

LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 05/05/26

Resolution Ordinance

Contact/Prepared By: _____

Date Prepared: _____

Title (Caption): A resolution authorizing a grant not exceeding \$1,000,000 from the Barnes Fund for Affordable Housing to fund a previously expired grant to Inspiritus, Inc., for the express purpose of constructing and rehabilitating affordable or workforce housing.

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 Increased Revenue Sources <i>DS</i> <i>AP</i>	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: _____ APPROVED BY FINANCE DIRECTOR'S OFFICE: _____
Approved by OMB: _____ Approved by Finance/Accounts: _____ Approved by Div Grants Coordination: _____	

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	

Department of Law - White Copy

Administration - Yellow Copy

Finance Department - Pink Copy

RESOLUTION NO. RS2026-

A resolution authorizing a grant not exceeding \$1,000,000 from the Barnes Fund for Affordable Housing to fund a previously expired grant to Inspiritus, Inc., for the express purpose of constructing and rehabilitating affordable or workforce housing.

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

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

WHEREAS, pursuant to the regulations and procedures of the Metropolitan Housing Trust Fund Commission, the Metropolitan Trust Fund Commission voted to redistribute funds to Inspiritus, Inc., a non-profit organization whose grant contract had previously expired; and,

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

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

Section 1. There is hereby appropriated \$1,000,000 from the Barnes Fund for Affordable Housing to fund a previously expired grant to the following nonprofit organization as follows:

Nonprofit	Amount	Project Type	# of Barnes Fund Homes	Council District	Exhibit	Originally Approved Resolution
Inspiritus, Inc.	\$1,000,000	Rental	80	19	A	RS2022-1443

Section 2. The Metropolitan Government of Nashville and Davidson County is hereby authorized to enter into a grant contract with the nonprofit organization listed in Section 1 for the grant amount designated therein, subject to the terms and conditions under which the grant funds are to be spent, attached hereto as Exhibits A and incorporated herein.

Section 3. This Resolution shall take effect from and after its adoption, the welfare of the Government of Nashville and Davidson County requiring it.

RECOMMENDED BY:

INTRODUCED BY:

Signed by:

Angela Hubbard

Angela Hubbard, Housing Director

Member(s) of Council

APPROVED AS TO AVAILABILITY
OF FUNDS:

Signed by:

Jenneen Reed/mjw

Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:

DocuSigned by:

Macy Amos

Assistant Metropolitan Attorney

**GRANT CONTRACT 2026-R9-INS
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
INSPIRITUS, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Inspiritus, Inc., hereinafter referred to as the "Recipient," is for the provision of continuing the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient is developing **80** Barnes Fund affordable housing units located at **1622 Rosa Parks Blvd.**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Pursuant to RS2022-1443, Exhibit J, the Recipient received a Grant Award totaling \$2,500,000 ("Original Grant Award") to construct the Project and entered into a Grant Contract ("Initial Grant Contract") with Metro effective April 6, 2022. The Initial Grant Contract has three (3) amendments: (1) RS2024-332, extending the term to April 6, 2024; (2) RS2024-333, extending the term to April 6, 2025 (duplicate action as RS2024-332) and changing the draw schedule; and (3) RS2025-1077, extending the term to April 6, 2026. The Grant Contract expired prior to the completion of the Project and full expenditure of the Original Grant Award. Prior to the expiration of the Amended Grant Contract, the Recipient had drawn \$1,500,000 for eligible expenses, leaving a balance of \$1,000,000. As used in this Grant Contract, the Grant Award is the balance of unexpended funds that will be used to complete the Project approved via RS2022-1443, Exhibit J.
- A.2. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **30-year term** ("Affordability Period"). Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.3. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, as approved via RS2022-1443, Exhibit J, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.4. The Recipient, under this Grant Contract, will spend funds solely for the purposes of completing the Project as set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$1,000,000**.

- A.5. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.6. During the term of the Contract and the Affordability Period, Recipient or another qualified nonprofit must maintain 51% ownership in the Project or in the general partner of the Project.
- A.7. Requirements for Rental Projects:
- a. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
 - b. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances, and tenant incomes. The Recipient shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the Affordability Period.
 - c. The Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and project for compliance with Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations, and utility allowances.
 - d. The Affordability Period applicable to both tenant income and maximum rents shall commence on the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the Affordability Period will begin on the date of recordation of the notice of completion for the project.
 - e. Recipient shall not increase rents during the lease term. Such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.
 - f. During the Affordability Period, Recipient shall submit to Metro no later than July 15 of each year, an eviction report that includes the number of people evicted and the reason for the eviction for the prior fiscal year (July 1-June 30).
 - g. Recipient shall post information on Fair Housing rights in the leasing office and make information on Fair Housing rights available to tenants at least annually. Recipients should endeavor to make information available to persons with Limited English Proficiency.

- h. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

A.8. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.
- B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.
- B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **One Million Dollars (\$1,000,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.
- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, including eligible costs incurred subsequent to the Amended Grant Contract expiration and not previously paid, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

1) **Construction Grant Draw Schedule**

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.
- Before a draw can be made, there must be a physical inspection of the Project by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the Project.

2) **Construction Grant Draw Process**

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
- All invoices shall be sent BFPayments@nashville.gov.
- Said payment shall not exceed the maximum liability of this Grant Contract.
- Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.

C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.

- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project is funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
Metropolitan Housing Trust Fund Commission
Freddie O'Connell, Mayor
Metropolitan Council of Nashville and Davidson County*

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.

- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30- day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.
- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.

- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- a. Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
 - b. Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
 - c. Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
 - d. Recipient's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.

- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov

Recipient:

Inspiritus, Inc.
John Moeller, Jr., Executive Director
P.O. Box 60597
Nashville, TN 37206

- D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.
- D.28. Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm
Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:
Jenneen Reed
Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Signed by:
Macy Amos
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND INSURANCE:

Signed by:
Balagun Cobb
Director of Risk Management Services

APPROVED BY METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

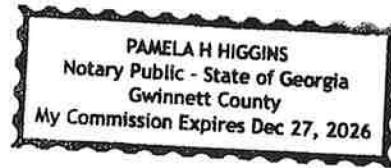
Inspiritus, Inc.

By: *John Mullen*

Title: President and CEO

Sworn to and subscribed to before me a Notary Public, this 31st day of March, 2026.

[Notary Public seal]



Pam Higgins

Notary Public

My Commission expires 12/27/2026

ATTACHMENT A



Barnes Housing Trust Fund Scope of Work

Contract Number: 2026-R9-INS

Funding Round Number: 9

Organization Name: Inspiritus, Inc.

Project Location: 1622 Rosa Parks Blvd.

Project Type: Rental New Construction

Grant Award: \$1,000,000

Metro Property Award: 0

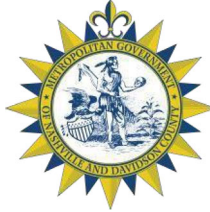
Total Number of Units in Development: 80

Total Number of Barnes Fund Units by Income Target:

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
0	80	N/A	80

Project Summary: The ELCA Southeastern Synod and its social services arm, Inspiritus, are redeveloping the underutilized St. Paul’s Lutheran Church site to expand Inspiritus’ current services and create more affordable housing in the Germantown neighborhood. Inspiritus envisions a mixed-use community designed to meet the growing needs of the neighborhood and empower low-income residents on their journey from surviving to thriving. To do so, Inspiritus will develop 8,000 square feet of ground floor space for its programs and other community activities. In the four stories above this space, there will be 80 affordable housing units (<60% of AMI).

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

Unit Address	1622 Rosa Parks Blvd
Development Type	Mixed-Use
Accessible Bus Line Routes	Route 22
Number of Studios	16
Number of 1 Bedrooms	32
Number of 2+ Bedrooms	32
Square Feet	55,200
Number of Stories	5
Acquisition Costs	
Vacant Land	
Land with Structure	500,000
Title & Recording	20,000
Legal	
Total	520,000
Predevelopment Costs	
Appraisal	6,000
Survey	5,000
Other Soft Costs	151,450
Insurance	24,300
Architect/Engineering	475,736
THDA Fees	284,236
Legal	260,000
Financing Fees	465,352
Total	1,672,074
Construction Costs	
Structure	
Footer/Foundation	1,390,010
Framing	2,224,017
Electrical	1,807,013
Plumbing	695,005
Roofing	139,001
HVAC	889,607
Drywall/Insulation	1,112,008
Paint/Stain	333,602
Windows/Doors	417,003
Floor Coverings	556,004
Cabinets	278,002
Brick/Siding	556,004
Sub-Total	10,397,278
Other	
Site Work	162,836
Appliances	333,602
Decks/Porches	
Side Walks/Driveways	100,000
Landscaping	20,000
Utility Hookups	193,433
Building Permits/Fees	50,000
Demolition	50,000
Fees	596,160
Sub-Total	1,506,031
Construction Contingency	566,352

Profit (if organization has own construction crew)	
Sub-Total	566,352
Total Construction Cost	12,469,661
Total Cost	14,661,760
Cost per Unit	183,272
Developer's Fee (capped at 20%; <10%)	982,869
Total Cost/Unit	195,558

ATTACHMENT C



Barnes Housing Trust Fund Draw Schedule

The following percentages are based on the Barnes Fund Original Grant Award of \$2,500,000. Recipient may only draw for milestones not already paid under the Initial or Amended Grant Contract for the remaining percentage(s) to be drawn for that milestone.

Draw #	% of Original Grant Award	Maximum Draw Amount	Amount Drawn Under Original Grant Contract	Amount Available to Drawn und Contract 2026-R9-INS	Milestone
1*	20%	\$500,000	\$500,000	\$0	Upon transfer of the property to Inspiritus (effective August 2022)
2*	20%	\$500,000	\$500,000	\$0	Upon receipt of the Building Permit and Builder's Risk Insurance
3*	20%	\$500,000	\$500,000	\$0	Footing, framing, and foundation completed
4**	20%	\$500,000	\$0	\$500,000	Roofing completed and the plumbing, electrical, and mechanical roughed in and approved by local Codes
5**	10%	\$250,000	\$0	\$250,000	Cabinets, counters, drywall, trim, and doors are installed
6**	10%	\$250,000	\$0	\$250,000	Balance of grant upon receipt of a Final Use & Occupancy from local Codes (100% complete)

Notes:

*Draw requests 1-3 were made under the Original Grant Contract and draw documentation is on file with the Metro Housing Division.

**Draw requests 4-6 are eligible draws under this contract and must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).

**RESTATED ARTICLES OF INCORPORATION OF
INSPIRITUS, INC.**

The undersigned, John Manly, Chair of the Board of Directors of Inspiritus, Inc., a Georgia non-profit corporation organized pursuant to the Georgia Nonprofit Corporation Act (the “Corporation”), does hereby certify pursuant to Section 14-3-1006 of the Official Code of Georgia Annotated (“O.C.G.A.”) the following:

- I. The name of the Corporation is Inspiritus, Inc.
2. These Restated Articles of Incorporation of the Corporation contain amendments requiring member approval. The Amended and Restated Articles of Incorporation of the Corporation were adopted by the Corporation Board of Directors (the “Board”) and member approval was obtained in accordance with the provisions of O.C.G.A. Section 14-3-1003.
3. These Restated Articles of Incorporation of the Corporation which contain amendments were adopted by the Board of Directors on the 17th day of November 2023.
4. These Restated Articles of Incorporation of the Corporation with their amendments supersede the original Articles of Incorporation of the Corporation and all amendments to them.

RESOLVED, that the Articles of Incorporation of the Corporation be amended and restated in their entirety to read as follows:

ARTICLE I – NAME

The name of the Corporation is Inspiritus, Inc.

ARTICLE II- PURPOSES, POWERS, RESTRICTIONS

Section 1. - Purposes. The Corporation is organized and formed exclusively for religious, charitable, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The objects and purposes of the Corporation are:

- (i) To serve as a common social agency for the Southeastern Synod of the Evangelical Lutheran Church in America (the “Southeastern Synod”) and the Florida-Georgia District of the Lutheran Church-Missouri Synod (the “Florida-

Georgia District”), bringing the Gospel and ministrations of Christian love to those who may be served.

- (ii) To develop and maintain service programs of Christian social ministry to all persons without regard to race, creed, color, ethnicity, sex, gender, gender identity, sexual orientation, disability, ancestry, political orientation, religions, marital status, genetic information, social class, citizenship status, age, nationality, or national origin, as needs are demonstrated and resources permit.
- (iii) To work in close cooperation with other health and welfare agencies.
- (iv) To establish and maintain strong and productive church-agency relationships through a firm dedicated witness to the mission.
- (v) To provide consultative services to organizations and participate in coordinating programs which may be sponsored by the church and community.
- (vi) To provide such other services within the meaning of Code Section 501(c)(3).

Section 2. - Powers. In furtherance of the foregoing purposes and subject to the restrictions set forth in Section 3 of this Article, the Corporation shall have and may exercise all of the powers now or hereafter conferred upon non-profit corporations organized under the laws of Georgia and may do everything necessary or convenient for the accomplishment of any of the corporate purposes either alone or in connection with other legal entities or individuals, and either as principal or agent, subject to such limitations as are or may be prescribed by law.

Section 3. - Restrictions Upon the Powers of Members and Others. No part of the revenues of the Corporation shall inure to the benefit of any member (unless such member is an organization described in section Code Section 501(c)(3)), director or officer of the Corporation, or any other individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no member (unless such member is an organization described in Code Section 501(c)(3)), director or officer of the Corporation, or any other individual shall be entitled to share in any distributions of any of the corporate assets on dissolution of the Corporation or otherwise.

ARTICLE III - REGISTERED OFFICE AND AGENT

The address of the registered office of the Corporation is 731 Peachtree St NE, Suite B, Atlanta, GA 30308. The name of the registered agent at such address is John R. Moeller, Jr.

ARTICLE IV - MEMBERSHIP

The Corporation shall have two members: the Southeastern Synod and the Florida-Georgia District (together, the “Members”), or their successors but not their assigns unless with prior written authorization from the Corporation.

The Members shall have the right to elect directors as described in these Articles of Incorporation and the Corporation’s bylaws. In addition, the Members have the right to vote regarding (i) any changes to the articles of incorporation or bylaws, (ii) selling or transferring substantially all the Corporation's assets, and (iii) dissolution.

ARTICLE V - BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by the Board.

The Bishop of the Southeastern Synod or the Bishop’s designee shall serve as a director on the Board. The President of the Florida-Georgia District or the President’s designee shall serve as a director on the Board.

In addition, the two Members shall each elect a class of directors at the Corporation’s annual membership meeting or via written ballot pursuant to the Corporation’s bylaws. The maximum number of directors that may be elected by the Members through their classes is twelve (12) and the minimum is two (2), one (1) per class. The number of directors in each class will be determined every five (5) years by the closest ratio to each Member’s number of congregations in Georgia. The directors elected by the Members through their classes are the “Corporate Directors.”

The Chief Executive Officer of the Corporation shall serve as a director on the Board.

Further, at the Corporation’s annual Board meeting or via written ballot pursuant to the Corporation’s bylaws, the Corporate Directors may also elect as many as seven (7) persons selected from the communities the Corporation serves and/or those with subject matter expertise and such directors are “Directors-at-Large.”

All elections of directors to the Board shall be made without regard to race, creed, color, gender, sexual orientation, disability, political orientation, age, or national origin. Notwithstanding the previous sentence, a majority of the members of the Board must be members of Lutheran congregations. Additionally, no member of the Board shall be elected or appointed who has a familial relationship to another director or employee of the Corporation.

The Board of Directors shall exercise all the powers of the Corporation. The current directors of the Corporation are Ray Borchelt, Victor Belton, Marc Bussone (Chair), Tiffany Chaney, Ann Dettmering, Gary Dowell, Erica Fletcher, Eli Flournoy, Cindy Holler (Vice Chair), Jasson Kalugendo, Jenneen Kaufman (Treasurer), John Manly, John R. Moeller, Jr., Janet Preston (Secretary), Ed Ringer, Lamar Smith, Kevin Smith, and Kevin Strickland.

ARTICLE VI - OFFICERS OF THE BOARD

The officers of the Board shall be a Chairperson, a Vice Chairperson, a Secretary, a Treasurer, and such other officers as may be set forth in the bylaws. Their duties and manner of election shall be described in the bylaws.

ARTICLE VII - PROHIBITION AGAINST PRIVATE INUREMENT

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers or other private shareholders or individuals, or organizations organized and operated for profit, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.

ARTICLE VIII - RESTRICTIONS ON POLITICAL AND OTHER ACTIVITIES

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. No activity of the Corporation shall consist of participating or intervening in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision in these Articles, the Corporation shall not carry on any activities not permitted to be carried on by, or which would invalidate its status as, an organization (a) which is exempt from federal income taxation under Code Section 501(a) as an organization described in Code Section 501(c)(3) and (b) contributions to which are deductible under Code Section 170(c)(2).

ARTICLE IX - LIMITATION ON LIABILITY

No director or former director of the Corporation shall be personally liable to the Corporation for monetary damages for any action taken, or any failure to take any action, as a director, except liability: (a) for any appropriation, in violation of such director's duties, of any business opportunity of the Corporation; (b) for acts or omissions which involve intentional misconduct or a knowing violation of law; (c) for the types of liability set forth in O.C.G.A Sections 14-3-860 through 14-3-864 (dealing with "conflicting interest transactions"); or (d) for any transaction from which the director received an improper personal benefit. The limitation of liability

conferred in this Article shall be in addition to and not in lieu of all other limitations, immunities, and indemnities conferred by law, these Articles, and the bylaws of the Corporation. Favorable statutory amendments to the Georgia Nonprofit Corporation Code broadening the Corporation's authority to exculpate are automatically adopted hereto.


ARTICLE X - DISSOLUTION

In the event of dissolution of the Corporation, after all debts and other legal obligations have been paid or adequately provided for, any funds and other property, real and personal, belonging to the Corporation shall be, subject to any required governmental approval, transferred to the Members based on the ratio that the number of congregations of each Member bears to the total number of congregations of both Members in the state of Georgia during the last three (3) fiscal years of the Corporation. Notwithstanding the foregoing, if any Member is not permitted, for any reason, to take or hold such assets, that portion of such assets shall become the property of the successor of such Member unless otherwise prohibited or shall be, subject to any required governmental approval, transferred to an organization or organizations having comparable purposes and qualifying as non-profit and tax exempt as described in Code Section 501(c)(3)), and contributions to which are then deductible under Code Section 170(c)(2). Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations which are organized and operated exclusively for such purposes, as said court shall determine.

ARTICLE XII - AMENDMENTS

The Board shall have power to alter or amend these Articles of Incorporation by an affirmative vote of two-thirds (2/3) of the directors present at any regular meeting or special meeting of the Corporation called for that purpose, provided that at least thirty (30) days' notice shall have been given to all such directors setting forth the proposed amendment or amendments. Such amendment or alteration shall then be submitted to the Members for approval. Any procedure by which changes are made in the Articles of Incorporation shall also comply with the bylaws.

IN WITNESS WHEREOF, the Corporation has caused these Amended and Restated Articles of Incorporation to be executed by a duly authorized officer on the 17th day of November, 2024.

Certified True and Correct

Board Chair

John Manly
Chair, Board of Directors

Approval of these Amended and Restated Articles of Incorporation is permitted and is in accordance with O.C.G.A. 14-3-1001 and 14-3-1005. Approval of these Amended and Restated Articles of Incorporation is required by the Corporation's Board of Directors and Members. The Board of Directors adopted the Amended and Restated Articles of Incorporation by a unanimous vote, adopted, ratified and approved on November 17, 2024. The vote was held at a duly called regular meeting called for that purpose with at least thirty (30) days' notice given to all such directors setting forth the proposed amendment or amendments. The Board of Directors consisted of sixteen directors: Victor Belton, Ray Borchelt, Marc Bussone, Tiffany Chaney, Ann Dettmering, Erica Fletcher, Eli Flournoy, Cindy Holler, Jasson Kalugendo, Jenneen Reed, John Manly, John Moeller, Janet Preston, Dave Ringer, Kevin Smith, and Kevin Strickland, all of whom received a copy of the restatement that identified the amendments or other changes to be made to the Corporation's Articles.

These Amended and Restated Articles of Incorporation were then sent to the Corporate Members for approval. The Southeastern Synod of the Evangelical Lutheran Church in America adopted the Amended and Restated Articles of Incorporation on January 27, 2024. The Florida-Georgia District of the Lutheran Church Missouri Synod adopted the Amended and Restated Articles of Incorporation on August 24, 2024.


Board Secretary Janet Preston

**AMENDED AND RESTATED BYLAWS OF
INSPIRITUS, INC**

As revised November 17, 2023 (and approved by Florida Georgia District of the Lutheran Church-
Missouri Synod and the Southeastern Synod of the Evangelical Lutheran Church in America)]

ARTICLE I -PURPOSE & GOVERNING INSTRUMENTS

Section 1. Inspiritus, Inc. (the “Corporation” or “Inspiritus”) shall be organized and operated as a nonprofit corporation under the provisions of the Georgia Nonprofit Corporation Code (the “GNCC”).

Section 2. The Corporation is a nonprofit corporation organized exclusively for charitable and educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law (the “Code”) as determined by the Board (the “Board”) from time to time and will conduct any lawful act or activity related to the foregoing that is consistent with the provisions of Code Section 501(c)(3). The Corporation at all times shall be operated exclusively for charitable purposes, including the making of distributions to organizations that qualify as exempt organizations under Code Section 501(c)(3). All funds, whether income or principal and whether acquired by gift or contribution or otherwise, shall be devoted to the foregoing purposes.

Section 3. The Corporation shall be governed by its Articles of Incorporation, Bylaws, Committee Charters, policies, and procedures.

ARTICLE II -MEMBERSHIP

Section 1. As provided in the Corporation’s Articles of Incorporation, the Corporation shall have two members: the Southeastern Synod of the Evangelical Lutheran Church in America (the “Southeastern Synod”) and the Florida-Georgia District of the Lutheran Church-Missouri Synod (the “Florida-Georgia District”), (together, the “Members”), or their successors but not their assigns unless with prior written authorization from the Corporation.

Section 2. The two Members shall have the right to elect directors pursuant to the Articles of Incorporation and these bylaws. In addition, the Members have the right to vote regarding (i) any changes

to the articles of incorporation or these bylaws, (ii) selling or transferring substantially all the Corporation's assets, and (iii) dissolution. Such votes may take place at the Corporation's regular annual meeting, at a special membership meeting or via written ballot pursuant to the Corporation's bylaws.

ARTICLE III -RELATIONSHIP TO THE CHURCH

Section 1. Inspiritus shall be affiliated with the Southeastern Synod and recognized by the Florida-Georgia District and function in accordance with the requirements and interdependent accountabilities established by both bodies.

Section 2. The church affiliate and/or recognition status shall not cause any Lutheran Church body to incur or be subjected to the liabilities or debts of the Corporation, and the Corporation shall be fully responsible for the management and fiscal affairs of the Corporation and solely responsible for any debts and liabilities it may incur.

Section 3. Any proposed changes in the Articles of Incorporation and/or bylaws shall be submitted to the Board for approval, and to the Members for their approval.

Section 4. The Corporation and the Board shall have the right to establish policies and procedures for the Corporation as either the Corporation or the Board deem appropriate, so long as such policies and procedures are in accordance with the Code and applicable law.

ARTICLE IV - MEMBERSHIP MEETINGS

Section 1. The Corporation may either hold an annual membership meeting or conduct any annual business by written ballot. An annual membership meeting may be held in the third quarter of the fiscal year at a time and place designated by the Board, who shall deliver notice of such meeting to the voting members of the Corporation ten (10) days prior to the date designated by written communication or by facsimile, by electronic transmission or by leaving such notice at the place of business of each Member of the meeting ("Electronic Communication").

Section 2. Special member meetings of the Corporation shall be held at the request of a simple majority of the Board or upon the written request of one or more Member. Notice of all special meetings

shall be delivered in writing or by Electronic Communication to the Members at least five (5) days prior to the date of said meeting.

Section 3. An authorized representative of each Members must attend any membership meeting of the Corporation in order for a quorum to exist and all decisions, elections, and actions taken by the Members must be unanimous.

Section 4. Participation in all membership meetings of the Corporation by means of a conference telephone, video call, electronic communication, or similar communications equipment if all persons participating in the meeting can hear each other, is permissible and shall constitute presence in person at such meeting.

Section 5. Electronic Votes and/or written ballots are authorized in place of membership meetings of the Corporation. Any action required or permitted to be taken by the Members at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is executed by both Members and included in the minutes filed with the corporate records reflecting the action taken. Such action shall be effective when the second Member signs the consent, unless the consent specifies a different effective date. Such written consents and applicable signatures may be delivered electronically and in counterparts.

ARTICLE V - BOARD OF DIRECTORS

Section 1. The Board shall exercise all the powers of the Corporation and shall manage the business affairs of the Corporation.

Section 2. The Bishop of the Southeastern Synod or the Bishop's designee shall serve as a director on the Board of the Corporation. The President of the Florida-Georgia District or the President's designee shall serve as a director on the Board of the Corporation. To the extent applicable, annually, the Bishop and President shall determine who will be their designee to serve as a director on the Board of the Corporation.

Section 3. The two Members shall each elect a class of directors ("Corporate Directors") at the Corporation's annual membership meeting or via written ballot; pursuant to these bylaws. The maximum number of directors that may be elected by the members through their classes is twelve (12) and the minimum is two (2), one (1) per class. The number of directors in each class will be determined by the

closest ratio to each member's number of congregations in Georgia with a maximum of eight (8) persons elected by the Southeast Synod and a maximum of four (4) persons elected by the Florida-Georgia District. The number of directors in each class will be determined every five (5) years by the closest ratio to each Member's number of congregations in Georgia.

Section 4. At the Corporation's annual Board meeting or via written ballot pursuant to these bylaws, the Corporate Directors may also elect as many as seven (7) persons selected from the communities the Corporation serves and/or those with subject matter expertise and such directors shall be deemed Directors-at-Large.

Section 5. The Chief Executive Officer of the Corporation shall be a director on the Corporation's Board.

Section 6. All elections of directors to the Board shall be made without regard to race, creed, color, ethnicity, sex, gender, gender identity, sexual orientation, disability, ancestry, political orientation, marital status, genetic information, social class, citizenship status, age, nationality, or national origin. Notwithstanding the previous sentence, a majority of the directors of the Board must be members of Lutheran congregations. Additionally, no director shall be elected or appointed who has a familial relationship to another director or employee of the Corporation.

Section 7. The Governance Committee of the Board may recommend qualified candidates for the Corporate Director positions to each Member for each Member's class but said nominations are not binding on the Members. The Governance Committee of the Board may also recommend qualified candidates for Director-at-Large to the Board.

Section 8. Directors shall be natural persons who have attained the age of 18 years but need not be residents of the State of Georgia.

Section 9. All terms of service for Corporate Directors and Directors-at-Large shall be for three years and shall be staggered beginning with the first meeting of the Board following the Annual Meeting where the Directors are elected and continuing through the last Annual Meeting of the three-year term. The initial Directors shall be divided into three (3) groups, as nearly equal in numbers as possible, with one group

serving for one (1) year (until the end of the first Annual Board Meeting), a second group serving for two (2) years (until the end of the second Annual Board Meeting), and a third group serving for three (3) years (until the end of the third Annual Board Meeting). Following the expiration of the initial terms of office, each successor Director shall serve for a term of three (3) years, and until his or her successor has been elected and qualified or until his or her death, disability, resignation, or removal. Whenever the Board shall, by resolution, increase or decrease the number of Directors, such increase or decrease shall be arranged so that, as nearly as possible, the terms of office of one-third (1/3) of the Directors shall continue to expire each year thereafter. The term of office of each Director shall commence upon the adjournment of the Annual Board Meeting.

Section 10. No person, other than the CEO of the Corporation, who receives any emolument from this Corporation as a paid officer, agent or employee shall be eligible to serve as a director of the Board. All Directors shall adhere to the Corporation's conflict of interest policy and shall disclose any financial interest in the Corporation's assets and business transactions prior to discussion of any such matter. No Director, other than the CEO of the Corporation, may vote on any matter that may result in a direct financial benefit.

Section 11. No Corporate Director or Director-at-Large may serve more than two (2) consecutive three-year terms. A former director may be reappointed or re-elected after an absence of one year.

Section 12. A Corporate Director or a Director-at-Large may be removed from office upon two (2) unexcused absences from Board meetings (whether regular or special) in any fiscal year by a majority vote of all the other directors at a meeting where proper notice of the intended vote to remove is provided. A director who violates the Corporation's Code of Conduct (see below) may be removed from office by a majority vote of all the other directors. Any director may be removed from office for any reason whatsoever upon the affirmative vote of two-thirds (2/3) of the remaining directors.

Section 13. Any Corporate Director or a Director-at-Large may resign at any time by giving written notice to the Secretary or CEO of the Corporation. Any such resignation shall take effect upon delivery of such notice or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 14. When a vacancy on the Board occurs, the Governance Committee will, depending upon the type of vacancy (Corporate Director or Director-at-Large), make the appropriate recommendation as provided for in this Article followed by an appointment by the appropriate Member or a majority vote of the Board. Any Director elected to a partial term may serve two (2) consecutive three-year terms beyond the expiration of any partial term.

Section 15. Directors are expected to be adequately prepared for Board meetings and regularly attend Board meetings. The Board desires to be comprised of diverse groups of persons who are involved in their respective communities and all directors shall conduct themselves in an appropriate and collegiate manner. Directors are subject to the Inspiritus Board Code of Conduct (as defined below) and must participate in a manner consistent with the Inspiritus Board Code of Conduct.

Section 16. The Board may, from time to time at any Board meeting of the Corporation, adopt, amend, or restate a Code of Conduct of the Board of Inspiritus (“Inspiritus Board of Directors Code of Conduct”) by (a) a majority of the directors present at the meeting where such amendment or restatement is proposed or (b) by unanimous written approval of the Board.

ARTICLE VI – BOARD MEETINGS

Section 1. The Board shall have an annual meeting which may be held in the third quarter of the fiscal year at a time and place designated by the Board. Notice of such meeting must be provided to all the Directors at least ten (10) days prior to the date designated by written communication or electronic transmission or by leaving such notice of the meeting at the place of business or residence of each director (“Electronic Communication”).

Section 2. The Board shall hold regular meetings no less frequently than three times a year, at such time and place as the directors may agree. Notice of each regular meeting shall be given in the manner determined by the Board. Notwithstanding the foregoing, the Board may provide, by resolution, the time and place, either within or without the State of Georgia, for the holding of regular meetings without other notice than such resolution. Except as otherwise provided in these Bylaws, neither the business to be

transacted at nor the purpose of any regular meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 3. Special meetings of the Board may be called by or at the request of the Chair of the Board or Chief Executive Officer or one-third of the directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Georgia, as the place for holding any special meeting of the Board. Notice of any special meetings shall be given by written notice at least two days in advance of such meeting and delivered in person, by facsimile, by electronic transmission, or by leaving such notice at the place of business or residence of each director, or by written notice at least seven days by depositing such notice in the United States mail, postage prepaid, addressed to the director at his or her address as it appears on the records of the Corporation. However, notice of special meetings must specify the date, time, and place of the meeting.

Section 4. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by statute, the Articles of Incorporation, or these Bylaws.

Section 5. A simple majority of directors shall constitute a quorum at any meeting of the Board or other committee of the Corporation, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by a vote of a majority of a quorum as fixed above, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum or the refusal of any director present to vote.

Section 6. A director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director objects at the beginning of the meeting (or promptly upon arrival) to having the meeting or transacting business at the meeting, the director's dissent is entered in the minutes of the meeting, or unless the director files a written dissent to such action with the person acting as the presiding officer of the meeting before the

adjournment thereof or forwards such dissent by registered or certified mail or personal delivery to the presiding officer of the meeting immediately before adjournment or to the Corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a director who voted in favor of such action.

Section 7. Participation in all meetings of the Board or its committees by means of a conference telephone, video call, electronic communication, or similar communications equipment if all persons participating in the meeting can hear each other, is permissible and shall constitute presence in person at such meeting.

Section 8. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is executed by seventy-five percent (75%) of the entire Board and included in the minutes filed with the corporate records reflecting the action taken, unless unanimous written consent for such action is expressly required by these Bylaws or applicable law. Such action shall be effective when the last required director signs the consent, unless the consent specifies a different effective date. Such written consents and applicable signatures may be delivered electronically and in counterparts.

ARTICLE VIII- BOARD OFFICERS

Section 1. Principal and Other Officers. There will be principal officers of the Board as appointed by the Board of Directors and principal officers of the Corporation also as appointed by the Board of Directors.

Section 2. Officers of the Board shall be elected by the Board and shall include a Chair, Vice Chair, a Secretary, Assistant Secretary, and a Treasurer, and may include such other officers as the Board, in its discretion, deems necessary. Any number of offices may be held by the same person except the Chair and Secretary may not be the same person. All officers must be directors except the Assistant Secretary.

Section 3. The officers of the Corporation shall be elected for one-year terms by the Board at each annual meeting of the Board and shall assume office at the conclusion of the meeting. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient.

Each officer shall hold office until his or her successor has been duly elected and qualified or until his or her death, resignation or removal in the manner provided below. If the Board fails to fill any office at the annual meeting, any vacancy in any office occurs or any office is newly created, such office may be filled at any regular or special meeting of the Board.

Section 4. The Board may delegate the duties and powers of any officer of the Corporation to any other officer or to any director for a specified period of time for any reason that the Board may deem sufficient.

Section 5. Any officer or agent of the Corporation may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. The election or appointment of any officer or agent shall not of itself create contract rights.

Section 6. Any officer may resign at any time by giving written notice of resignation to the Board, the Chief Executive Officer, or the Secretary of the Corporation. Any such resignation shall take effect upon the sending of such notice or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of a resignation shall not be necessary to make the resignation effective.

Section 7. A vacancy in any office, whether due to death, resignation, removal, disqualification or otherwise, may be filled by the Board or any committee or officer to whom authority has been delegated by these Bylaws or by resolution of the Board.

Section 8. The officers and their respective duties shall be as follows:

(i) The Chair of the Board shall (a) preside at the Board Meetings; (b) shall be an ex-officio member of all committees, and (c) ensure that the direction and actions of the Board are carried into effect by the Chief Executive Officer and staff, if any. The Chair of the Board shall also have such other duties and responsibilities as may be specified in these Bylaws and as shall be directed from time to time by the Board.

(ii) The Vice-Chair shall, in the absence or disability of the Chair of the Board, perform the duties of the office of the Chair of the Board. The Vice-Chair shall have such other powers and perform such other duties as may be assigned by the Chair of the Board. In the event of a permanent vacancy in the office of

the Chair of the Board, the Vice-Chair shall succeed to the office of Chair of the Board to serve for the remainder of the unexpired term.

(iii) The Secretary will keep or ensure the keeping of appropriate records of all meetings of the Board and shall have or cause to have supervision over the care and custody of the records of the Corporation. The Secretary shall have all powers and duties usually incident to the office of secretary, except as specifically limited by a resolution of the Board. The Secretary shall have such other powers and perform such other duties as may be assigned from time to time by the Board or the Chair of the Board. The Secretary is duly authorized by virtue of their appointment as Secretary to execute documents on behalf of the Corporation.

(iv) The Assistant Secretary, who will assist the Secretary and who shall have limited co-equal authority with the Secretary only as expressly delegated to the Assistant Secretary by the Board from time to time, pursuant to the Assistant Secretary Delegation of Authority. The Board, at its discretion, may expand or limit the authority of the Assistant Secretary upon Board approval in accordance with this section.

(v) The Treasurer, who shall cause a full and accurate account of all receipts and disbursements to be kept and account therefore regularly and whenever requested by the Board and perform such other duties as the Board shall prescribe. The Treasurer shall have general supervision over the care and custody of the funds and the receipts and disbursements of the Corporation, shall cause the funds of the Corporation to be deposited in the name of the Corporation in such banks or other depositories as the Board may designate, and shall have supervision over the care and safekeeping of the securities of the Corporation. The Treasurer shall report to the Board at each regular meeting thereof and shall chair the Finance Committee. The Treasurer shall have all powers and duties usually incident to the office of treasurer, except as specifically limited by a resolution of the Board, including without limitation, preparation of the budget, development of fundraising plans, and dissemination of financial information to the Board and the general public as appropriate. The Treasurer shall have such other powers and perform such other duties as may be assigned from time to time by the Board or the Chief Executive Officer.

ARTICLE IX – CORPORATE OFFICERS

Section 1. President/Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation and subject to the control of the Board, shall have general supervision over the business and affairs of the Corporation. The Chief Executive Officer shall have all powers and duties usually incident to the office of chief executive officer, except as specifically limited by resolution of the Board. The Chief Executive Officer shall have authority to conduct all day-to-day, ordinary business on behalf of the Corporation and may exercise and deliver on behalf of the Corporation any contract, conveyance, or similar document not requiring approval by the Board. The Chief Executive Officer shall have such other powers and perform such other duties as may be assigned from time to time by the Board.

The Chief Executive Officer shall be a Director, *ex officio* with full privileges including voice and vote. The Chief Executive Officer shall report on the progress of the Corporation and answer questions from the directors at all Board meetings.

ARTICLE X – COMMITTEES

Section 2. Appointment; Removal. The committees of the Board shall be appointed annually by the Board at its first regular meeting after the annual Board meeting and shall report directly to the Board. Any committee member may be removed from serving on a committee by the Board whenever in its judgment the best interests of the Corporation will be served thereby. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution of the Board designating a committee or in the committee charter, a majority of the whole committee shall constitute a quorum; and the act of a majority of members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own government, so long as such rules are not inconsistent with these Bylaws, the committee charter, or with rules or policies and procedures adopted by the Board.

Section 3. Executive Committee. The Executive Committee shall consist of the Chair, the Vice-Chair, the Secretary, the Treasurer, CEO, and the Governance Committee Chair. The Executive Committee shall

meet upon call of the Chair for the purpose of performing business between meetings of the Board. Any action of the Executive Committee is considered an action of the Board and must be reported to the Board at its next meeting. The Executive Committee will annually evaluate the performance of the Chief Executive Officer and will recommend to the Board the salary and compensation for the CEO. The Executive Committee will also oversee the development of emergency and planned succession plans and in the event of a vacancy, assist the Board in the recruitment and hiring of a Chief Executive Officer.

Section 4. Finance Committee. The Finance Committee shall consist of at least three persons with the majority being Directors; provided, however, that the Treasurer shall be a member of and shall chair the Finance Committee. Subject to the direction and control of the full Board, the Finance Committee shall be responsible for developing fiscal procedures, fundraising plans, and the annual budget of the Corporation and reviewing each with appropriate staff members and the full Board; provided, however, that the Board shall approve the annual budget, and any material change in the budget must be approved by the Board or the Executive Committee. The Finance Committee shall submit to the Board reports showing income, expenditures, and pending income. The Finance Committee shall not have the authority to make decisions on behalf of the Corporation, but instead, shall make recommendations to the Board and Executive Committee.

Section 5. Governance Committee. The Governance Committee shall be appointed by the Board and shall include no fewer than three members. The Chief Executive Officer shall serve as an ad-hoc member of the committee. The Board shall nominate the Chair and appoint other members of the Governance Committee who shall be Directors or past Directors of the Board. The purpose of the Governance Committee shall be to advise and assist the Board in matters pertaining to (i) corporate governance guidelines; (ii) the nomination of new and continuing Board and Committee members; (iii) to recommend to the Board corporate governance guidelines and principles consistent with the mission of Inspiritus and play a leadership role in shaping Inspiritus's corporate governance; (iv) identify individuals qualified to

become directors, consistent with criteria approved by the Board; (v) recommend to the Board qualified candidates to fill director vacancies on the Board and its committees;

The Governance Committee shall also be responsible for any other matters delegated to them by the Board.

Section 6. Other Committees. The Board may provide for such other committees, including ad hoc and advisory committees, consisting in whole or in part of persons who are not directors of the Corporation, as it deems necessary or desirable, and discontinue any such committee at its pleasure. It shall be the function and purpose of each such committee to advise the Board; and each such committee shall have such powers and perform such specific duties or functions, not inconsistent with the Corporation's articles of incorporation or Bylaws, as may be prescribed for it by the Board. Appointments to and the filling of vacancies on any such advisory or ad-hoc committees shall be made by the Chief Executive Officer of the Corporation unless the Board otherwise provides. Any activities of each such committee shall be reported to the Board at its meeting next succeeding such activities and shall be subject to control, revision, and alteration by the Board, provided that no rights of third persons shall be prejudicially affected thereby.

ARTICLE XI - AMENDMENTS TO BYLAWS

Section 1. The Board shall have power to alter or amend these Bylaws. Any proposed amendment or amendments shall be delivered to the Directors at least thirty (30) days prior to any Board meeting during which such amendment or amendments will be voted upon by the Board. Any proposed amendment or amendments to these Bylaws shall be approved the by Board upon receipt of approval by at least two-thirds (2/3) of the Directors. Upon Board approval of any bylaw amendments, such amendments will be sent to the Members for approval by written ballot. Should the Members approve the bylaw amendments, such amendments become effective five (5) days following receipt of approval. No amendment or new bylaw may be adopted that would cause the Corporation no longer to be qualified as an exempt organization described in Code Section 501(c)(3).

ARTICLE XII - NOTICE

Section 1. All notices required by these Bylaws shall be delivered in written form by USPS, courier, or by electronic means to the last known address or email address.

ARTICLE – XIII - FINANCES

Section 1. The fiscal year of the Corporation shall begin on October 1, unless otherwise determined by the unanimous written consent of the Board.

Section 2. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Members, Board, and any committees thereof.

Section 3. The financial records of the Corporation shall be made available to the Corporation's Directors and Members. The Board shall review and adopt a yearly budget.

ARTICLE XIV - LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. The liability of the directors and officers of the Corporation shall be limited in accordance with the provisions of Sections 14-3-830 and 14-3-842 of the GNCC, O.C.G.A. § 51-1-20, any other applicable provisions of federal and state law, and the Articles of Incorporation and these Bylaws.

Section 2. To the fullest extent permitted by applicable law and the Articles of Incorporation, the Corporation shall indemnify any person (and the heirs, executors and administrators of such person) who, by reason of the fact that he or she is or was a director of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, was or is a party or is threatened to be made a party to:

- (i) Any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Corporation), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such claim, action, suit or proceeding; or Any threatened, pending or completed claim, action or suit by or in the right of the Corporation to procure a judgment in its favor, against expenses (including

attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such claim, action or suit.

Section 3. The Corporation, before final disposition of a proceeding, other than a proceeding by or in the right of the Corporation, may advance funds to pay for or reimburse the reasonable expenses incurred by a director who is a party or threatened to be made party to the proceeding upon submitting the affirmation and undertaking required by Code Section 14-3-853.

Section 4. Officers of the Corporation shall be indemnified, and their defense costs advanced to the same extent and on the same terms and conditions as directors.

Section 5. To the extent that a person who is or was a director or officer of the Corporation, or of any other corporation, partnership, joint venture, trust or other enterprise with which he or she is or was serving in such capacity at the request of the Corporation, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) reasonably incurred by such person in connection therewith.

Section 6. Any indemnification under this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director or Officer is proper in the circumstances because he or she has met the applicable standard of conduct. Such determination shall be made: (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (b) if such a quorum is not obtainable, or even if obtainable but a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. Any such determination shall be without prejudice to the rights of the director or officer to seek to enforce the Corporation's obligations created by this Article and applicable law in a court of competent jurisdiction.

Section 7. A Director or officer shall give the Corporation notice, as promptly as reasonably practicable, of any claim as to which he or she desires to be indemnified or desires defense costs to be advanced; however, the failure to do so shall not preclude his or her rights under this Article unless and

only to the extent that the Corporation's own rights have been materially prejudiced. The Corporation shall not be obligated to pay for any settlement to which it has not consented, such consent not to be unreasonably withheld.

Section 8. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a director or officer seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, any statute, agreement, vote of members or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under applicable law.

Section 10. The intent of this Article is to permit indemnification of directors of the Corporation to the fullest extent permitted by the GNCC and to indemnify officers to the same extent as directors. If the GNCC or, if applicable, the Georgia Business Corporation Code, is amended to authorize additional or greater measures of indemnification of nonprofit corporation directors, then the obligations of the Corporation and the rights of the Corporation's directors and officers shall, without further action by the Corporation or the Board, be increased to the further extent permitted by the amended GNCC or the amended Georgia Business Corporation Code, as the case may be. The terms and conditions of this Article shall be interpreted to include definitions and meanings contained in Code Section 14-3-580.

Section 11. The invalidity or unenforceability of any provision in this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

ARTICLE XV - DISSOLUTION

Section 1. The Corporation may be dissolved by an affirmative vote of two-thirds (2/3) of the Directors present and voting at a special meeting called for the purpose of voting on the issue provided that notice be given in writing to the Board at least sixty (60) days prior to the date of said meeting. Upon the Board approval of dissolution, the Board must seek, and the Members must provide, in writing, approval for the dissolution.

Section 2. In the event of dissolution, the residual assets of the Corporation shall be disposed of in accordance with the Dissolution provision in the Articles of Incorporation.

ARTICLE XVI - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Authorization. The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. 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 agent of the Board or Corporation and in such manner as determined from time to time by resolution of the Board.

Section 2. Funds. All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select, or as may be designated by any officer or agent of the Board or Corporation to whom such power may be delegated by the Board.

Section 3. Acceptance of Gifts. The Board, or any officer or agent of the Board or Corporation to whom such authority may be delegated by the Board, may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

Section 4. Bond. At the direction of the Board, any officer or employee of the Board or Corporation shall be bonded. The expense of furnishing any such bond shall be paid by the Corporation.

Inspiritus Inc.

EIN: 58-1535692 | Atlanta, Georgia, United States

Other Names

INSPIRITUS INC

LUTHERAN SERVICES OF GEORGIA INC

Publication 78 Data

Organizations eligible to receive tax-deductible charitable contributions. Users may rely on this list in determining deductibility of their contributions.

On Publication 78 Data List: Yes

Deductibility Code: PC [?](#)

Copies of Returns (990, 990-EZ, 990-PF, 990-T)

Electronic copies (images) of Forms 990, 990-EZ, 990-PF or 990-T returns filed with the IRS by charities and non-profits.

✓ **Tax Year 2024 Form 990**

✓ **Tax Year 2023 Form 990**

✓ **Tax Year 2022 Form 990**

✓ **Tax Year 2021 Form 990**

✓ **Tax Year 2019 Form 990T**

✓ **Tax Year 2019 Form 990**

✓ **Tax Year 2018 Form 990T**

✓ **Tax Year 2018 Form 990**

✓ **Tax Year 2018 Form 990T**

✓ **Tax Year 2017 Form 990**

✓ **Tax Year 2017 Form 990T**

✓ **Tax Year 2016 Form 990**

INSPIRITUS, INC.

Entity Type: Foreign Nonprofit Corporation
Formed in: GEORGIA
Term of Duration: Perpetual
Religious Type:
Benefit Type: Public Benefit Corporation

Status: Active
Control Number: 000998277
Initial Filing Date: 12/6/2018 2:44:00 PM
Fiscal Ending Month: September
AR Due Date: 01/01/2027

Registered Agent
JANET DORRIS ARNING
1628 ROSA L PARKS BLVD
NASHVILLE, TN 37208

Principal Office Address
1628 ROSA PARKS BLVD
NASHVILLE, TN 37208

Mailing Address
1628 ROSA PARKS BLVD
NASHVILLE, TN 37208

AR Standing: Good

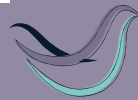
RA Standing: Good

Other Standing: Good

Revenue Standing: N/A

[History \(14\)](#)





Inspiritus

CULTIVATING A THRIVING COMMUNITY IN
**NORTH NASHVILLE &
THROUGHOUT MIDDLE TENNESSEE**

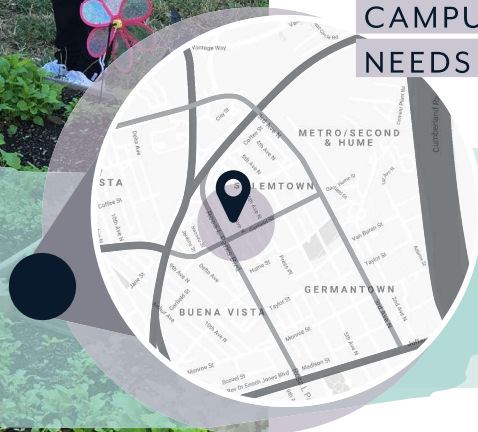


FROM SURVIVING TO THRIVING:
SOWING THE SEEDS

Since 1927, Inspiritus (formerly Lutheran Services in Tennessee), a faith-based, nonprofit, tax-exempt social service organization, has helped vulnerable people in Tennessee by concentrating on four measurable markers of healthy living: having one's basic needs met; experiencing safety and security; being integrated into the community; and, enjoying self-sufficiency and self-determination.

That life-changing outreach, programming, and support emanate from the corner of Rosa Parks Boulevard and Garfield Drive in North Nashville. Today it's a run-down church building with a leaky roof, inadequate space, and out-of-date appliances and technology.

**WITH YOUR HELP, A NEW DEVELOPMENT
WILL SOON RISE UP AS A STATE-OF-THE-ART
CAMPUS DESIGNED TO MEET THE GROWING
NEEDS OF A CHANGING COMMUNITY.**



**1628 ROSA PARKS BLVD
NASHVILLE 37208**

Formerly St. Paul's Lutheran Church, this location has decades of history serving the most vulnerable in North Nashville.

"THE MEMORIAL FOUNDATION IS GRATEFUL TO PARTNER WITH INSPIRITUS MIDDLE TENNESSEE IN THEIR WORK TO REDUCE THE PHYSICAL AND PSYCHOLOGICAL IMPACTS OF POVERTY ON MARGINALIZED COMMUNITIES. WITH PROGRAMS THAT SEEK TO BOTH MEET IMMEDIATE NEEDS AND BUILD HEALTHY COMMUNITIES FOR THE FUTURE, THEIR WORK IS MORE VITAL THAN EVER."

—SCOTT PERRY
PRESIDENT, THE MEMORIAL FOUNDATION



CULTIVATING COMMUNITY: PUTTING DOWN ROOTS

Achieving a well-balanced existence can be challenging, especially if you face inadequate housing, have limited access to healthy food and other daily necessities, experience little in the way of emotional, spiritual, and cultural support, and are provided scant opportunity for work and education. (Per capita income in the area is below the county average of \$29,589 at \$15,859.)

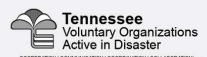
To empower our neighbors to overcome these obstacles, Inspiritus offers:

FOOD PANTRY: Our food pantry stayed open even during the pandemic due to the hard work of volunteers, staff, and neighbors. **In 2020, we served 2,000+ unduplicated individuals.** Operated in partnership with Second Harvest Food Bank of Middle Tennessee.

BUILDING HEALTHY FAMILIES: An educational support group for women to develop and strengthen their emotional, spiritual, and physical health. **We provided 7,000+ meals for participants last year.**



CULTIVATING COMMUNITY: OUR PARTNERS



HEALTHY GARDENS: In 2020, our 204 family gardens across three counties in low-income neighborhoods produced more than 20,000 fresh vegetables for 558 individuals and families, thereby providing relief during a time of increased hunger insecurity due to COVID-19. Inspiritus' Healthy Gardens program was highlighted in the Ascension Saint Thomas Hospital 2019 Community Health Needs Assessments as a highly successful and sustainable strategy for addressing healthy food access issues in food-insecure geographies.

THRIVE STUDIOS: A mobile art therapy program for youth in at-risk communities that develops social and emotional learning skills for addressing trauma and stress. In 2020, 148 vulnerable children and youth benefited from the program. In response to COVID-19, Inspiritus also provided more than 4,758 meals to Thrive Studios (formerly MyCanvas) youth and distributed 500+ take-home art kits.

DISASTER RELIEF: We lead volunteer relief efforts to feed responders and survivors, clear debris, and repair and rebuild homes. Inspiritus is currently leading disaster response efforts in Nashville to help households recover from the 2021 floods. We are also restoring homes damaged by the March 2020 tornadoes with the generous support of more than \$1 million in funding from the Community Foundation of Middle Tennessee and Lutheran Disaster Response.

COVID-19 RELIEF: Inspiritus staff and neighborhood volunteers assembled and distributed 1,000 COVID-19 prevention kits and snack bags across Middle Tennessee. Inspiritus also provided educational and technical support to refugee children engaged in online learning.



“OUR CHILDREN LOVE THE GARDEN; GETTING TO WATER AND CARE FOR IT, WATCHING IT GROW, AND TAKING US BY THE HAND TO LOOK. THE OLDEST IS NOW MORE OPEN TO EATING VEGETABLES, WHICH IS SUCH A WONDERFUL BLESSING BECAUSE HE HAS TYPE 1 DIABETES.”

— MURFREESBORO GARDENER



THE FRUITS OF OUR LABOR:

MAKING A DIFFERENCE

4,408
INDIVIDUALS
SERVED IN '20-'21

YOUTH
ARTISTS
400



MORE THAN
89,000

VEGETABLES IN THE
GARDENS SINCE INCEPTION

200
HEALTHY
GARDENS



SERVING
143
HOUSEHOLDS

95,000



MEALS PROVIDED IN 2020

Our vision is to transform communities where all, regardless of their background or circumstances, thrive and enrich the world around them.

TENDING THE FUTURE:

PREPARING THE HARVEST

Building on its strong foundation of service, proven results, and adaptability, Inspiritus stands poised to deepen its roots, broaden its offerings, and secure its future. We will do that through redeveloping our property into a sustainable, mid-rise, multi-use facility that unites the community and serves as a hub designed to empower low-income residents on their journey from surviving to thriving.

The new campus will include:

- Expanded Inspiritus programming
- A new flagship client-choice food bank
- Affordable housing
- Community meeting and educational spaces
- Collaborative spaces for local nonprofit partners

1628 Rosa Parks will be more than a physical structure. It will be housing and hope, food and fellowship, gardens and art, mentorship and sustenance.

WE'LL BE ABLE TO FEED MORE PEOPLE, EDUCATE MORE CHILDREN, AND SUPPORT MORE FAMILIES IN NEED.



Inspiritus

GOING FURTHER

**INSPIRITUS, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL REPORT
SEPTEMBER 30, 2024**



INSPIRITUS, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL REPORT
SEPTEMBER 30, 2024

INSPIRITUS, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL REPORT SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

**The Board of Directors
Inspiritus, Inc. and Subsidiary
Atlanta, Georgia**

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Inspiritus, Inc. and Subsidiary** (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Inspiritus, Inc. and Subsidiary as of September 30, 2024 and 2023, 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 Consolidated Financial Statements section of our report. We are required to be independent of Inspiritus, Inc. and Subsidiary 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 Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 March 3, 2024, on our consideration of Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 3, 2025

INSPIRITUS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2024 AND 2023

<u>Assets</u>	2024	2023
Current Assets		
Cash and cash equivalents	\$ 146,513	\$ 829,942
Loan reserve	25,000	19,000
Investments	348,850	290,913
Grants, contracts, and other receivables, net	4,107,513	3,588,995
Unconditional promises to give	50,834	69,704
Other	69,780	31,284
Total current assets	4,748,490	4,829,838
Property and equipment, net	2,488,791	1,469,268
Cash surrender value - charitable giving insurance policies	4,637	4,783
Beneficial interest in charitable remainder trust	212,624	206,935
Unconditional promises to give, net	78,018	100,950
Right-of-use asset - operating leases	549,003	517,997
Total assets	\$ 8,081,563	\$ 7,129,771
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 692,974	\$ 728,979
Accrued salaries and benefits	347,650	265,976
Deferred revenue	32,997	15,800
Current maturities notes payable	1,600,000	1,283,018
Current maturities of operating lease liability	172,537	107,552
Total current liabilities	2,846,158	2,401,325
Long-Term Liabilities		
Operating lease liability, less current maturities	388,630	416,278
Total liabilities	3,234,788	2,817,603
Net Assets		
Without donor restrictions	2,221,162	1,867,790
With donor restrictions	2,625,613	2,444,378
Total net assets	4,846,775	4,312,168
Total liabilities and net assets	\$ 8,081,563	\$ 7,129,771

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Governmental grants and contracts	\$ 29,927,949	\$ -	\$ 29,927,949
Contributions and grants	533,593	5,096,738	5,630,331
Contributions in-kind	355,061	-	355,061
Investment return and other revenues	45,619	10,571	56,190
Change in value of the charitable remainder trust	-	5,690	5,690
Net assets released from restrictions	4,931,764	(4,931,764)	-
	<u>35,793,986</u>	<u>181,235</u>	<u>35,975,221</u>
Total revenues, gains, and other support			
Expenses:			
Program services:	<u>32,528,333</u>	-	<u>32,528,333</u>
Supporting services:			
Management and general	1,997,307	-	1,997,307
Resource development and fundraising	914,974	-	914,974
Total supporting services	<u>2,912,281</u>	-	<u>2,912,281</u>
	<u>35,440,614</u>	-	<u>35,440,614</u>
Total expenses			
Change in net assets	353,372	181,235	534,607
Net assets, beginning of year	<u>1,867,790</u>	<u>2,444,378</u>	<u>4,312,168</u>
Net assets, end of year	<u>\$ 2,221,162</u>	<u>\$ 2,625,613</u>	<u>\$ 4,846,775</u>

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Governmental grants and contracts	\$ 18,040,007	\$ -	\$ 18,040,007
Contributions and grants	469,258	4,108,048	4,577,306
Contributions in-kind	296,224	-	296,224
Investment return and other revenues	26,374	9,971	36,345
Change in value of the charitable remainder trust	-	(7,360)	(7,360)
Net assets released from restrictions	3,595,519	(3,595,519)	-
	<u>22,427,382</u>	<u>515,140</u>	<u>22,942,522</u>
Expenses:			
Program services	20,553,986	-	20,553,986
Supporting services:			
Management and general	833,969	-	833,969
Resource development and fundraising	814,900	-	814,900
Total supporting services	1,648,869	-	1,648,869
	<u>22,202,855</u>	<u>-</u>	<u>22,202,855</u>
Change in net assets	224,527	515,140	739,667
Net assets, beginning of year	<u>1,643,263</u>	<u>1,929,238</u>	<u>3,572,501</u>
Net assets, end of year	<u>\$ 1,867,790</u>	<u>\$ 2,444,378</u>	<u>\$ 4,312,168</u>

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED SEPTEMBER 30, 2024

	Supporting Services				Total
	Program Services	Management and General	Resource Development and Fundraising	Supporting Services	
Salaries and benefits	\$ 12,092,970	\$ 661,532	\$ 616,282	\$ 1,277,814	\$ 13,370,784
Contracted services	5,455,264	4,033	149,736	153,769	5,609,033
Individual assistance	11,936,846	-	-	-	11,936,846
Occupancy	318,434	6,331	-	6,331	324,765
Office expenses - general	84,896	54,592	8,941	63,533	148,429
In-kind goods and services	355,062	-	-	-	355,062
Supplies	583,792	-	26,368	26,368	610,160
Travel	818,100	36,066	11,666	47,732	865,832
Utilities	169,606	7,366	5,750	13,116	182,722
Advertising	110,123	10,866	1,012	11,878	122,001
Equipment expenses	267,514	1,476	26,608	28,084	295,598
Professional fees	802,539	217,132	38,051	255,183	1,057,722
Events	1,643	-	17,758	17,758	19,401
Depreciation	78,859	3,884	3,429	7,313	86,172
Insurance	166,919	9,408	8,981	18,389	185,308
Interest	-	11,997	-	11,997	11,997
Other	257,731	659	392	1,051	258,782
Total expenses	<u>\$ 33,500,298</u>	<u>\$ 1,025,342</u>	<u>\$ 914,974</u>	<u>\$ 1,940,316</u>	<u>\$ 35,440,614</u>

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED SEPTEMBER 30, 2023

	Supporting Services			
	Program Services	Management and General	Resource Development and Fundraising	Total Supporting Services
Salaries and benefits	\$ 7,752,062	\$ 539,818	\$ 554,217	\$ 1,094,035
Contracted services	1,831,734	66,084	129,725	195,809
Individual assistance	7,944,749	-	-	-
Occupancy	286,777	2,705	1,505	4,210
Office expenses - general	231,198	30,701	13,193	43,894
In-kind goods and services	39,626	29,600	-	29,600
Supplies	626,769	21	26,230	26,251
Travel	537,149	28,126	2,327	30,453
Utilities	155,305	10,671	8,646	19,317
Advertising	78,641	193	588	781
Equipment expenses	239,089	855	15,393	16,248
Professional fees	628,615	114,073	40,929	155,002
Events	2,212	-	14,119	14,119
Depreciation	34,817	-	-	-
Insurance	161,072	7,897	7,928	15,825
Interest	-	2,175	-	2,175
Other	4,171	1,050	100	1,150
Total expenses	\$ 20,553,986	\$ 833,969	\$ 814,900	\$ 1,648,869
				\$ 22,202,855

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS SEPTEMBER 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 534,607	\$ 739,667
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	86,172	34,817
Realized and unrealized (gain) on investments	(47,218)	(6,223)
Change fair value of charitable remainder trust	(5,690)	7,360
Decrease in cash surrender value	146	59
(Increase) in grants, contracts, and other receivables	(518,518)	(982,151)
(Increase) in other assets	(38,496)	(29,412)
(Increase) in right-of-use asset - operating leases	(31,006)	(517,997)
Decrease (increase) in unconditional promises to give	41,802	(170,654)
Increase in operating lease liability	37,337	523,830
(Decrease) increase in accounts payable and accrued expenses	(36,005)	591,723
Increase (decrease) in accrued salaries and benefits	81,674	(56,895)
Increase in deferred revenue	17,197	3,858
	122,002	137,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(10,718)	(10,399)
Purchases of property and equipment	(1,105,695)	(831,372)
	(1,116,413)	(841,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	316,982	763,768
	316,982	763,768
Net (decrease) increase in cash and cash equivalents	(677,429)	59,979
Cash and cash equivalents at beginning of year	848,942	788,963
Cash and cash equivalents at end of year	\$ 171,513	\$ 848,942
Cash and cash equivalents	\$ 146,513	\$ 829,942
Loan reserve	25,000	19,000
Cash and cash equivalents at end of year	\$ 171,513	\$ 848,942
Supplemental disclosure of cash flow information:		
Interest paid	\$ 11,997	\$ 2,175

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS

Inspiritus, Inc. (the "Organization") was formerly known as Lutheran Services of Georgia, Inc. and changed their name during fiscal year 2019. The Organization was established in 1983 as a nonprofit corporation pursuant to Georgia laws to serve as a statewide human services agency in close cooperation with health and welfare organizations and with Lutheran congregations and agencies. The purpose of the Organization is to minister to people in need; address and seek to remove the cause of human need at the social and economic level; and assist Lutheran congregations within the state of Georgia to carry out their mission of Christian service. In December 2018, the Organization completed the acquisition of Lutheran Services in Tennessee, Inc. ("LST"). As part of the acquisition, the Organization will form a new region to serve the area previously served by LST.

A Board of Directors governs the Organization, comprised of elected directors and representatives of the corporation members. The members are the Southeastern Synod of the Evangelical Lutheran Church in America and the Florida-Georgia District of the Lutheran Church - Missouri Synod.

The Organization offers varied social ministries including refugee resettlement and job placement; foster care; parenting skills and adoption services for domestic and special needs children; disaster response and disability support.

Inspiritus has been awarded a Refugee Microenterprise Development Program grant from the Office of Refugee Resettlement (ORR). The grant covers both operational costs and funding for loans to refugees. While the grant for operational costs does not need to be repaid, any funds distributed as loans will need to be repaid to ORR. To enable further growth of the program area, Inspiritus established Thrive Community Lending (TCL) as of the end of fiscal year 2023; Inspiritus is TCL's sole member. When establishing TCL, Inspiritus gifted the loan balance and reserve funds to TCL. However, Inspiritus still maintains a payable to meet the requirement of paying back the initial loan amounts to ORR. TCL has applied for certification as a community development financial institution (CDFI) through the Department of Treasury's CDFI Fund and has already been awarded a grant from the CDFI Fund to provide Technical Assistance. TCL will continue its focus on reaching low-income refugees in Georgia with plans to broaden its reach to other groups and in other states as it assists underserved populations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Organization are set forth below:

Basis of accounting and presentation:

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of consolidation:

The consolidated financial statements include the balances and financial activities of Inspiritus, Inc. and Thrive Community Lending. All significant interorganizational transactions and balances have been eliminated from the consolidated financial statements.

Reclassifications:

Certain reclassifications have been made for the 2023 financial statements to conform with the 2024 presentation.

Net asset restrictions:

The Organization's net assets and its support and revenues are classified based on the existence or absence of donor-imposed restrictions using the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization.

Net assets with donor restrictions - Net assets subject to 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 such resources be maintained in perpetuity.

Cash and cash equivalents:

Cash and cash equivalents include demand deposits and savings accounts. For purposes of the consolidated statement of cash flows, the Organization's management considers all short-term, interest-bearing deposits with maturities of three months or less to be cash equivalents.

Concentration of credit risk:

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and grants receivable. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments:

In accordance with professional standards, all investments in equity securities with a readily determinable market value and all investments in debt securities are reported at fair market value based on quoted market prices with all gains and losses included in the consolidated statement of activities and changes in net assets.

Property and equipment:

Property and equipment purchases of less than \$1,000 and maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the year of purchase. Property and equipment utilized by the Organization has been purchased by the Organization and is recorded in the financial statements at cost.

Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the respective assets.

	Years
Equipment and vehicles	3 – 5
Furniture and fixtures	5 – 8

Beneficial interest in charitable remainder trust:

The Organization is the beneficiary of an irrevocable charitable remainder trust. A charitable remainder trust is an arrangement between a donor and a trustee in which the donor contributes assets to the trustee in exchange for a promise by the trustee to pay a fixed amount for a specified period of time to the donors or other individuals or organizations designated by the donor. The beneficial interest in the trust represents the current value, as estimated by the trustee, of the benefit to be received by the Organization upon termination of the trust. The charitable remainder trust is expected to be received in more than five years.

Functional expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The Organization applies allocation formulas to certain groups of expenses to make allocations of expenses to administration, resource development, and programs. Salaries and benefits, contracted services, office expenses, in-kind goods and services, supplies, travel, advertising, equipment expenses, professional fees, events, and other expenses include certain expenses that are allocated on the basis of estimates of time and effort. Occupancy and utilities include certain expenses that are allocated on a square footage basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax exempt status:

The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). Accordingly, no provisions for federal and state income taxes are reflected in the accompanying consolidated financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to tax examinations by the federal and state taxing authorities.

Thrive Community Lending is treated as a single member LLC for federal and state income tax purposes. Since the Organization is the sole member of Thrive Community Lending, all income, losses, and credits are reported on the Organization's income tax returns.

Donated materials, supplies, assets, and services:

In accordance with professional standards, all noncash gifts (other than personal services) are recorded at their estimated fair value at date of receipt and donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would otherwise need to be purchased by the Organization if not provided by donation.

The Organization received in-kind contributions for the years ended September 30, 2024 and 2023 totaling \$355,061 and \$296,224, respectively, of which none of the contributions represents the estimated value of volunteer services. These volunteer services do not meet the requirements of professional standards, and therefore are not reported in these consolidated financial statements. In-kind contributions for the years ended September 30, 2024 and 2023, totaling \$355,061 and \$296,224, respectively, have been recorded as revenue and expenses, as shown on the consolidated statements of activities and the consolidated statements of functional expenses. The in-kind contributions recorded for the year ended September 30, 2024 consisted of \$47,772 of legal services and \$307,289 of food, clothing, and other materials to assist the Organization's refugee or disaster relief clients. The in-kind contributions recorded for the year ended September 30, 2023 consisted of \$80,400 of legal services and \$215,824 of food, clothing, and other materials to assist the Organization's refugee or disaster relief clients. The total in-kind contributions recorded for the year ended September 30, 2023 consisted of food, clothing, and other materials to assist the Organization's refugee or disaster relief clients. The donated services and materials have been valued at the estimate of fair value for similar items. All in-kind materials, supplies, and assets were utilized by the Organization's program services and there were no donor-imposed restrictions on them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and grants:

The Organization recognizes contributions from cash, securities, or other assets: a pledges receivable; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

In accordance with professional standards, all contributions, grants, and unconditional promises to give are recorded as with or without donor restrictions. 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. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to without donor restrictions net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. All contributions, grants, and unconditional promises to give that do not have donor restrictions as to purpose or time are classified as contributions and pledges receivable without donor restrictions.

The Organization records gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Governmental grants and contracts:

For the years ended September 30, 2024 and 2023, the Organization received funding through the Foster Care and Developmental Disabilities programs totaling approximately 27% of governmental grants and contracts for both years. Receivables arise from reimbursements owed through these and other government contracts. As of September 30, 2024, 77% of outstanding receivables were related to two funding agencies. As of September 30, 2023, 69% of outstanding receivables were related to two funding agencies. The Organization's ability to collect amounts due is affected by the acceptance of reimbursable expenses and performance-based outcomes, which meet contract requirements. Receivables are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on management's judgment and experience with the grantors. An allowance of \$340,070 was deemed necessary at September 30, 2024. No allowance was deemed necessary at September 30, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional promises to give:

Unconditional promises to give that are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected in less than one year are reported at a net realizable value. Unconditional promises to give beyond one year are discounted to their present value using a credit risk adjusted discount rate of return consistent with the life of the contribution. An allowance for uncollectible contributions is necessary as, from time to time, the Organization may be unable to collect an outstanding pledge receivable. The allowance is management's estimate of the potential future write-offs of uncollectible pledges and is based on historical write-offs, overdue pledges, and other factors. No allowance was deemed necessary at September 30, 2024 and 2023.

Use of estimates:

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair value of financial instruments:

The Organization follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB-issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches.

Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of financial instruments (continued):

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker-traded transactions.

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.

For the years ended September 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting pronouncements

On October 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables, loan commitments, leases, financial guarantees, and held to maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, ASC 326 made changes to the accounting for available for sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available for sale debt securities that management does not intend to sell or believes that it is more likely than not they will be required to sell.

The Organization adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance sheet credit exposures. Results for reporting periods beginning after October 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. There was no material impact to the estimate of credit losses as a result of adoption of ASC 326.

NOTE 3. LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by grants and contributions with and without donor restrictions. The Organization's financial assets available for general expenditures, that is, without donor restriction or other restriction limiting their use, within one year of the consolidated statement of financial position are as follows:

	2024	2023
Cash and cash equivalents	\$ 171,513	\$ 848,942
Grants, contracts, and other receivables	4,107,513	3,588,995
Pledge receivables	128,852	170,654
Beneficial interest in charitable remainder trust	212,624	206,935
Investments	348,850	290,913
	4,969,352	5,106,439
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions	(2,625,613)	(2,444,378)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,343,739	\$ 2,662,061

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. LIQUIDITY AND AVAILABILITY (Continued)

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditure, liabilities, and other obligations come due. The Organization has a line of credit as described in Note 7 to draw against for additional liquidity needs.

NOTE 4. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at fair value as of September 30, 2024:

	Level 1	Level 2	Level 3	Total
Certificate of Deposit	\$ 10,240	\$ -	\$ -	\$ 10,240
Pooled Trust/Savings	-	338,610	-	338,610
Beneficial Interest in Charitable Remainder Trust	-	-	212,624	212,624
	\$ 10,240	\$ 338,610	\$ 212,624	\$ 561,474

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at fair value as of September 30, 2023:

	Level 1	Level 2	Level 3	Total
Pooled Trust/Savings	\$ -	\$ 290,913	\$ -	\$ 290,913
Beneficial Interest in Charitable Remainder Trust	-	-	206,935	206,935
	\$ -	\$ 290,913	\$ 206,935	\$ 497,848

Level 3 Measurements

Beneficial Interest in Charitable Remainder Trust

Fair value for the beneficial interest in charitable remainder trust is measured using the fair value of the assets held in the trust as reported by the trustee as of September 30, 2024. The Organization considers the measurement of its beneficial interest in the trust to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, the Organization does not have the ability to direct the trustee to value or redeem them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. UNCONDITIONAL PROMISES TO GIVE

At September 30, 2024 and 2023, unconditional promises to give consisted of the following:

	2024	2023
Nashville property redevelopment campaign	\$ 128,852	\$ 170,564
Unconditional promises to give expected to be collected in:		
Less than one year	\$ 50,834	\$ 69,704
One year to five years	99,944	122,502
	150,778	192,206
Less – Unamortized discount	(21,926)	(21,552)
Unconditional promises to give, net	\$ 128,852	\$ 170,654

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved and the expected period of payment. Estimated future cash flows to be received after one year were discounted using a rate of 4.72%. Management has determined these unconditional promises to give are fully collectible as of September 30, 2024.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment at September 30 consist of the following:

	2024	2023
Land	\$ 519,250	\$ 519,250
Equipment, furniture, and fixtures	287,504	287,550
Vehicles	582,870	180,073
Construction in progress	1,592,647	783,863
	2,982,271	1,770,736
Less accumulated depreciation	(493,480)	(301,468)
	\$ 2,488,791	\$ 1,469,268

Depreciation expense for the years ended September 30, 2024 and 2023 was \$86,172 and \$34,817, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. FINANCING ARRANGEMENTS

Line of Credit

The Organization has a line of credit with an area bank in the amount of \$750,000 which includes \$600,000 as a revolving line of credit and up to \$150,000 of available credit under a commercial credit card agreement which matures in February 2025. Interest is payable monthly and is calculated at the bank's prime rate plus 1.25%, with a minimum rate of 4.50% (effective rate of 9.25% at September 30, 2024). The line of credit also has a stipulation that the line of credit shall be paid to zero for 30 consecutive days during the term of the loan. Receivables, other assets, and equipment are pledged as collateral. At September 30, 2024 and 2023, there were no outstanding borrowings on the line of credit.

Notes Payable

In August 2022, the Organization opened a note payable facility with a financial institution, and provides for maximum borrowings of \$1,500,000, which includes a \$419,250 initial advance provided on the closing date and up to \$1,000,000 available credit. The note payable matures on February 1, 2025 and has an interest rate of 0.5% + prime (min. of 4.75% and max. of 6.25%) on all subsequent advances. Land purchase and other assets are pledged as collateral. At September 30, 2024 and 2023, the Organization had \$1,500,000 and \$1,183,018 outstanding, respectively.

In August 2022, the Organization entered into a subordinated note payable in conjunction with a purchase of property with the seller for \$100,000. The note payable accrues no interest and is due at the closing of the HUD and tax credit funding. The Organization had \$100,000 outstanding as of September 30, 2024 and 2023.

NOTE 8. LEASES

The Organization leases office space under noncancelable operating leases expiring at various times through 2031. Rental expense for base minimum rents is recognized on the straight-line basis for these leases, which contain an adjustment to the initial base rental amounts through a rent escalation. Management expects that in the normal course of business, the leases will be renewed or replaced by other leases upon expiration.

The weighted average of the discount rate related to the Organization's lease liability as of September 30, 2024 was 4.00%.

The weighted average remaining lease term as of September 30, 2024 was 5.74 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. LEASES (Continued)

The following is a schedule by years of minimum future rentals on the operating leases and the amortization of the net present value (NPV) of the lease liability as of September 30, 2024:

	Minimum annual lease payments	Amortization of NPV of operating lease liability
2025	\$ 191,180	\$ 172,537
2026	134,779	122,216
2027	87,534	78,833
2028	53,442	46,961
2029	55,580	51,059
2030	57,803	55,411
2031	34,492	34,150
	\$ 614,810	\$ 561,167

The carrying value of the related right-of-use assets as of September 30, 2024 are:

	2024	2023
Accumulated basis	\$ 777,445	\$ 586,699
Less – accumulated amortization	(228,442)	(68,702)
	\$ 549,003	\$ 517,997

The discount rate used to calculate to net present value of the right-of-use assets and corresponding operating lease liability was the incremental borrowing rate at lease inception, which was 4.00%.

Rent expense for the years ended September 30, 2024 and 2023 was approximately \$270,000 and \$291,000, respectively.

NOTE 9. DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization makes contributions to the 403(b) investment plan. Contributions to the 403(b) are made for employees over 21 years of age who have served at least one year as an employee of the Organization. Employment date determines eligibility date. The Organization's expense for the years ended September 30, 2024 and 2023 totaled approximately \$31,000 and \$24,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from grantor/donor restrictions for the years ended September 30, 2024 and 2023 by incurring expenses satisfying the restricted purposes specified by grantors/donors as follows:

	2024	2023
Subject to expenditure for specified purpose:		
Disaster relief	\$ 779,985	\$ 1,606,962
Other program initiatives	1,465,524	421,199
	\$ 2,245,509	2,028,161
Subject to expenditure for passage of time:		
Beneficial interest in charitable remainder trust	212,624	206,935
Capital campaign for Nashville	128,852	170,654
	341,476	377,589
Perpetual in nature:		
Endowment	38,628	38,628
Total	38,628	38,628
Net assets with donor restrictions	\$ 2,625,613	\$ 2,444,378

NOTE 11. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the fiscal years ended September 30, 2024 and 2023, by incurring expenses satisfying the restricted purpose specified by donors as follows:

	2024	2023
Disaster relief	\$ 4,568,236	\$ 2,887,420
Other program initiatives	363,528	708,099
	\$ 4,931,764	\$ 3,595,519

NOTE 12. ENDOWMENT

Interpretation of Relevant Law

In approving endowment, spending, and related policies, as part of the prudent and diligent discharge of its duties, the Board of Directors, as authorized by the UPMIFA as enacted by the state of Georgia, has relied upon the actions, reports, information, advice, and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Organization and in doing so has determined that, absent explicit donor directions or an exercise of the Organization's variance power to the contrary, the Foundation will seek to preserve the historic dollar value of donor-restricted endowment funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. ENDOWMENT (Continued)

As a result of this interpretation, for accounting and financial statement purposes, the Foundation classifies as net assets with donor restrictions the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The portion of the donor-restricted endowment fund that is not classified as net assets with donor restriction held in perpetuity is classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending practices for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization shall hold in perpetuity, barring the Organization's exercise of its variance power. Investment objectives for the Organization's investments are to create income which will support the charitable purposes of the Organization. The Organization's goal is to obtain an average annual real total return of 5% over the long term (5 year periods). The Board of Directors review earnings quarterly and at the end of the fiscal year to determine what portion of the annual earnings can and will be used for operations in the coming fiscal year. As a general principal, the spending from the funds held will be in the range of 5% of each fund's balance. Fees assessed by the Organization for its management of the various types of funds are applied quarterly.

The endowment net asset composition by type of fund as of September 30, 2024 and 2023 is as follows:

The changes in endowment net assets for the year ended September 30, 2024 are:

	<i>(Without Donor Restrictions)</i>	<i>(With Donor Restrictions)</i>	Total
Endowment net assets, Beginning of year	\$ -	\$ 38,628	\$ 38,628
Endowment net assets, end of year	\$ -	\$ 38,628	\$ 38,628

The changes in endowment net assets for the year ended September 30, 2023 are:

	<i>(Without Donor Restrictions)</i>	<i>(With Donor Restrictions)</i>	Total
Endowment net assets, Beginning of year	\$ -	\$ 38,628	\$ 38,628
Endowment net assets, end of year	\$ -	\$ 38,628	\$ 38,628

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. CONTINGENCIES

The Organization is subject to legal actions arising in the ordinary course of business. In management's opinion, the Organization has adequate legal defenses and insurance coverage with respect to such actions and their final outcome would not materially affect the Organization's operations or financial position.

Certain federally funded programs are routinely subject to special audit. The audit reports, which are prepared by the auditors for the Organization pursuant to specific regulatory requirements, are required to be submitted to both the Organization and various federal agencies. Such agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such audits, no provision for liabilities, if any, has been provided in the consolidated financial statements.

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated events occurring through March 3, 2025, the date the consolidated financial statements were available to be issued and has determined that no significant events occurred after September 30, 2024, but prior to the issuance of these consolidated financial statements that would have a material impact on its consolidated financial statements.

In December 2024, the Organization extended its \$1,500,000 note payable facility with a financial institution. The note payable now matures on May 1, 2025. The related interest rate remains at 0.5% + prime (min. of 4.75% and max. of 6.25%) on all subsequent advances.

The change in the United States administration could have significant impact on the Organization's Refugee Services operations. Initial executive orders have paused the refugee resettlement programs for 90 days. Other refugee and immigrant programs have shown a significant slowdown in activities. A continued focus of the U.S. administration in reducing these services would have a measurable negative impact on the Organization's operations going forward.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

**To the Board of Directors
Inspiritus, Inc. and Subsidiary**

We have audited the consolidated financial statements of Inspiritus, Inc. and Subsidiary as of and for the years ended September 30, 2024 and 2023, and our report thereon dated March 3, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 to 3. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2024 and 2023 supplementary information on pages 26 to 30 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2024 and 2023 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 and 2023 information is fairly stated in all material respects in relation to the 2024 and 2023 consolidated financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 3, 2025

INSPIRITUS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024

<u>Assets</u>	Inspiritus, Inc.	Thrive Community Lending	Eliminations	Total
Current Assets				
Cash and cash equivalents	\$ 57,066	\$ 89,447	\$ -	\$ 146,513
Loan reserve	-	25,000	-	25,000
Investments	348,850	-	-	348,850
Grants, contracts, and other receivables, net	4,009,008	208,505	(110,000)	4,107,513
Unconditional promises to give	50,834	-	-	50,834
Other assets	69,780	-	-	69,780
	<u>4,535,538</u>	<u>322,952</u>	<u>(110,000)</u>	<u>4,748,490</u>
Total current assets				
Property and equipment, net	2,488,791	-	-	2,488,791
Cash surrender value - charitable giving insurance policies	4,637	-	-	4,637
Beneficial interest in charitable remainder trust	212,624	-	-	212,624
Unconditional promises to give, net	78,018	-	-	78,018
Right-of-use asset - operating leases	549,003	-	-	549,003
	<u>\$ 7,868,611</u>	<u>\$ 322,952</u>	<u>\$ (110,000)</u>	<u>\$ 8,081,563</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 692,974	\$ -	\$ -	\$ 692,974
Accrued salaries and benefits	347,650	-	-	347,650
Deferred revenue	32,997	-	-	32,997
Current maturities of notes payable	1,600,000	110,000	(110,000)	1,600,000
Current maturities of operating lease liability	172,537	-	-	172,537
	<u>2,846,158</u>	<u>110,000</u>	<u>(110,000)</u>	<u>2,846,158</u>
Total current liabilities				
Long-Term Liabilities				
Operating lease liability, less current maturities	388,630	-	-	388,630
	<u>3,234,788</u>	<u>110,000</u>	<u>(110,000)</u>	<u>3,234,788</u>
Total liabilities				
Net Assets				
Without donor restrictions	2,008,210	212,952	-	2,221,162
With donor restrictions	2,625,613	-	-	2,625,613
	<u>4,633,823</u>	<u>212,952</u>	<u>-</u>	<u>4,846,775</u>
Total net assets				
Total liabilities and net assets	<u>\$ 7,868,611</u>	<u>\$ 322,952</u>	<u>\$ (110,000)</u>	<u>\$ 8,081,563</u>

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

<u>Assets</u>	<u>Inspiritus, Inc.</u>	<u>Thrive Community Lending</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets				
Cash and cash equivalents	\$ 819,942	\$ 10,000	\$ -	\$ 829,942
Loan reserve	-	19,000	-	19,000
Investments	290,913	-	-	290,913
Grants, contracts, and other receivables, net	3,452,741	136,254	-	3,588,995
Unconditional promises to give	69,704	-	-	69,704
Other assets	31,284	-	-	31,284
	<u>4,664,584</u>	<u>165,254</u>	<u>-</u>	<u>4,829,838</u>
Total current assets	<u>4,664,584</u>	<u>165,254</u>	<u>-</u>	<u>4,829,838</u>
Property and equipment, net	1,469,268	-	-	1,469,268
Cash surrender value - charitable giving insurance policies	4,783	-	-	4,783
Beneficial interest in charitable remainder trust	206,935	-	-	206,935
Unconditional promises to give, net	100,950	-	-	100,950
Right-of-use asset - operating leases	517,997	-	-	517,997
	<u>\$ 6,964,517</u>	<u>\$ 165,254</u>	<u>\$ -</u>	<u>\$ 7,129,771</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 718,979	\$ 10,000	\$ -	\$ 728,979
Accrued salaries and benefits	265,976	-	-	265,976
Deferred revenue	15,800	-	-	15,800
Current maturities of notes payable	1,283,018	-	-	1,283,018
Current maturities of operating lease liability	107,552	-	-	107,552
	<u>2,391,325</u>	<u>10,000</u>	<u>-</u>	<u>2,401,325</u>
Total current liabilities	<u>2,391,325</u>	<u>10,000</u>	<u>-</u>	<u>2,401,325</u>
Long-Term Liabilities				
Operating lease liability, less current maturities	416,278	-	-	416,278
	<u>416,278</u>	<u>-</u>	<u>-</u>	<u>416,278</u>
Total liabilities	<u>2,807,603</u>	<u>10,000</u>	<u>-</u>	<u>2,817,603</u>
Net Assets				
Without donor restrictions	1,712,536	155,254	-	1,867,790
With donor restrictions	2,444,378	-	-	2,444,378
	<u>4,156,914</u>	<u>155,254</u>	<u>-</u>	<u>4,312,168</u>
Total net assets	<u>4,156,914</u>	<u>155,254</u>	<u>-</u>	<u>4,312,168</u>
Total liabilities and net assets	<u>\$ 6,964,517</u>	<u>\$ 165,254</u>	<u>\$ -</u>	<u>\$ 7,129,771</u>

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

	Inspiritus, Inc.		Thrive Community Lending		Eliminations		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Revenues, gains, and other support:								
Governmental grants and contracts	\$ 29,677,949	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 29,927,949	\$ -
Contributions and grants	498,593	5,071,738	35,000	25,000	-	-	533,593	5,096,738
Contributions in-kind	307,289	-	47,772	-	-	-	355,061	-
Investment return and other revenues	39,425	10,571	6,194	-	-	-	45,619	10,571
Change in value of the charitable remainder trust	-	5,690	-	-	-	-	-	5,690
Net assets released from restrictions	4,906,764	(4,906,764)	25,000	(25,000)	-	-	4,931,764	(4,931,764)
Total revenues, gains, and other support	35,430,020	181,235	365,966	-	-	-	35,793,986	181,235
Expenses:								
Program services	32,222,065	-	306,268	-	-	-	32,528,333	-
Supporting services:								
Management and general	1,997,307	-	-	-	-	-	1,997,307	-
Resource development and fundraising	914,974	-	-	-	-	-	914,974	-
Total supporting services	2,912,281	-	-	-	-	-	2,912,281	-
Total expenses	35,134,346	-	306,268	-	-	-	35,440,614	-
Change in net assets	295,674	181,235	57,698	-	-	-	353,372	181,235
Net assets, beginning of year	1,712,536	2,444,378	155,254	-	-	-	1,867,790	2,444,378
Net assets, end of year	\$ 2,008,210	\$ 2,625,613	\$ 212,952	\$ -	\$ -	\$ -	\$ 2,221,162	\$ 2,625,613

See Notes to Consolidated Financial Statements.

INSPIRITUS, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

	Inspiritus, Inc.		Thrive Community Lending		Eliminations		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Revenues, gains, and other support:								
Governmental grants and contracts	\$ 18,040,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,040,007	\$ -
Contributions and grants	469,258	4,108,048	-	-	(155,254)	-	469,258	4,108,048
Contributions in-kind	296,224	-	155,254	-	-	-	296,224	-
Investment return and other revenues	26,374	9,971	-	-	-	-	26,374	9,971
Change in value of the charitable remainder trust	-	(7,360)	-	-	-	-	-	(7,360)
Net assets released from restrictions	3,595,519	(3,595,519)	-	-	-	-	3,595,519	(3,595,519)
Total revenues, gains, and other support	22,427,382	515,140	155,254	-	(155,254)	-	22,427,382	515,140
Expenses:								
Program services	20,553,986	-	-	-	-	-	20,553,986	-
Supporting services:								
Management and general	989,223	-	-	-	(155,254)	-	833,969	-
Resource development and fundraising	814,900	-	-	-	-	-	814,900	-
Total supporting services	1,804,123	-	-	-	(155,254)	-	1,648,869	-
Total expenses	22,358,109	-	-	-	(155,254)	-	22,202,855	-
Change in net assets	69,273	515,140	155,254	-	-	-	224,527	515,140
Net assets, beginning of year	1,643,263	1,929,238	-	-	-	-	1,643,263	1,929,238
Net assets, end of year	\$ 1,712,536	\$ 2,444,378	\$ 155,254	\$ -	\$ -	\$ -	\$ 1,867,790	\$ 2,444,378

See Notes to Consolidated Financial Statements.

**INSPIRITUS, INC. AND SUBSIDIARY
NOTES TO SUPPLEMENTARY INFORMATION
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 1. CONSOLIDATING FINANCIAL STATEMENTS

For the years ended September 30, 2024 and 2023, the Organization has presented the investments in subsidiaries at cost on the consolidating statements of financial position.

INSPIRITUS, INC. AND SUBSIDIARY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RELATED NOTES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Federal Grantor/Program</u>	<u>Assistance Listing Number</u>	<u>Grant ID Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
Direct support:				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2402GARCMA	\$ 2,145,840	\$ -
Pass-Through Georgia Department of Human Services:				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112196	226,189	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112199	26,913	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112152	471,117	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112149	88,812	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112150	46,753	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112191	80,623	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	42700-040-0000112153	274,289	-
			<u>1,214,696</u>	<u>-</u>
Pass-Through Global Refuge (formerly Lutheran Immigration and Refugee Services)				
Refugee and Entrant Assistance Voluntary Agency Programs	93.567	2302MDRVMG	4,725,182	-
Direct support:				
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZM0058-01-00	307,856	-
Refugee and Entrant Assistance Discretionary Grants	93.576	90RG0210-03-00	250,000	-
			<u>557,856</u>	<u>-</u>
Pass-Through Global Refuge (formerly Lutheran Immigration and Refugee Services)				
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0124-02-03	3,330,330	-
Direct support:				
Unaccompanied Children Program - SARC	93.676	90ZU582301, 90ZU582302	3,929,924	2,250,054
Pass-Through Global Refuge (formerly Lutheran Immigration and Refugee Services)				
Unaccompanied Children Program - SARC	93.676	90ZU0622-01-00	926,646	-
Unaccompanied Children Program - SARC	93.676	90ZU0521-01, 90ZU0521-02	375,117	-
Unaccompanied Children Program - SARC	93.676	90ZU0439-02, 90ZU0439-03	164,051	-
			<u>1,465,814</u>	<u>-</u>
Pass-Through U.S. Committee for Refugees and Immigrants				
Services to Victims of a Severe Form of Trafficking	93.598	90ZV0145-01-00, 90ZV0139-01-00	56,864	-
Total U.S. Department of Health and Human Services			<u>17,426,506</u>	<u>2,250,054</u>
<u>U.S. Department of State</u>				
Pass-Through Global Refuge (formerly Lutheran Immigration and Refugee Services)				
U.S. Refugee Admissions Program - SARC	19.510	SPRMC023CA0363	3,216,179	-
U.S. Refugee Admissions Program - SARC	19.510	SPRMC023CA0364	483,916	-
Total U.S. Department of State			<u>3,700,095</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Pass-Through from Local Initiatives Support Corporation:				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	48093-0015, 48093-0019	24,033	-
Pass-Through Office of Refugee Resettlement (ORR)				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	RSSS23	1,228,352	-
Pass-Through Tennessee Office for Refugees/ORR				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	23/24A1TNRCA	112,770	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	22/2301TNRSSS	113,293	-
			<u>226,063</u>	<u>-</u>
Pass-Through Compass 82				
Disaster Assistance Projects	97.088		145,036	-
Pass-Through Salvation Army				
Disaster Assistance Projects	97.088		20,487	-
Pass-Through Global Refuge (formerly Lutheran Immigration and Refugee Services)				
Emergency Food and Shelter National Board Program	97.027		1,627,294	-
Total U.S. Department of Housing and Urban Development			<u>3,271,265</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 24,397,866</u>	<u>\$ 2,250,054</u>

See Notes to Schedule of Expenditures of Federal Awards.

INSPIRITUS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RELATED NOTES
YEAR ENDED SEPTEMBER 30, 2024

NOTE A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the organization's federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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*. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE B. INDIRECT COST RATE

The organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**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
Inspiritus, Inc. and Subsidiary
Atlanta, Georgia**

We have audited, 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, the financial statements of Inspiritus, Inc. and Subsidiary (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, 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 March 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Inspiritus, Inc.'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 Inspiritus, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Inspiritus, Inc. and Subsidiary'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 entity'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Inspiritus, Inc. and Subsidiary'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

This purpose of this report is solely to describe the scope of our testing of internal control and the 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 3, 2025



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

To the Board of Directors
Inspiritus, Inc. and Subsidiary
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary's major federal programs for the year ended September 30, 2024. Inspiritus, Inc. and Subsidiary's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Inspiritus, Inc. and Subsidiary 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 September 30, 2024.

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 Inspiritus, Inc. and Subsidiary and to meet our 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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 Inspiritus, Inc. and Subsidiary'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 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

Atlanta, Georgia
March 3, 2025

**INSPIRITUS, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

I. SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued:	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified?	_____	<u>X</u>
Noncompliance material to the financial statements noted?	_____	<u>X</u>

Federal Awards:

Internal control over major programs:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified?	_____	<u>None Reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____	<u>X</u>

Identification of major programs:

97.024 Emergency Food and Shelter National Board Program
93.567 Refugee and Entrant Assistance Voluntary Agency Programs

Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000	
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u>X</u>	_____
Financial statement findings?	_____	<u>X</u>
Federal award findings and questioned costs?	_____	<u>X</u>

**INSPIRITUS, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

II. FINANCIAL STATEMENT FINDINGS:

NONE REPORTED

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE REPORTED

INSPIRITUS, INC. AND SUBSIDIARY
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023

II. FINANCIAL STATEMENT FINDINGS:

NONE REPORTED

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE REPORTED