepaid Expenses	11,826	(6,606)
Accrued Revenue	(143,248)	(25,170)
Increase (Decrease) in:		
Accounts Payable	(3,723)	(19,540)
Accrued Vacation	1,620	1,790
Unearned Revenue	136,994	(29,498)
Net Cash Provided (Used) by Operating Activities	<u>193,012</u>	<u>329,037</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) Disposal of Fixed Assets	<u>-</u>	<u>4,783</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>4,783</u>
Net Increase (Decrease) in Cash and Cash Equivalents	193,012	333,820
Cash and Cash Equivalents, Beginning of Year	<u>648,104</u>	<u>314,284</u>
Cash and Cash Equivalents, End of Year	<u>\$ 841,116</u>	<u>\$ 648,104</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Purpose**

Rebuilding Together Nashville, Inc. (the Organization), incorporated in the State of Tennessee in 1994, is a collaborative organization whose core mission is to recruit sponsors and volunteers to rehabilitate through repair, renovation or modification the homes of low-income homeowners, especially the elderly, veterans, the disabled, and families with children.

**Basis of Accounting**

The financial statements of Rebuilding Together Nashville, Inc. are maintained and presented on the accrual basis of Accounting. Revenues are generally recognized when earned and expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Associations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$789,611 and \$815,835 of net assets without donor restrictions as of June 30, 2025 and 2024, respectively.

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had \$219,818 and \$82,824 of net assets with donor restrictions as of June 30, 2025 and 2024, respectively.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, Rebuilding Together Nashville, Inc. considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. As of June 30, 2025 and 2024, the Organization had no cash equivalents.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable are reported at their estimated collectible amounts. They are periodically evaluated for collectability based on management's assessment of each account. An allowance for doubtful accounts is established as losses are estimated to have occurred through recognition of bad debt expense. When management confirms the uncollectibility of an account receivable, such amount is charged off against the allowance for doubtful accounts. No allowance for doubtful accounts was recorded at June 30, 2025 and 2024.

**Prepaid Expenses**

Prepaid expenses consists of rent, communications, fundraising and insurance which are paid in advance.

**Fixed Assets**

Fixed assets consists of a Trailer. Purchases above \$1,000 are recorded at cost. Depreciation is provided in amounts necessary to allocate the cost of assets over their estimated useful lives using the straight-line method. The estimated useful lives of all major classes of fixed assets are as follows:

Equipment	10 years
-----------	----------

**Revenue and Revenue Recognition**

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The 's revenue within the scope of ASC 606 consists of contributions and grants. The contract obligations related to these services are satisfied when the projects are completed.

In general, the 's agreements have an expected duration of one year or less and the consideration from the members is an amount that corresponds directly with the value received by the members to date.

**Advertising**

Advertising costs are expensed when incurred.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services and Goods**

Donated services and goods are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at fair value as support and expensed in the period the services are performed.

Members of the Board of Directors have provided substantial assistance to the Organization by donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement of valuation.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

**Grant Revenues**

Grant funds that do not have donor imposed restrictions are reflected as net assets without donor restrictions since these funds are generally received and spent during the same year. Grant funds that have been designated by the donor for use by specific programs are reflected as net assets with donor restrictions.

**Contributions**

The Organization accounts for contributions in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification topic relating to Accounting for Contributions Received and Contributions Made. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions support depending on the existence or nature of any donor-imposed restrictions. Under the FASB Accounting Standards Codification, certain contributions are required to be reported as restricted support and are then reclassified to net assets without donor restrictions upon expiration or resolution of the donor restrictions. The Organization has \$219,818 and \$82,824 in contributions with donor restrictions for the years ended June 30, 2025 and 2024, respectively.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

Expenses that can be directly attributed to a particular function are charged to that function. Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

<u>Expense</u>	<u>Method of Allocation</u>
Compensation	Time and Effort
Contract Labor	Time and Effort
Depreciation	Use of Asset
Travel and Meetings	Time and Effort
Administrative Expenses	Time and Effort
Rent and Utilities	Square Footage
Insurance	Policy Coverage

**Compensated Absences**

The Organization provides compensated absences to its employees, including paid time off and vacation days, which are accrued as employees render services to the Organization. The Organization recognizes the expense associated with compensated absences as employees earn them, which is generally in the period in which the services are rendered.

The liability for compensated absences is recorded based on the estimated amount of unused compensated absences for the years ended June 30, 2025 and 2024. The estimate is based on historical trends of compensated absences taken by employees, as well as the Organization's policy regarding carryover of unused compensated absences. The Organization had \$7,620 and \$6,000 of accrued vacation at June 30, 2025 and 2024, respectively.

**2. OPERATING LEASE**

The Organization leases office space on a month-to month basis. The Organization has elected not to apply the provisions of Accounting Standards Codification (ASC) 842, Leases, to these payments as the lease obligations do not meet the recognition criteria outlined in ASC 842 due to not having a defined term of lease. Future minimum lease payments are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2026	<u>\$ 18,000</u>

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**3. AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 841,116	\$ 648,104
Accounts Receivable	173,098	251,121
Prepaid Expenses	10,800	22,626
Accrued Revenue	<u>218,921</u>	<u>75,673</u>
Less: Net Assets with Donor Restrictions	<u>(219,818)</u>	<u>(82,824)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,024,117</u>	<u>\$ 914,700</u>

There is an adequate amount of financial assets available as of June 30, 2025 and 2024. The Organization effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the financial position date.

**4. CONCENTRATION OF CREDIT RISK**

The Organization depends primarily on grants and donations from governmental entities, local non-profit organizations and individuals for the funding of ongoing operations. Specifically, the Metro Nashville Barnes Fund was responsible for 53% and 35% of total revenue for the year ended June 30, 2025 and 2024, respectively.

Should economic or social events transpire to bring hardship upon the Organization's primary support groups, the Organization may find it difficult to continue operations.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained in demand deposit accounts which, at times, may exceed federally insured limits. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by other parties. Exposure to credit risk is managed through credit approvals and monitoring procedures. The Organization had no major concentrations of credit risk at June 30, 2025 and 2024, other than uninsured deposits.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**5. FIXED ASSETS**

Fixed assets are stated at cost and consist of:

	<b>2025</b>	<b>2024</b>
Trailer	\$ 7,485	\$ 7,485
Less: Accumulated Depreciation	(5,986)	(5,236)
Total Fixed Assets	\$ 1,499	\$ 2,249

**6. UNEARNED REVENUE**

Unearned revenue includes unrestricted grant funds that have not yet been earned. Unearned revenue for the years ended June 30 consists of:

	<b>2025</b>	<b>2024</b>
Foundation Grant Revenue	\$ 151,078	\$ 69,824
Corporate Grant Revenue	68,740	13,000
Total	\$ 219,818	\$ 82,824

**7. DONATED MATERIALS AND SERVICES IN-KIND**

The Organization received in-kind donations as follows:

	<b>2025</b>	<b>2024</b>
Donated Materials	\$ -	\$ 675
Donated Contract Labor	8,270	-
	\$ 8,270	\$ 675

**8. INCOME TAXES**

Rebuilding Together Nashville, Inc. has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as a Nonprofit Corporation that is not a private foundation.

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to fiscal year ended June 30, 2022 are no longer open for examination.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**9. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 3, 2025, which is the date the financial statements were available to be issued.





**STATE OF TENNESSEE**  
**Tre Hargett, Secretary of State**  
 Division of Business Services  
 William R. Snodgrass Tower  
 312 Rosa L. Parks AVE, 6th FL  
 Nashville, TN 37243-1102

REBUILDING TOGETHER NASHVILLE  
 ATTN: KAITLIN DASTUGUE  
 6101 CENTENNIAL BLVD  
 NASHVILLE, TN 37209-1348

**Request Type: Certified Copies**  
 Request #: 218245

Issuance Date: 10/25/2016  
 Copies Requested: 1

**Document Receipt**

Receipt #: 002942222 Filing Fee: \$20.00  
 Payment-Check/MO - REBUILDING TOGETHER NASHVILLE, NASHVILLE, TN \$20.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **REBUILDING TOGETHER \* NASHVILLE**, Control # 286981 was formed or qualified to do business in the State of Tennessee on 12/01/1994. **REBUILDING TOGETHER \* NASHVILLE** has a home jurisdiction of TENNESSEE and is currently in an Active status. The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

  
 Tre Hargett  
 Secretary of State

Processed By: Sheila Keeling

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

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
2920-0004	12/01/1994	Initial Filing
5351-1042	02/07/2005	Articles of Amendment

STATE OF TENNESSEE  
31 DEC -1 PM 3:30  
JOSEPH CARROLL  
SECRETARY OF STATE

**CHARTER**

**OF**

**CHRISTMAS IN APRIL \* NASHVILLE**

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

1. The name of the corporation is Christmas in April \* Nashville.
2. This corporation is a public benefit corporation.
3. The corporation is a charitable corporation.
4. The street address of the initial registered office of the corporation is 230 Fourth Avenue, North, Third Floor, P. O. Box 198888, Nashville, Davidson County, Tennessee 37219-8888, and the initial registered agent for the corporation at that office is Barbara Moss.

5. The name and address of each incorporator is:

Peppi Leland  
3901 Charlotte Ave.  
Nashville, Tennessee 37209

Dean Baker  
2100 West End Ave., Suite 1200  
Nashville, Tennessee 37203

6. The street address of the principal office of the corporation is 212 Capitol Boulevard, Nashville, Tennessee 37219.

7. The corporation is not for profit.

8. The corporation will not have members.

9. The purposes for which the corporation is organized are: to operate exclusively for charitable purposes so that at all times it will be an organization which is described in Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code the ("Code"), and which is also an organization described in Sections 170(c), 2055(a) and 2522(a) of the Code; specifically, in cooperation with the

community, to rehabilitate the houses of low-income home owners, particularly the elderly and disabled, and, generally, to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.

10. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private individuals or persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments in furtherance of the purposes set forth in the paragraph just above. No substantial part of the activities of the corporation shall be attempting to influence legislation by propaganda or otherwise, and the Corporation shall not participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of this Charter, the corporation shall not carry on any endeavors or activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or by a corporation, contributions to which are deductible under Section 170(c) of the Code.

11. Upon dissolution, after all creditors of the corporation have been paid, its assets shall be distributed to one or more organizations which qualify as exempt organizations under Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for exclusively public purposes.

12. To the extent allowed by the laws of the State of Tennessee, no present or future director of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation for monetary damages for breach of fiduciary duty as a director of the corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

RECEIVED  
NOV 23 1994  
S.A.T.  
REC - 1  
DEPT. OF REVENUE  
SECRETARY OF STATE  
13. With respect to claims or liabilities arising out of service as a director, member of a committee of the board of directors, or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future director, committee member and officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

DATED this 23 day of Nov., 1994.

  
\_\_\_\_\_  
Peppi Leland, Incorporator

  
\_\_\_\_\_  
Dean Baker, Incorporator

15, 2005 1 11 4 12

State of Tennessee



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

ARTICLES OF AMENDMENT  
TO THE CHARTER  
(Nonprofit)

For Office Use Only

2005 FEB -7 AM 10:21  
JULIE J. WHEELER  
SECRETARY OF STATE

RECEIVED  
STATE OF TENNESSEE

CORPORATE CONTROL NUMBER (IF KNOWN) \_\_\_\_\_

PURSUANT TO THE PROVISIONS OF SECTION 48-60-105 OF THE TENNESSEE NONPROFIT CORPORATION ACT, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS CHARTER:

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

Christmas in April \* Nashville  
IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:  
Rebuilding Together \* Nashville

2. PLEASE MARK THE BLOCK THAT APPLIES:

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

3. PLEASE INSERT ANY CHANGES THAT APPLY:

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

4. THE CORPORATION IS A NONPROFIT CORPORATION.

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

6. THE AMENDMENT WAS DULY ADOPTED ON January 11, 2005 (MONTH, DAY, YEAR) BY (Please mark the block that applies):

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

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

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

Executive Director

SIGNER'S CAPACITY

2-4-05

DATE

Carol L. Pedigo

SIGNATURE

Carol L. Pedigo

NAME OF SIGNER (TYPED OR PRINTED)

<p>1</p>	<p>2</p>
<p>3</p>	<p>4</p>
<p>5</p>	<p>6</p>
<p>7</p>	<p>8</p>
<p>9</p>	<p>10</p>
<p>11</p>	<p>12</p>
<p>13</p>	<p>14</p>
<p>15</p>	<p>16</p>
<p>17</p>	<p>18</p>
<p>19</p>	<p>20</p>
<p>21</p>	<p>22</p>



Department of the Treasury  
Internal Revenue Service  
P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248225078  
Sep. 23, 2015 LTR 4168C 0  
62-1593904 000000 00  
00017637  
BODC: TE

REBUILDING TOGETHER-NASHVILLE  
% REBU  
6101 CENTENNIAL BLVD  
NASHVILLE TN 37209-1348



22391

Employer Identification Number: 62-1593904  
Person to Contact: Sheila Schrom  
Toll-Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Sep. 14, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in April, 1995.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248225078  
Sep. 23, 2015 LTR 4168C 0  
62-1593904 000000 00  
00017638

**REBUILDING TOGETHER-NASHVILLE  
% REBU  
6101 CENTENNIAL BLVD  
NASHVILLE TN 37209-1348**

**If you have any questions, please call us at the telephone number shown in the heading of this letter.**

**Sincerely yours,**



**Doris Kenwright, Operation Mgr.  
Accounts Management Operations 1**

**AMENDMENT #1 TO GRANT CONTRACT #2024-R13-TPOM  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
TENNESSEE PRISON OUTREACH MINISTRY, INC.**

This contract amendment is entered into by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH THE METROPOLITAN HOUSING TRUST FUND COMMISSION**, a municipal corporation of the State of Tennessee (hereinafter referred to as "**Metro**") and **TENNESSEE PRISON OUTREACH MINISTRY, INC.** (hereinafter referred to as "**Recipient**"). It is mutually understood and agreed by and between said undersigned contracting parties that the subject Grant Contract approved is hereby amended as follows:

1. Grant contract section B.1 is deleted in its entirety and replaced with the following:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 36 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within thirty-six months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

The remaining provisions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Contract:

**Recipient: TENNESSEE PRISON OUTREACH MINISTRY, INC.**

By: 

**Dr. Thomas Snow, Executive Director**

Date: 5-27-26

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

**APPROVED:**

	<u>6/2/2026</u>
Peter Westerholm, Chair	Date
Metropolitan Housing Trust Fund Commission	

**APPROVED AS TO AVAILABILITY OF FUNDS:**

Signed by:

	<u>6/23/2026</u>
<small>62377A2A8742469...</small> Jenneen Keeu, Director	Date
Department of Finance	

**APPROVED AS TO RISK AND INSURANCE:**

Signed by:

	<u>6/23/2026</u>
<small>68804BF12FD741C...</small> Direct of Risk Management Services	Date

**APPROVED AS TO FORM AND LEGALITY:**

Signed by:

	<u>6/24/2026</u>
<small>2CBBFAAF2F3B4D4...</small> Assistant Metropolitan Attorney	Date

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

\_\_\_\_\_  
 Freddie O'Connell  
 Metropolitan County Mayor

Attest, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

**FILED IN THE OFFICE OF THE METROPOLITAN CLERK:**

_____ Metropolitan Clerk	_____ Date
-----------------------------	---------------

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

DEPARTMENT OF THE TREASURY

Date: JUN 29 2013

TENNESSEE PRISON OUTREACH MINISTRY  
PO BOX 419  
MADISON, TN 37116

Employer Identification Number:  
35-2458555  
DLN:  
17053101337023  
Contact Person:  
EDWINA O MCCURDY ID# 31229  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
December 31  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
April 3, 2013  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

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

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

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

Letter 947 (DO/CG)

TENNESSEE PRISON OUTREACH MINISTRY

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth C. Corbin". The signature is written in a cursive style with a long horizontal stroke at the end.

Kenneth Corbin  
Acting Director, Exempt Organizations

Enclosure: Publication 4221-PC

***TENNESSEE PRISON OUTREACH MINISTRY, INC.***

(A Not-for-profit Organization)

**Financial Statements**

**With Independent Auditor's Report Thereon**

DECEMBER 31, 2025 and 2024



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*Tennessee Prison Outreach Ministry, Inc.*

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## Independent Auditor's Report

To the Board of Directors of  
Tennessee Prison Outreach Ministry, Inc.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Tennessee Prison Outreach Ministry, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tennessee Prison Outreach Ministry, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tennessee Prison Outreach Ministry, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tennessee Prison Outreach Ministry, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Tennessee Prison Outreach Ministry, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tennessee Prison Outreach Ministry, Inc.'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.



Miller CPA, PLLC  
Murfreesboro, TN  
May 28, 2026

CPA, PLLC

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 and 2024**

ASSETS		
	2025	2024
Cash and equivalents	\$ 1,021,509	\$ 1,218,538
Grants receivable, net	1,012,900	8,975
Prepaid expenses	827	-
Investments	426,370	-
Property and equipment, net	2,984,939	2,762,215
Other assets	-	2,097
Right-to-use asset	3,247	22,734
TOTAL ASSETS	\$ 5,449,792	\$ 4,014,559
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 87,833	\$ 106,870
Notes payable	911,070	1,137,819
Lease liability	3,283	22,509
TOTAL LIABILITIES	1,002,186	1,267,198
NET ASSETS		
Net assets without donor restrictions	3,621,500	2,647,361
Net assets with donor restrictions	826,106	100,000
TOTAL NET ASSETS	4,447,606	2,747,361
TOTAL LIABILITIES AND NET ASSETS	\$ 5,449,792	\$ 4,014,559

See accompanying notes to financial statements and independent auditor's report.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**

	2025			2024		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Totals	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Totals
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>						
Public support						
Contributions and grants	\$ 2,126,638	\$ 1,000,000	\$ 3,126,638	\$ 1,362,403	\$ 100,000	\$ 1,462,403
Special events	185,246	-	185,246	239,548	-	239,548
Total public support	2,311,884	1,000,000	3,311,884	1,601,951	100,000	1,701,951
Other revenue						
Realized gain on sale of investments	3,130	-	3,130	-	-	-
Unrealized gain on investments	1,985	-	1,985	-	-	-
Loss on sale of property and equipment	-	-	-	(342)	-	(342)
Dividend and interest income	45,999	-	45,999	54,371	-	54,371
Rent	253,976	-	253,976	193,164	-	193,164
Total other revenue	305,090	-	305,090	247,193	-	247,193
Net assets released from restrictions	273,894	(273,894)	-	-	-	-
Total public support and other revenue	2,890,868	726,106	3,616,974	1,849,144	100,000	1,949,144
<b>EXPENSES</b>						
Programs	1,403,031	-	1,403,031	1,189,409	-	1,189,409
Management and general	257,565	-	257,565	315,499	-	315,499
Fundraising	256,134	-	256,134	215,388	-	215,388
Total expenses	1,916,729	-	1,916,729	1,720,296	-	1,720,296
Increase in net assets	974,139	726,106	1,700,245	128,848	100,000	228,848
Net assets at beginning of year	2,647,361	100,000	2,747,361	2,518,513	-	2,518,513
Net assets at end of year	\$ 3,621,500	\$ 826,106	\$ 4,447,606	\$ 2,647,361	\$ 100,000	\$ 2,747,361

See accompanying notes to financial statements and independent auditor's report.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**

	2025				2024			
	Program Services	Supporting Services		Totals	Program Services	Supporting Services		Totals
		Management and General	Fund- raising			Management and General	Fund- raising	
Compensation and related expenses	\$ 831,660	\$ 50,100	\$ 120,240	\$ 1,002,000	\$ 634,808	\$ 192,366	\$ 134,656	\$ 961,830
Youth fees	101,661	-	-	101,661	64,588	-	-	64,588
Professional fees	-	80,255	-	80,255	18,028	19,531	-	37,559
Meals and entertainment	2,350	-	-	2,350	6,586	-	-	6,586
Travel	124	2,983	-	3,107	213	5,114	-	5,327
Depreciation and amortization	98,561	5,937	14,250	118,748	105,098	2,786	1,446	109,330
Repairs and maintenance	47,718	4,719	-	52,437	50,761	3,347	1,673	55,781
Postage	9,393	566	1,358	11,317	13,375	884	440	14,699
Printing	14,122	851	2,042	17,015	9,244	2,280	1,139	12,663
Program supplies	80,332	-	-	80,332	91,119	-	-	91,119
Office supplies	-	19,056	19,055	38,111	-	6,346	6,346	12,692
Utilities	78,869	4,751	11,403	95,023	51,727	14,779	7,389	73,895
Advertising	5,061	305	732	6,098	11,928	1,600	1,018	14,546
Bank fees	4,026	4,191	-	8,217	3,169	3,299	-	6,468
Dues and subscriptions	35,441	2,135	5,124	42,700	20,424	1,607	919	22,950
Insurance	34,175	66,340	-	100,515	24,780	48,102	-	72,882
Miscellaneous	-	1,523	-	1,523	-	-	-	-
In-kind	-	-	-	-	10,200	-	-	10,200
Interest	39,554	-	-	39,554	54,691	-	-	54,691
Right-to-use asset amortization	5,846	13,641	-	19,487	4,872	11,367	-	16,239
Alarm and security	3,524	212	510	4,246	1,797	56	28	1,881
Charitable donations	1,811	-	-	1,811	3,589	-	-	3,589
Vehicles and transportation	8,803	-	-	8,803	8,412	2,035	1,020	11,467
Total expenses	<u>1,403,031</u>	<u>257,565</u>	<u>174,714</u>	<u>1,835,310</u>	<u>1,189,409</u>	<u>315,499</u>	<u>156,074</u>	<u>1,660,982</u>
Direct costs of fundraising event	-	-	81,420	81,420	-	-	59,314	59,314
Total expenses	<u>\$ 1,403,031</u>	<u>\$ 257,565</u>	<u>\$ 256,134</u>	<u>\$ 1,916,730</u>	<u>\$ 1,189,409</u>	<u>\$ 315,499</u>	<u>\$ 215,388</u>	<u>\$ 1,720,296</u>

See accompanying notes to financials statements and independent auditor's report.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 1,700,245	\$ 228,848
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	120,845	110,527
Right-to-use asset amortization	19,487	16,239
Realized gain on sale of investments	(3,130)	-
Unrealized gain on investments	(1,985)	-
Loss on property and equipment	-	342
Decease (increase) in operating assets:		
Grants receivable, net	(1,003,925)	2,675
Prepaid expenses	(827)	3,600
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(19,037)	54,309
Lease liability	(19,226)	(16,464)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>792,447</u>	<u>400,076</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	6,048	-
Purchases of investments	(427,303)	6,000
Purchases of property and equipment	(341,472)	(206,535)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(762,727)</u>	<u>(200,535)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments of notes payable	(226,749)	(162,422)
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<u>(197,029)</u>	<u>37,119</u>
<b>CASH AND EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,218,538</u>	<u>1,181,419</u>
<b>CASH AND EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,021,509</u>	<u>\$ 1,218,538</u>

See accompanying notes to financial statements and independent auditor's report.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Tennessee Prison Outreach Ministry, Inc. (the “Ministry”) is a not-for-profit Tennessee Corporation organized to conduct preventative, rehabilitative and aftercare programming for offenders and their families. The Ministry accomplishes this function through the operation of a halfway house, re-entry facility, educational programs and various programs conducted for offenders and their families. Support for the Ministry is primarily received through donor contributions, grants and church contributions.

Basis of Accounting

The financial statements of the Ministry have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 unrestricted revenue and support and expenses during the period. Actual results could differ from those estimates.

Financial Statement Presentation

The Ministry presents its financial statements in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Financial Statements for Not-for-Profit Organizations*. Accordingly, the Ministry reports information regarding its financial position and activities according to the two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Ministry.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as revenue within net assets with donor restrictions when received, and such unexpended amounts are reported as net assets with donor restrictions at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “released from restrictions”.

Net assets with donor restrictions also consist of donor restricted contributions, which are required to be held in perpetuity. As of December 31, 2025 and 2024, there were no net assets with donor restrictions required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

Contributions and Grants

Contributions and grants are recognized as revenue when received or unconditionally pledged. All contributions and grants are available for unrestricted use unless specifically restricted by the donor. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants (continued)

All other donor-restricted contributions and grants are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Ministry reports gifts of land, buildings and equipment as net assets without donor restrictions at the estimated fair value. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service as instructed by the donor.

Cash and Equivalents

Cash and equivalents include cash on hand and short-term investments with original maturities of three months or less.

Grants Receivable, Net

Revenue recognized on unconditional grants in excess of funds received is recorded as grants receivable. Also, grants reimbursement requests have been recorded as grants receivable. The grants receivable are recorded when the expense for reimbursement has been incurred and revenue recognized. Each grant agreement defines when a particular grant is considered past due which ranges from 30 to 60 days from the invoice date. The Ministry does not charge interest or a finance charge on past due grant receivable accounts. The Ministry estimates an allowance for doubtful grants receivable based upon historical trends, contractual obligations and ability to pay. Generally, the Ministry does not require collateral or other security to support the grants receivable. As of December 31, 2025 and 2024, management estimated the allowance for doubtful grants to be \$-0-.

Investments

The Company classifies its investments as available-for-sale. Securities classified as available-for-sale are carried on the financial statements as fair value. Realized and unrealized gain and losses determined using the first-in, first-out method, are included in revenue. Dividends on investments are recognized in revenue when declared.

Investments are reviewed annually for impairment by management. The Organization recognized no impairment charges during the years ended December 31, 2025.

The Fair Value Measurement and Disclosures topic of the FASB Accounting Standards Codification estimates a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. This hierarchy consists of three levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Company uses appropriate valuation techniques based on available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 and Level 2 were not available

Property and Equipment, Net

The Ministry capitalizes all property and equipment expenditures with a cost of \$500 or more having estimated useful lives of more than one year.

Property and equipment are capitalized at cost or, for donated items, at fair value as of the date received. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of activities for the respective period.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net (continued)

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and improvements	15 - 39.5 years
Furniture and equipment	5 - 7 years

Functional Expenses

Expenses are summarized and categorized based upon their functional classification as either program, management and general or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, the expenses require allocation on a reasonable basis that is consistently applied. The Organization has determined the allocation based on estimates of time and effort within the compensation and related expenses; which in turn created a percent allocation that was used to determine the allocation of certain expenses.

Advertising Expenses

Advertising costs include costs to promote the Ministry and specific programs are expensed as incurred on the statements of functional expenses. Advertising expense for the years ended December 31, 2025 and 2024 totaled \$6,098 and \$14,546, respectively.

Income Taxes

The Ministry is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Therefore, the Ministry has made no provision for federal income taxes in the accompanying financial statements.

The Ministry has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are 2024, 2023, 2022, 2021, and 2020. Based on the evaluation of the Ministry's tax positions, management believes all tax positions taken would be upheld under an examination by the tax authorities. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2025 and 2024.

Donated Services

Contributed services are recognized if the services received create or enhance long-lived assets or required specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation. The Ministry receives contributed time which does not meet the recognition criteria. Accordingly, the value of this time has not been reported within the financial statements.

NOTE B—INVESTMENTS

The Company's investments are recorded at the fair market value based on quoted prices in active markets using level 1 inputs on the fair value hierarchy chart. The Company's investments that are listed on the U.S. exchanges are valued based on readily available market quotations.

Stocks are investments that are valued based on quoted prices on the last trading date of the principal market on or before December 31, 2025. They include investments that are directly held in publicly traded equities.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

NOTE B—INVESTMENTS (CONTINUED)

As of December 31, 2025 the fair market value of the stock investments totaled \$426,370. These funds have been invested in domestic stocks.

During the year ended December 31, 2025 realized gain on the sale of investments totaled \$3,130. Net unrealized gain recorded on the consolidated statements of operations during the years ended December 31, 2025 totaled \$1,985.

NOTE C—PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following as of December 31, 2025 and 2024:

	2025	2024
Land and land development	\$ 724,117	\$ 449,604
Buildings and improvements	2,704,021	2,643,427
Furniture and equipment	199,689	193,324
Vehicle	134,838	134,838
	3,762,665	3,421,193
Less: Accumulated depreciation	(777,726)	(658,978)
Property and equipment, net	\$ 2,984,939	\$ 2,762,215

For the years ending December 31, 2025 and 2024 depreciation expense totaled \$118,747 and \$109,331, respectively.

As of December 31, 2025 and 2024 the Ministry was developing a lot for a future building. Total funds to purchase and develop this lot as of December 31, 2025 and 2024 totaled \$486,732 and \$212,838, respectively. These costs are located in "Land and land development" within property and equipment, net on the statements of financial position.

NOTE D—NOTES PAYABLE

The Ministry has a note payable bearing an interest rate of the prime rate minus 4.00% with a floor of 0.00% (as of December 31, 2025 and 2024 the interest rate was 2.75% and 3.50%) requiring monthly principal and interest payments totaling \$1,382 through June 2032. The note payable is secured by certain real estate.

	2025	2024
	\$ 158,125	\$ 167,217



**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

**NOTE E—OPERATING LEASE (CONTINUED)**

The valuation of the right to use asset and the corresponding lease liability is recorded at the present value using the risk free interest rate of 4.17%. During the years ended December 31, 2025 and 2024, the components of the lease are as follows:

	2025	2024
Operating lease costs		
Amortization of right-to-use asset	\$ 19,487	\$ 16,239
Interest on lease liability	574	1,086
Total operating costs	\$ 20,061	\$ 17,325

The future minimum lease payments related to the operating lease during the years ending December 31 are as follows:

December 31,	
2026	3,300
	3,300
Less: imputed interest	(17)
Lease liability	\$ 3,283

**NOTE F—NET ASSETS**

*Net Assets with Donor Restrictions:*

A summary of net assets with donor restrictions is as follows:

	December 31, 2024	Net Asset With Donor Restriction Contributions	Released from Restrictions	December 31, 2025
Moore Ave	\$ 100,000	\$ 1,000,000	\$ (273,894)	\$ 826,106
Net assets with donor restrictions	\$ 100,000	\$ 1,000,000	\$ (273,894)	\$ 826,106

*Net Assets without Donor Restrictions:*

The Board of Directors has designated net assets of \$400,000 as of December 31, 2025 and 2024 to go toward capital purchases or debt reduction. The designation above is a voluntary, board-approved segregation of unrestricted net assets for specific purposes and is used as an aid in future expenditures. As of December 31, 2025 and 2024, net assets without donor restrictions totaled \$3,500,854 and \$2,647,361, respectively.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

**NOTE G—AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Ministry's financial assets as December 31, 2025 and 2024, reduced by amounts not available for general use because of donor imposed restrictions within one year of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end	\$ 1,021,509	\$ 1,218,538
Grants receivable	1,012,900	8,975
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(826,106)	(100,000)
Board of Directors designated funds	<u>(400,000)</u>	<u>(400,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 808,303</u>	<u>\$ 727,513</u>

The Ministry is substantially supported by unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Ministry must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Ministry's liquidity management, it sends out cash as the restricted contributions and grants come in and maintains a level of cash related to contributions without donor restrictions.

**NOTE H—RETIREMENT PLAN**

The Ministry participates in a 401(k) retirement plan in which all full-time employees are eligible to participate after one full year of employment. The Ministry contributes up to 5% of compensation of eligible employees. During the years ended December 31, 2025 and 2024, the Ministry contributed \$29,061 and \$11,403, respectively, to the retirement plan.

**NOTE I—CONCENTRATION OF RISK**

The Ministry may be subject in the future to credit risk to its cash and equivalents accounts, which are placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation ("FDIC") offers coverage up to \$250,000 for substantially all depository accounts. As of December 31, 2025 and 2024, the Ministry had no funds in excess of the FDIC limit.

The Ministry has cash and equivalents located with an investment company. As of December 31, 2025 and 2024, funds located within a money market account and other cash equivalents within the investment company totaled \$643,658 and \$874,639, respectively.

**NOTE J—CASH FLOW INFORMATION**

Cash disbursements for interest during the years ended December 31, 2025 and 2024 totaled \$39,554 and \$54,691, respectively. There were no cash disbursements for income taxes during the years ended December 31, 2025 and 2024.

**TENNESSEE PRISON OUTREACH MINISTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 and 2024**

**NOTE K—SUBSEQUENT EVENTS REVIEW**

Subsequent events have been evaluated through May 28, 2026, which is the date the financial statements were available to be issued. There were no subsequent events or transactions requiring the financial statements to be adjusted.

BY-LAWS  
of  
TENNESSEE PRISON OUTREACH MINISTRY, INC.

ARTICLE I  
NAME AND INCORPORATION

Section 1. Name. The name of this organization shall be TENNESSEE PRISON OUTREACH MINISTRY, INC. (the "Corporation").

Section 2. Incorporation. TENNESSEE PRISON OUTREACH MINISTRY, INC. shall be a *Tennessee* corporation incorporated under the laws of that state. The Corporation shall not have members. The Corporation will be a not-for-profit corporation and it is intended that it will qualify as a tax exempt entity under the provisions of Section 501 (c) (3) of the Internal Revenue Code and the laws of the State of *Tennessee*.

ARTICLE II  
PRINCIPAL OFFICE

Section 1. Principal Office. The principal office of the Corporation shall be located in *Madison, Tennessee* and the Corporation shall have such other offices at such other places within or without the State of *Tennessee* as determined necessary by the Board of Directors from time to time or as the business of the Corporation may require. All books and records of the Corporation will be maintained at its principal office.

ARTICLE III  
PURPOSE

Section 1. Business Purpose. The purpose of the Corporation is to conduct preventative, rehabilitative and aftercare programming for offenders and their families.

Section 2. Other Activities. The Corporation may engage in any other lawful activity in furtherance of the above-stated purposes as determined necessary by the Board of Directors from time to time.

Section 3. Prohibited Activities. Notwithstanding any other provision of these By-laws, no Director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, and its Regulations as they now exist or as they may hereafter be amended, or by an organization described in Sections 170 (c)(2), 2055 (a) and 2522 (a) of such Code and Regulations as they now exist or as they may hereafter be amended.

ARTICLE IV  
BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have the responsibility of establishing policy for and providing oversight of the operations of the Corporation. In addition to the powers and authority expressly conferred upon them by these Bylaws, the Board may exercise all the powers of the Corporation and do all lawful acts and things as are required to be exercised or done.

Section 2. Number of Directors. The Board of Directors shall consist of no less than three (3) people. The specific number of directors shall be established by a resolution of the Board as it determined

necessary from time to time. A simple majority of the established number of directors shall be appointed by the Parent Corporation. The balance shall be elected according to Board policy.

Section 3. Term. The Directors shall be divided into three classes as equal in number as possible. Initially, one class of Directors shall serve for a period of one year, one class of Directors shall serve for a period of two years and one class of Directors shall serve for a period of three years. At each annual meeting of Directors, each Director selected to succeed a Director whose term expires shall be appointed or elected for a period of three years. Members shall be eligible for reelection for two additional terms of three (3) years. At the end of a third term as a member of the Board of Directors, a person shall not be eligible for reelection for a period of at least one (1) year. Any member elected to fill an unscheduled vacancy shall be appointed or elected for the remaining portion of the scheduled term of that vacancy. Should that period of time be less than 1.5 years, such partial term will not constitute a term of office for purposes of appointment or reelection to the Board.

Section 4. Election. Persons nominated for the elected director positions of the Board of Directors by the process described within these By-laws or, if not so described, by board policy shall be elected by a majority vote of the then current members of the Board of Directors.

Section 5. Ex Officio Members. The immediate past-president may serve an additional year on the board, Ex Officio, if completion of the term as president coincides with the individual's last year in a second consecutive term as director. The Executive Director of the Corporation shall be a non-voting Ex Officio member of the Board. The Board may elected other Ex-officio members, voting or non-voting, according to its established policy. Non-voting Ex Officio members may be requested to absent themselves during executive session at the request of the President or any two members of the directors then in attendance.

Section 6. Resignation of a Director. A Director may resign by tendering notice in writing, to the President, Secretary or the Executive Director.

Section 7. Removal of a Director. Any Director may be removed from office with or without cause by affirmative vote of two-thirds (2/3rds) of the then serving members of the Board of Directors.

Section 8. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as are fixed as deemed necessary by the Board of Directors from time to time. The last regular meeting scheduled in each calendar year shall be designated the annual meeting of the Board of Directors. Notice of the time and place for such meetings shall be given in accordance with § 12 below.

Section 9. Special Meetings. Special meetings may be held at any time upon call of the President, Vice President or any three Directors.

Section 10. Quorum. A quorum to transact business at any special or voting regular meeting of the Board of Directors shall be the presence of a simple majority of the members then in office. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, by the Charter of the Corporation, or by these By-laws.

Section 11. Action by Written Consent. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting by consent in writing, setting forth the action so taken. If all directors consent to taking such action without a meeting, the affirmative vote of a majority of the

Directors then in office, evidenced by their signatures on such written consent, shall have the same force and effect as a majority vote at a meeting of the Board of Directors.

Section 12. Manner. Meetings, regular or special, of the Board of Directors and its committees may be held by electronic means as long as a quorum is participating simultaneously.

Section 13. Notice of Meetings. Notice of the time and place of regular and special meetings shall be given to each Director at the place so indicated for such notice according to the records of the Corporation prior to such meeting. If mailed, such notice shall be deposited in the U. S. Mail not less than fourteen (14) days before the date of the meeting. If delivered in person or electronically, such notice shall be delivered not less than seven (7) days before the meeting. If mailed, such notice shall be deemed to be delivered when deposited, so addressed and with postage prepaid, in the United States mail. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends for the sole, express purpose of objecting to the transaction of business thereat, on the ground that the meeting is not lawfully called or convened, and so states in writing prior to the conduct of any business at the meeting.

Section 14. Compensation. Directors, and members of any committee of the Board of Directors, shall not be entitled to any compensation for their services as Directors or members of any such committee. Directors and committee members may be reimbursed for any expenses incurred in connection with their services as Directors or members of a committee if such reimbursement is approved by a vote of the Board of Directors.

Section 15. Records. The Board of Directors shall keep a record of all their proceedings and these records and the principal books of the Corporation shall be kept at the principal office of the Corporation, or such other place or places as determined necessary by the Board of Directors from time to time. All of these books and records shall be subject to the inspection of any Director at any reasonable time of the day.

## ARTICLE V COMMITTEES

Section 1. Executive Committee. The Executive Committee shall consist of the Officers of the Corporation. Such committee shall oversee the work of the Board and have the power and responsibility to take any necessary action in urgent situations on behalf of the Corporation between meetings of the Board of Directors. The Committee will meet at such time and place as determined by the President or Vice President. A majority of the members of the Committee shall constitute a quorum for the purpose of transacting business. The Executive Committee shall give immediate notice to the Board of Directors when action has been taken.

Section 2. Other Committees. The Board of Directors may create such other committees as deemed necessary from time to time. Each such committee shall consist of such persons, whether directors or others, as may be approved by the Board of Directors, and each committee shall perform such functions as may be lawfully assigned to it by the Board of Directors.

## ARTICLE VI OFFICERS

Section 1. Elective Officers. The officers of the Corporation shall be a President, Vice President, Secretary and Treasurer and may include such other officers as deemed necessary by the Board of Directors from time to time. The officers shall be elected at the annual meeting of the Board. Officers shall be members of the Board of Directors. The officers of the Corporation shall exercise such powers and perform such duties as are specified in these Bylaws or as deemed necessary by the Board of Directors from time to time.

Section 2. Term of Office. Each officer shall serve at the pleasure of the Board. The term of office shall be for a period of one year, or until a successor shall have been elected, or until his or her death, resignation or removal. No officer may serve more than three terms in a given office during a single uninterrupted period of membership (see Article IV, Section 3.) on the Board of Directors.

Section 3. Removal. Any officer may be removed from office with or without cause by two-thirds (2/3rds) of the then serving members of the Board of Directors.

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

Section 5. Duties of Officers.

(a) President. The President shall serve as chairman of the Board of Directors and the Executive Committee and preside at meetings of those bodies. The President shall be an Ex-Officio member of all standing committees of the Board. The President shall have general supervision over the active management of the affairs of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. The President shall work closely with the Executive Director in matters of policy, program and administration and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

(b) Vice President. The Vice President shall assist the President in the duties so assigned, perform the duties and possess and exercise the powers of the President in the event of the President's absence or disability, and perform such other duties as the Board of Directors may from time to time prescribe. The Vice President shall perform such other duties as may be prescribed from time to time by the Board of Directors.

(c) Secretary. The Secretary shall attend all meetings of the Board of Directors and Executive Committee keep or cause to record all votes, attendance at the meetings and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall keep or cause to be kept a record of all members of the Board of Directors and the address to be used for each member for purposes of giving notice of meetings.

(d) Treasurer. The Treasurer shall have custody of the Corporation's funds and securities, shall keep or cause to be kept full and accurate account of financial transactions in books belonging to the Corporation, and shall deposit or cause to be deposited all moneys and other valuable effects

in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as required in the ordinary course of business or as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, or whenever they may require it, an account of all financial transactions and the financial condition of the Corporation. The Treasurer shall perform such other duties as may be prescribed from time to time by the Board of Directors.

#### ARTICLE VII EXECUTIVE DIRECTOR

Section 1. Executive Director. The Board of Directors by a majority vote may engage or appoint an Executive Director to manage the affairs administrative affairs of the Corporation. The Executive Director shall be responsible to the Board of Directors and shall be governed by the duties and authority granted by the Board. The Board of Directors may authorize the Executive Director to employ and supervise other personnel by a majority vote as it deems necessary from time to time. The Executive Director shall be the custodian of the books of account and shall make the same available at all times to the Treasurer, President, and other members of the Board of Directors.

#### ARTICLE VIII INDEMNIFICATION

Section 1. Indemnification of Directors and Officers. The Corporation shall indemnify each present and future director and officer of the Corporation, and his or her heirs, executors and administrators, to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted, provided however, that no such person shall be indemnified against, or be reimbursed for, any expenses incurred in connection with any claim or liability arising out of his own negligence or willful misconduct.

#### ARTICLE IX CORPORATE ACTIONS

Section 1. Contracts. Unless otherwise required by these By-laws or the Board of Directors, the President or Executive Director shall execute contracts or other instruments on behalf of and in the name of the Corporation. The Board of Directors may from time to time authorize any other officer or officers or agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Corporation as it may deem appropriate and such authority may be general or confined to specific instances.

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

ARTICLE X  
CONFLICT OF INTEREST

Section 1. Members of the Board of Directors, regular or Ex Officio shall not knowingly engage in any activities or transactions in material conflict with their duties and obligations to the corporation while serving in such capacity.

Section 2. Directors shall not conduct private business in a manner that places them at a special advantage because of their association with the corporation or any of its affiliate organizations and groups.

Section 3. Any duality of interest or possible conflict of interest on the part of any Director should be disclosed by the affected director or any other director to the other members of the Board and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action.

Section 4. Any Director having a duality of interest or possible conflict of interest on any matter should not vote or use personal influence on the matter, and should not be counted in determining the quorum for the meeting, even when permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

ARTICLE XI  
FISCAL YEAR

Section 1. Fiscal Year and Leadership Year. The fiscal year and leadership year of the Corporation shall be determined by the Board of Directors and in the absence of such other determination shall be the calendar year for both.

ARTICLE XII  
DEPOSITORIES

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

ARTICLE XIV  
AMENDMENTS

Section 1. Amendments to Bylaws. Except as otherwise required by law and any article related to members of the Board appointed by the Parent Corporation, these By-laws may be amended by a majority vote at any meeting of the Board of Directors, if notice of the proposed alteration or amendment is contained in the notice of the meeting. Changes to articles related to appointed members must be approved by the Parent Corporation.

Adopted by Board of Directors, December 10, 2012  
Amended by Board of Directors, No. 1, 2015.

Tre Hargett, Secretary of State  
**State of Tennessee**



Division of Charitable Solicitations and Gaming  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243-0305

Brent Culberson  
Director

615-741-2555  
Brent.Culberson@tn.gov

August 5, 2016

Paul Locke  
Tennessee Prison Outreach Ministry  
136 Rains Avenue  
Nashville, TN 37203

RE: **APPROVAL** - Registration to Solicit Funds for Charitable Purposes  
Tennessee Prison Outreach Ministry - CO19827  
Registration Expiration Date: **June 30, 2017**

Dear Paul Locke:

Pursuant to Tenn. Code Ann. § 48-101-501, *et seq.*, the Division of Charitable Solicitations and Gaming has reviewed your submitted application and is pleased to announce your organization's registration to solicit contributions has been approved.

With this approval, your organization has new responsibilities for maintaining statutory compliance, including submission of the proper documents and required fees on an annual basis. The required filings include:

- Completed *Application to Renew Registration* form
- Completed *Summary of Financial Activities* form
- IRS determination letter granting tax-exempt status, if not previously filed
- IRS *Form 990*, *Form 990EZ*, or *990N* for the most recently completed accounting year, if the organization qualifies as tax-exempt
- An audited financial statement if the organization grossed more than \$500,000 in revenue
- Any amendments to the organization's governing documents

The *Application to Renew Registration* and *Summary of Financial Activities* forms are available on our website at <http://sos.tn.gov/charitable>. Additionally, the "CO" number listed above will serve as your organization's identification number specific to this division and should be included on all correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett  
Secretary of State

:CO19827

Tennessee Secretary of State  
Tre Hargett



Division of Business and Charitable Organizations  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243-1102  
[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

June 02, 2025

Dr. THOMAS SNOW  
136 RAINS AVENUE  
NASHVILLE, TN 37203 USA

**RE:** Registration to Solicit Funds for Charitable Purposes

Organization Name: TENNESSEE PRISON OUTREACH MINISTRY

CO Number: CO19827

Expiration Date: 06/30/2026

Dear Dr. THOMAS SNOW :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett  
Secretary of State

**Tracking Number**

2025121196

**Application to Renew Registration of a Charitable Organization**



**Tre Hargett**  
Secretary of State

**Division of Business and Charitable Organizations**

**Department of State**

State of Tennessee

312 Rosa L. Parks Avenue, 6th Floor

Nashville, Tennessee 37243

Phone: 615-741-2286

[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

CO Number: CO19827  
Filed: 06/02/2025 02:51 PM  
Tre Hargett  
Secretary of State

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**Organization Information**

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**Legal Name of the Charitable Organization:** TENNESSEE PRISON OUTREACH MINISTRY

**Legal entity type of the Organization:** Corporation

**FEIN:** 35-2458555

**Initial Registration Date:** 04/10/2013

**Renewal Date:** 06/30/2025

**Has your fiscal year ending month changed since your last renewal?**

Yes  No

**Fiscal Year Ending Month:** December

**When and where was the organization legally established**

**Date:** 04/15/2013

**Country:** USA

**City/State:** MADISON, TN

**County:** Davidson

**Has your Principal Office address changed since your last renewal?**

Yes  No

**Principal Office Address**

136 RAINS AVENUE  
USA, NASHVILLE, TN 37203

**Has your Mailing address changed since your last renewal?**

Yes  No

**Mailing Office Address**

136 RAINS AVENUE  
USA, NASHVILLE, TN 37203

**Contact Information for the Charitable Organization**

**Contact Name:** Dr. THOMAS SNOW

**Telephone Number:** (615) 870-1126

**Fax Number:** (615) 865-6248

**Email:** [tsnow@tpom.org](mailto:tsnow@tpom.org)

**Website:** [www.tpom.org](http://www.tpom.org)

**Current names used by the charity organization**

**Do you need to modify other names that the charity solicits under?**

Yes  No

**Has the organization registered in any other state(s)?**

Yes  No

**Does the charity have other offices, chapters, branches, affiliates or a parent?**

Yes  No

**The category that best describes your organization**

W - Public Affairs, Society Benefit

**The charitable purpose of the organization**

To provide preventative, rehabilitative, and aftercare programming for offenders and their families.

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**Tax & Financial Information**

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**Has your tax exempt status changed since your last renewal?**

Yes  No

**Last Fiscal Year Start:** January 2024

**Last Fiscal Year End:** December 2024

**Type of 990 Tax Form Filed:** 990 (Long Form)

<b>Government Grants</b>	\$ 1,462,403.00
<b>Gross Revenue</b>	\$ 1,949,144.00

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**Solicitation Information**

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**Have you been enjoined by any court from soliciting contributions?**

Yes  No

**Does your organization contract with or otherwise engage the services of any outside fundraising professional (such as a “professional fund-raiser,” “paid solicitor,” “fund raising counsel,” or “commercial co-venturer”)?**

Yes  No

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**Officer Information**

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**Do you need to modify the current officers?**

Yes  No

Cindy Story  
136 Rains Ave.  
Nashville, TN 37203, USA  
Title(s): Board Member

Greg Hardeman  
136 Rains Ave  
Nashville, TN 37203, USA  
Title(s): Custodian of Final Distributions, President

James Kelley  
136 Rains Ave  
Nashville, TN 37203, USA  
Title(s): Board Member

Mr. Steve Church  
4949 Roselawn Circle  
Nashville, TN 37215, USA  
Title(s): Board Member

Suzy Smith  
136 Rains Ave.  
Nashville, TN 37203, USA  
Title(s): Board Member

Thomas Snow  
136 Rains Ave  
Nashville, TN 37203, USA  
Title(s): Chief Executive Officer

Walt Leaver  
136 Rains Ave  
Nashville, TN 37203, USA  
Title(s): Board Member

MARK PARKEY  
136 RAINS AVENUE  
NASHVILLE, TN 37203, USA  
Title(s): Vice President

ERIC QUALLS  
136 RAINS AVENUE  
NASHVILLE, TN 37203  
Title(s): Board Member

RANDI BAXTER  
136 RAINS AVENUE  
USA, NASHVILLE, TN 37203  
Title(s): Custodian of Contributions

SAM DANIEL  
136 RAINS AVENUE  
USA, NASHVILLE, TN 37203  
Title(s): Treasurer

**Has any officer, director, manager, operator, or principal of the organization been the subject of an injunction, judgement, or administrative order or been convicted of a felony?**

Yes  No

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## Signature

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I certify that the statements in this registration statement and all supplemental forms, documents, and continuation sheets are true and correct to the best of my knowledge and belief.

I (Chief Fiscal Officer, Treasurer, or Officer) certify, under penalty of perjury, that the above information is true and correct.

**Signed Electronically:** Thomas Snow

**Date:** 06/02/2025

**Title:** Chief Executive Officer

I certify that the statements in this registration statement and all supplemental forms, documents, and continuation sheets are true and correct to the best of my knowledge and belief.

I (Chief Fiscal Officer, Treasurer, or Officer) certify, under penalty of perjury, that the above information is true and correct.

**Signed Electronically:** J Greg Hardeman

**Date:** 06/02/2025

**Title:** President



Tre Hargett  
Secretary of State

**Division of Business and Charitable Organizations**

**Department of State**

State of Tennessee

312 Rosa L. Parks Avenue, 6th Floor

Nashville, Tennessee 37243

Phone: 615-741-2555

Fax: 615-253-5173

[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

**Date:** 05/29/2025

**Invoice:** 2025-387973

**Customer Information**

Dr. THOMAS SNOW

TENNESSEE PRISON OUTREACH MINISTRY

136 RAINS AVENUE

NASHVILLE, TN 37203 , USA

Tracking Number	Description	Amount Paid
2025121196	TENNESSEE PRISON OUTREACH MINISTRY (CH Charitable Renewal)	\$ 10.00
<b>Payment Details</b>		
	Fee Total:	\$ 10.00
	Payment Total:	\$ 10.00
	Amount Due:	\$ 0.00
<b>Payment Method</b>		
	Payment Type: Credit Card	
	Check/Confirmation Number: 3899373662	