

LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 06/02/26

Resolution Ordinance

Contact/Prepared By: _____

Date Prepared: _____

Title (Caption): A resolution approving amendment one to a grant contract by and between the Metropolitan Government, acting by and through the Nashville Public Library, and The Enterprise Center, Inc. to continue the Senior Tech Academy to focus on digital literacy, training and education.

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: _____ |

FINANCE Amount +/-: \$ _____ Funding Source: Capital Improvement Budget Capital Outlay Notes Departmental/Agency Budget Funds to Metro General Obligation Bonds Grant ^{DS} Increased Revenue Sources Approved by OMB: <u>AP</u> Approved by Finance/Accounts: _____ Approved by Div Grants Coordination: _____	Match: \$ _____ 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: <u>Initial</u> APPROVED BY FINANCE DIRECTOR'S OFFICE: <u>JK</u>
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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: _____ <input type="checkbox"/> E-mailed Clerk
<input type="checkbox"/> All Dept. Signatures <input type="checkbox"/> Copies <input type="checkbox"/> Backing <input type="checkbox"/> Legislative Summary <input type="checkbox"/> Settlement Memo <input type="checkbox"/> Clerk Letter <input type="checkbox"/> Ready to File	

Resolution No. RS_____

A resolution approving amendment one to a grant contract by and between the Metropolitan Government, acting by and through the Nashville Public Library, and The Enterprise Center, Inc. to continue the Senior Tech Academy to focus on digital literacy, training and education.

WHEREAS, Section 7-3-314 of the Tennessee Code Annotated states that metropolitan forms of government may provide financial assistance to nonprofit organizations in accordance with the guidelines of the Metropolitan Government; and,

WHEREAS, Section 5.04.070 of the Metropolitan Code of Laws provides that the Council may, by Resolution, appropriate funds for the financial aid of nonprofit organizations; and,

WHEREAS, RS2025-1669 approved grant contract between the Metropolitan Government ("Metro"), by and through the Nashville Public Library, and The Enterprise Center, Inc., in order to establish the Senior Tech Academy to focus on digital literacy, training, and education; and,

WHEREAS, the parties wish to amend the grant contract with The Enterprise Center, Inc., to increase the total value of the grant, a copy of which amendment is 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 amendment to the grant contract be approved.

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

Section 1. That amendment one to the grant contract between the Metropolitan Government of Nashville and Davidson County, by and through the Nashville Public Library, and The Enterprise Center, Inc. increases the contract value as shown below:

Nonprofit Organization	Amount
The Enterprise Center, Inc.	\$131,042.22

Section 2. The Metropolitan Government is hereby authorized to enter into the grant contract amendment, attached hereto and incorporated herein, with the nonprofit organization listed in Section 1.

Section 3. 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:

DocuSigned by:

Terr Luke

Terr Luke, Director
Nashville Public Library

INTRODUCED BY:

Member(s) of Council

APPROVED AS TO AVAILABILITY
OF FUNDS:

Signed by:

Jenneen Reed/mjr

Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:

Signed by:

Kelli Woodward

Assistant Metropolitan Attorney

Grant Contract Amendment between the Metropolitan Government of Nashville and Davidson County and The Enterprise Center, Inc., Contract # _____ March 20, 2026

**GRANT CONTRACT AMENDMENT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
AND
The Enterprise Center Inc.**

This Grant Contract Amendment is hereby executed by and between the Metropolitan Government of Nashville and Davidson County, acting through Nashville Public Library ("Metro"), and The Enterprise Center Inc. ("Recipient"). The purpose of this amendment is to increase the grant award amount to \$131,042.22. This funding will cover stipends for trainers, a program monitor, and supplies necessary for providing Basic Digital Literacy classes to participants of the Senior Tech Academy.

1. Grant Contract section C.1. is deleted in its entirety and replaced with the following:
 - C.1. Maximum Liability. In no event will Metro's maximum liability under this Grant Contract exceed one hundred thirty-one thousand forty-two dollars and twenty-two cents (\$131,042.22) ("Maximum Liability"). The Grant Spending Plan will constitute the maximum amount provided to the Recipient by Metro for all the Recipient's obligations hereunder. The Grant Spending Plan line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.
2. Grant Contract Attachment 1 – is deleted in its entirety and replaced with the new Attachment 1.
3. Grant Contract Attachment 2 – The stipends for trainers and the program monitor have been adjusted, in conjunction with an increase in the expenses allocated to the Recipient.

Amendment Effective Date. The revisions set forth herein shall be effective immediately. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

(THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.)

Grant Contract Amendment between the Metropolitan Government of Nashville and Davidson County and The Enterprise Center, Inc., Contract # _____ March 20, 2026

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

RECIPIENT: The Enterprise Center, Inc.

DocuSigned by:

Terri Luke

Department

By: *Jaydon*

Title: Executive Director

Sworn to and subscribed to before me a Notary Public, this 23 day of April, 2026.

APPROVED AS TO AVAILABILITY OF FUNDS:

Jenneen Reed/mjw

Director of Finance

APPROVED AS TO RISK AND INSURANCE:

Signed by:

Balogun Cobb

Director of Insurance

Notary Public



APPROVED AS TO FORM AND LEGALITY:

Signed by:

Kelli Woodward

Metropolitan Attorney

Gail Riggsby

My Commission expires 9-12-27.

FILED IN THE OFFICE OF THE CLERK:

Metropolitan Clerk

Grant Contract Amendment between the Metropolitan Government of Nashville and Davidson County and The Enterprise Center, Inc., Contract # _____ March 20, 2026

ATTACHMENT 1

SPENDING PLAN

FY 26

Name of Contractor: The Enterprise Center, Inc.

ITEM #		Funds Provided via This Contract	Other Funding Sources	TOTAL
1A	Professional Fees – Contracted Services	\$88,564.27	\$0	\$88,564.27
1B	Personnel-Staff Fringe Benefits	\$0	\$0	\$0
2	Staff Local Travel	\$0	\$0	\$0
3	Occupancy-Rent, utilities, commercial insurance, etc.	\$0	\$0	\$0
4	Communications-Postage, phone, etc.	\$0	\$0	\$0
5	Materials, Supplies, Printing, & Copying	\$29,373.75	\$0	\$29,373.75
6	Furniture, Office Equipment, Computers, Travel, etc.	\$0	\$0	\$0
7	Student Programming-Direct Benefit, Testing	\$0	\$0	\$0
8	Other Direct Benefits-food, etc.	\$0	\$0	\$0
	Other Expenses - contracted services (IT) and subscriptions (IT)	\$0	\$0	\$0
9				
10	Indirect/The Enterprise Center, Inc. Admin Fee – 10%	\$13,104.20	\$0	\$13,104.20
	TOTALS	\$131,042.22	\$0	\$131,042.22

Grant Contract Amendment between the Metropolitan Government of Nashville and Davidson County and The Enterprise Center, Inc., Contract # _____ March 20, 2026

ATTACHMENT 2

**THE ENTERPRISE CENTER INC SCOPE OF SERVICE AND SPENDING PLAN NARRATIVE
FY 26**

SCOPE OF PROGRAM:

The Recipient will utilize the funds to implement the Senior Tech Academy. This program will focus on foundational digital literacy and the practical application of these skills to access essential online services. The Senior Tech Academy will be conducted over two five-week sessions.

During each session, three library branches will host classes, supported by a total of six trainers—two trainers will be assigned to co-teach at each branch. Class sizes will be limited to a maximum of ten older adult participants, with both morning and afternoon classes offered at each location. Additionally, one person will be hired to travel between sites to monitor the classes, fill in as needed, and collect the required program data.

Spending Plan

Salaries and Wages

- (6) Trainers – Each trainer will receive a stipend of \$6,000 for each 5-week session.
- (1) Monitor – One individual will be responsible for overseeing the project, stepping in when necessary, and collecting program data. This person will travel between sites, and their stipend of \$8000 per session will include mileage reimbursement.

Total salaries and wages requested – \$88,564.27

Programming Materials, Supplies/Equipment, Printing and Copying

125 computer tablets and protective cases to be used in the implementation of the program.

Total grant funds requested for programming materials, supplies/equipment, printing, and copying – \$29,373.75

Indirect / Administration

Indirect / Administration 10% - \$13,104.20

Total – \$131,042.22



Tre Hargett
Secretary of State

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

DEB SOCIA
SUITE 500
1100 MARKET STREET
CHATTANOOGA, TN 37402

May 27, 2022

Request Type: Certificate of Existence/Authorization

Request #: 0477856

Issuance Date: 05/27/2022

Copies Requested: 1

Document Receipt

Receipt #: 007264628

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3829939312

\$20.00

Regarding: THE ENTERPRISE CENTER, INC.

Filing Type: Nonprofit Corporation - Domestic

Control #: 444388

Formation/Qualification Date: 03/31/2003

Date Formed: 03/31/2003

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: HAMILTON COUNTY

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

THE ENTERPRISE CENTER, 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

Processed By: Cert Web User

Verification #: 053972933

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

DEPARTMENT OF THE TREASURY

Date:

MAY 02 2002

ENTERPRISE CENTER INC
1250 MARKET ST STE 3020
CHATTAHOOGA, TN 37402-4443

Employer Identification Number:
20-0062024

DLN:
17053096849048

Contact Person: SHAWNDEA KREBS ID# 31072

Contact Telephone Number:
(877) 829-5500

Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated February 2005, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.


Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,


Robert Choi
Director, Exempt Organizations
Rulings and Agreements

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

DEPARTMENT OF THE TREASURY

Date: MAR 08 2005

THE ENTERPRISE CENTER INC
C/O JOE FERGUSON
1250 MARKET ST
CHATTANOOGA, TN 37402

Employer Identification Number:
20-0062024
DLN:
17053266012044
Contact Person:
DOROTHY M LAWRENCE ID# 31450
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:
March 31, 2003
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
December 31, 2007

Dear Applicant:

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

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

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

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

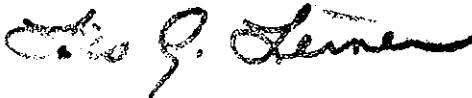
Letter 1045 (DO/CG)

-2-

THE ENTERPRISE CENTER INC

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 "Lois G. Lerner". The signature is fluid and cursive, with a prominent initial "L".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

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

Letter 1045 (DO/CG)

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see Purpose of Form, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) The Enterprise Center, Inc.	
	2 Business name/disregarded entity name, if different from above.	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) 501c3	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/>	
	5 Address (number, street, and apt. or suite no.). See instructions. PO BOX 309	Requester's name and address (optional)
	6 City, state, and ZIP code Chattanooga, TN 37401	
	7 List account number(s) where (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
or	
Employer identification number	
20	- 0062024

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person Devan Minger	Date 01/08/2026
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

THE ENTERPRISE CENTER, INC

Chattanooga, Tennessee

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION**

Years Ended June 30, 2025 and 2024

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

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JHM Chattanooga
2215 Olan Mills Drive
Chattanooga, TN 37421
T: 423.756.0052
F: 423.267.5945
jhmcpa.com



JHM Cleveland
1040 William Way NW
Cleveland, TN 37312
T: 423.472.6543
F: 423.472.6544
jhmcpa.com

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
The Enterprise Center, Inc.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Enterprise Center, Inc. (the "Organization") (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 The Enterprise Center, 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 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 the Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 the Organization'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 the Organization'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 awards and state financial assistance, 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 federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the Organization'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 Organization'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 the Organization's internal control over financial reporting and compliance.

Johnson, Wiley & Meacham, P.C.

Chattanooga, Tennessee
December 1, 2025

THE ENTERPRISE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,380,543	\$ 1,733,578
Restricted cash	170,782	372,567
Grants and other receivables	1,548,050	372,567
Prepaid expenses	<u>-</u>	<u>1,654</u>
Total current assets	<u>3,099,375</u>	<u>2,480,366</u>
 NON-CURRENT ASSETS		
Right of use asset, net	48,045	159,718
Deposits	<u>1,800</u>	<u>1,464</u>
Total non-current assets	<u>49,845</u>	<u>161,182</u>
 Total assets	 <u>\$ 3,149,220</u>	 <u>\$ 2,641,548</u>

(The accompanying notes are an integral part of these statements.)

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Current maturities of lease obligations	\$ 48,045	\$ 111,673
Accounts payable and accrued liabilities	648,469	158,876
Refundable advance	<u>215,884</u>	<u>-</u>
Total current liabilities	912,398	270,549
LONG-TERM LIABILITIES		
Line of credit	50,000	-
Long-term lease obligations, less current maturities shown above	<u>-</u>	<u>48,045</u>
Total liabilities	<u>962,398</u>	<u>318,594</u>
NET ASSETS		
Without donor restrictions	467,990	537,785
With donor restrictions	<u>1,718,832</u>	<u>1,785,169</u>
Total net assets	<u>2,186,822</u>	<u>2,322,954</u>
Total liabilities and net assets	<u>\$ 3,149,220</u>	<u>\$ 2,641,548</u>

(The accompanying notes are an integral part of these statements.)

THE ENTERPRISE CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants	\$ -	\$ 5,671,756	\$ 5,671,756
Operating subsidy	845,428	-	845,428
Total grants and subsidy revenue	845,428	5,671,756	6,517,184
Interest income	11,824	-	11,824
Net assets released from restrictions	5,738,093	(5,738,093)	-
Total revenue and support	6,595,345	(66,337)	6,529,008
Expenses			
Program services			
Smart & Connected Communities	650,341	-	650,341
Digital Opportunity	4,613,671	-	4,613,671
Workforce Dev. & Innovation	516,531	-	516,531
Civic Engagement	354,996	-	354,996
Total program services	6,135,539	-	6,135,539
General and administrative expenses	529,601	-	529,601
Total expenses	6,665,140	-	6,665,140
DECREASE IN NET ASSETS	(69,795)	(66,337)	(136,132)
NET ASSETS			
Beginning of year	537,785	1,785,169	2,322,954
End of year	\$ 467,990	\$ 1,718,832	\$ 2,186,822

(The accompanying notes are an integral part of these statements.)

THE ENTERPRISE CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants	\$ 4,461	\$ 3,011,778	\$ 3,016,239
Operating subsidy	836,299	-	836,299
Total grants and subsidy revenue	840,760	3,011,778	3,852,538
Interest income	12,709	-	12,709
Net assets released from restrictions	3,560,924	(3,560,924)	-
Total revenue and support	4,414,393	(549,146)	3,865,247
Expenses			
Program services			
Smart & Connected Communities	824,424	-	824,424
Digital Opportunity	2,457,706	-	2,457,706
Workforce Dev. & Innovation	581,283	-	581,283
Civic Engagement	304,671	-	304,671
Total program services	4,168,084	-	4,168,084
General and administrative expenses	473,009	-	473,009
Total expenses	4,641,093	-	4,641,093
DECREASE IN NET ASSETS	(226,700)	(549,146)	(775,846)
NET ASSETS			
Beginning of year, as restated	764,485	2,334,315	3,098,800
End of year, as restated	\$ 537,785	\$ 1,785,169	\$ 2,322,954

(The accompanying notes are an integral part of these statements.)

THE ENTERPRISE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

PROGRAM SERVICES

	Digital Opportunity	Smart & Connected Communities	Workforce Dev. & Innovation	Civic Engagement	Total program services	General and administrative	Total
Salaries, payroll taxes and fringe benefits	\$ 1,996,557	\$ 236,519	\$ 251,596	\$ 255,154	\$ 2,739,826	\$ 378,496	\$ 3,118,322
Computers and software	1,880,424	103,923	-	-	1,984,347	-	1,984,347
Consulting	126,300	283,053	21,142	56,440	486,935	36,625	523,560
Equipment rental and maintenance	-	-	-	-	-	1,410	1,410
Event expenses	9,775	1,149	5,786	-	16,710	8,572	25,282
Insurance	-	-	6,501	-	6,501	33,573	40,074
Marketing	8,813	6,744	6,356	12,493	34,406	3,058	37,464
Meals and travel	145,332	7,016	5,822	10,121	168,291	12,166	180,457
Occupancy	56,816	-	143,455	10,800	211,071	-	211,071
Office and program supplies	86,880	2,374	640	9,571	99,465	8,187	107,652
Other expenses	5,845	9,563	74,962	417	90,787	9,561	100,348
Professional services	260,488	-	-	-	260,488	27,822	288,310
Telephone	33,751	-	-	-	33,751	2,032	35,783
Website	2,690	-	271	-	2,961	8,099	11,060
Total expenses	\$ 4,613,671	\$ 650,341	\$ 516,531	\$ 354,996	\$ 6,135,539	\$ 529,601	\$ 6,665,140

(The accompanying notes are an integral part of these statements.)

THE ENTERPRISE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

PROGRAM SERVICES

	Digital Opportunity	Smart & Connected Communities	Workforce Dev. & Innovation	Civic Engagement	Total program services	General and administrative	Total
Salaries, payroll taxes and fringe benefits	\$ 1,573,995	\$ 180,622	\$ 206,426	\$ 258,032	\$ 2,219,075	\$ 363,751	\$ 2,582,826
Consulting	109,054	329,248	109,372	4,048	551,722	-	551,722
Professional services	6,000	37,487	-	-	43,487	36,549	80,036
Computers and software	458,500	45,290	46,220	-	550,010	-	550,010
Occupancy	35,052	-	141,248	10,900	187,200	-	187,200
Equipment rental and maintenance	-	365	3,642	-	4,007	853	4,860
Printing and publications	-	3,010	24,478	-	27,488	-	27,488
Marketing	1,560	-	-	25,693	27,253	-	27,253
Meals and travel	30,939	7,847	2,433	-	41,219	14,452	55,671
Conferences and meetings	136,982	5,504	3,810	-	146,296	-	146,296
Insurance	-	228	6,212	-	6,440	20,567	27,007
Telephone	18,059	-	-	-	18,059	2,774	20,833
Website	-	37,160	5,750	-	42,910	-	42,910
Office and program supplies	73,191	8,864	31,622	5,998	119,675	25,883	145,558
Connectivity installations	-	167,598	-	-	167,598	-	167,598
Other expenses	14,374	1,201	70	-	15,645	8,180	23,825
Total expenses	\$ 2,457,706	\$ 824,424	\$ 581,283	\$ 304,671	\$ 4,168,084	\$ 473,009	\$ 4,641,093

(The accompanying notes are an integral part of these statements.)

THE ENTERPRISE CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and subsidy revenue:		
Grants	\$ 4,712,155	\$ 3,466,582
Operating subsidy	845,428	836,299
Cash received from interest income	11,824	12,709
Cash paid for salaries, wages, and fringe benefits	(3,118,322)	(2,582,826)
Cash paid for operating leases	(116,620)	(116,620)
Cash paid for operating expenses	(2,939,285)	(2,028,811)
	(604,820)	(412,667)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit	50,000	-
	50,000	-
NET DECREASE IN CASH	(554,820)	(412,667)
Beginning	2,106,145	2,518,812
Ending	\$ 1,551,325	\$ 2,106,145
Reconciliation of cash and cash equivalents and restricted cash		
Cash and cash equivalents	\$ 1,380,543	\$ 1,733,578
Restricted cash	170,782	372,567
	\$ 1,551,325	\$ 2,106,145
RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Decrease in net assets	\$ (136,132)	\$ (775,846)
Adjustments to reconcile decrease in net assets to net cash used by operating activities		
Net leasing activities	-	(3,928)
Net (increase) decrease in operating assets		
Grants and other receivables	(1,175,483)	450,343
Prepaid expenses	1,654	(1,654)
Other assets	(336)	(1,464)
Net increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities	489,593	(80,118)
Refundable advance	215,884	-
	(604,820)	(412,667)
Net cash used in operating activities	\$ (604,820)	\$ (412,667)

(The accompanying notes are an integral part of these statements.)

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

The Enterprise Center, Inc. (the Organization) was incorporated in Tennessee in 2003 as a not-for-profit corporation. The Organization oversees and guides several federally and locally funded technology projects and performs consulting activities.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

The Organization records resources for accounting and reporting purposes 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 available for use in general operations and not subject to donor (or certain grantor) restrictions.

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.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Operating activities

Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investment such as contributions for facilities and equipment and investment returns in excess of amounts designated for current operations.

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 disclosures of contingent matters at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Organization recognizes revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, which affect 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 goods or services. All of the Organization's revenue comes from grants, contributions and interest income which is outside the scope of ASC 606.

Revenue is reported as increased in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. 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 law. Expirations of donor-imposed restrictions in net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions 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. All funds received as advances are recorded as deferred revenues in the Organization's statement of financial position.

Cash equivalents

The Organization considers all highly-liquid, debt instruments with an original maturity of three months or less to be cash equivalents.

Grants receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual grants. 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 grants receivable. Management believes that all receivables are fully collectible at June 30, 2025 and 2024, and, therefore, there are no allowances for uncollectible amounts on grants receivable.

Property and equipment

Property and equipment are stated at cost or, if donated, at approximate fair value at the date of donation. Significant additions and improvements which have estimated useful lives in excess of one year are capitalized. Other expenditures for repairs and maintenance are expensed in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective class of assets.

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization is a tax-exempt not-for-profit entity under Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes.

The Financial Accounting Standards Board guidance requires tax effects from uncertain tax positions be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense, however, there is no interest or penalties recognized in the statements of activities. The tax years after 2022 are still open to audit for federal purposes.

Advertising costs

The Organization's policy is to expense advertising costs as incurred.

Functional allocation of expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon full-time equivalent and square footage usages.

Leasing activities

The Organization follows Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases: Topic 842. This ASU amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use ("ROU") assets and lease liabilities on the statements of financial position for operating leases.

ROU assets represent the Organization's right to use the underlying assets for the lease term and lease liabilities represent the net present value of the Organization's obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the Organization's incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Organization will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. Finance lease expense is recognized as amortization of the right to use asset and interest expense. As permitted by ASU 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying statements of financial position.

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(2) LIQUIDITY AND AVAILABILITY

As part of Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,551,325	\$ 2,106,145
Grants and other receivables	<u>1,548,050</u>	<u>372,567</u>
	3,099,375	2,478,712
Less: Amounts not available for general expenditures due to donor restrictions	<u>1,718,832</u>	<u>1,785,169</u>
	<u>\$ 1,380,543</u>	<u>\$ 693,543</u>

(3) REFUNDABLE ADVANCE

During the year ended June 30, 2025, the Organization received funding in the amount of \$215,884 to purchase equipment to be used in carrying out the Organization's program activities. Since the grant contains donor-imposed barriers and conditions that must be met prior to recognizing the funds as revenue, the amount received has been recorded as a refundable advance (liability) on the statement of financial position at June 30, 2025. The funds will be recognized as revenue when the required equipment purchases have been made and all grant conditions have been satisfied.

(4) LINE OF CREDIT

During the year ended June 30, 2025, the Organization opened a line of credit with a financial institution. At June 30, 2025 the outstanding balance on the line of credit was \$50,000. The line of credit has an interest rate of 8.50% and matures in January 2027.

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(5) LEASING ACTIVITIES

The Organization has one operating lease with Dew Edney, LLC for facility and office space through November 2025.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease as of June 30, 2025 and 2024:

Operating leases	<u>2025</u>	<u>2024</u>
ROU - building	\$ 368,442	\$ 368,442
ROU - accumulated depreciation	<u>(320,397)</u>	<u>(208,724)</u>
ROU, net	\$ 48,045	\$ 159,718
Current portion of operating lease	\$ 48,045	\$ 111,673
Long-term operating lease, less current maturities	<u>-</u>	<u>48,045</u>
Total operating lease liability	<u>\$ 48,045</u>	<u>\$ 159,718</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term - operating leases	.42 years	1.42 years
Weighted average discount rate – operating leases	4.54%	4.54%

The maturities of lease liabilities are as follows:

	<u>Operating</u>
June 30, 2026	\$ 48,592
Total lease payments	48,592
Present value discount	<u>(547)</u>
Total lease liabilities	<u>\$ 48,045</u>

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease expense	\$ 116,620	\$ 116,620

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(5) LEASING ACTIVITIES (continued)

The following summarizes cash flow information related to leases for the year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Lease liability arising from obtaining ROU assets	\$ -	\$ -
Operating cash flows from operating leases	\$ 116,620	\$ 116,620

(6) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 and 2024, consists of the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 170,782	\$ 1,412,602
Grants receivable	1,548,050	372,567
	<u>\$ 1,718,832</u>	<u>\$ 1,785,169</u>

Net assets with donor restrictions are available for the following years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Smart & Connected Communities	\$ 1,498,320	\$ 1,666,967
Digital Opportunity	158,537	84,858
Civic Engagement	61,975	33,344
	<u>\$ 1,718,832</u>	<u>\$ 1,785,169</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2025</u>	<u>2024</u>
Smart & Connected Communities	\$ 779,388	\$ 1,057,932
Digital Opportunity	4,604,573	2,210,835
Civic Engagement	354,132	292,157
	<u>\$ 5,738,093</u>	<u>\$ 3,560,924</u>

THE ENTERPRISE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(7) CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at certain financial institutions in excess of the insurance limits provided by the Federal Deposit Insurance Corporation. At June 30, 2025 and 2024, the Organization had cash and cash equivalents on deposit at financial institutions of approximately \$-0- and \$58,000 respectfully that were in excess of covered by FDIC insurance.

(8) EMPLOYEE BENEFIT PLAN

The Organization has a 403(b) employee benefit plan covering substantially all employees who have completed three months of service, work at least 1,000 hours per year, and are 21 years of age or older. The annual discretionary contribution was \$86,584 and \$76,277 for the years ending June 30, 2025 and 2024, respectfully.

(9) RESTATEMENT OF NET ASSET CLASSIFICATIONS

The beginning net asset amounts for 2023 and the ending net asset amounts for 2024 have been corrected between net assets with and without donor restrictions to reflect the proper classification in place of amounts previously reported in the financial statements. Total net assets and the change in net assets were not affected by these corrections. See the following table for changes:

	Without Donor Restrictions	With Donor Restrictions	Total
As of June 30, 2023			
Previously reported	\$ 1,412,772	\$ 1,686,028	\$ 3,098,800
Restatement	<u>(648,287)</u>	<u>648,287</u>	<u>-</u>
As restated	<u>764,485</u>	<u>2,334,315</u>	<u>3,098,800</u>
	Without Donor Restrictions	With Donor Restrictions	Total
As of June 30, 2024			
Previously reported	\$ 1,307,049	\$ 1,015,905	\$ 2,322,954
Restatement	<u>(769,264)</u>	<u>769,264</u>	<u>-</u>
As restated	<u>537,785</u>	<u>1,785,169</u>	<u>2,322,954</u>

(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 1, 2025, the date which these financial statements were available for issue.

SUPPLEMENTARY INFORMATION

THE ENTERPRISE CENTER, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
<u>FEDERAL AWARDS</u>			
US Department of Treasury:			
Passed through Tennessee State Department of Economic and Community Development Coronavirus State and Local Fiscal Recovery Funds (SLFRF) - Broadband Digital Skills Training Education, and Workforce Development Program	21.027	33023-53925	\$ <u>1,359,106</u>
Total U.S. Department of Treasury			<u>1,359,106</u>
U.S. Department of Housing and Urban Development:			
Direct Older Adults Home Modification Grant Program	14.921		<u>57,078</u>
Total U.S. Department of Housing and Urban Development			<u>57,078</u>
U.S. Environmental Protection Agency			
Direct Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act - Chattanooga Leveling Environmental Equity Across Neighborhoods	66.034		<u>84,267</u>
Total Environmental Protection Agency			<u>84,267</u>
Federal Communications Commission			
Direct Affordable Connectivity Outreach Grant Program	32.011		<u>7,996</u>
Total Federal Communications Commission			<u>7,996</u>
TOTAL FEDERAL AWARDS			<u>1,508,447</u>

THE ENTERPRISE CENTER, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>STATE FINANCIAL ASSISTANCE</u>			
Tennessee Department of Health and Human Services			
Passed through Signal Centers, Inc.			
Child Care Resource and Referral Network	N/A		<u>1,277,745</u>
TOTAL STATE AWARDS			<u>1,277,745</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 2,786,192</u>

THE ENTERPRISE CENTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

(1) BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of The Enterprise Center, Inc. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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**INDEPENDENT AUDITORS' 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 of
The Enterprise Center, Inc.**

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 The Enterprise Center, Inc. (the “Organization”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 December 1, 2025.

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.

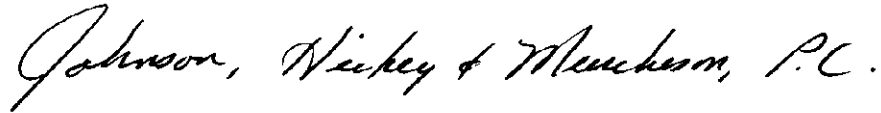
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in cursive script that reads "Johnson, Wickey & Meucham, P.C.".

Chattanooga, Tennessee
December 1, 2025

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

**To the Board of Directors of
The Enterprise Center, Inc.**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Enterprise Center, Inc.'s (the "Organization") 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 the Organization's major federal program for the year ended June 30, 2025. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 the Organization'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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Auditors' 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.

Johnson, Wickey & Meucham, P.C.

Chattanooga, Tennessee
December 1, 2025

THE ENTERPRISE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of The Enterprise Center, Inc. were prepared in accordance with GAAP.
2. No material weaknesses were identified or significant deficiencies were reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of The Enterprise Center, Inc. were disclosed by the audit.
4. No material weaknesses were identified or significant deficiencies were reported during the audit of the major federal award program.
5. The auditors' report on the major federal awards program for The Enterprise Center, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule. No findings were noted.
7. The program tested as a major program were:
U.S. Department of Treasury
Coronavirus State and Local Fiscal Recovery Funds (SLFRF) - Broadband Digital Skills Training
Education, and Workforce Development Program
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Enterprise Center, Inc. was determined not to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Current Year Findings

None

Prior Year Findings

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Current Year Findings

None

Prior Year Findings

None

