

# LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 04/07/26

Resolution  Ordinance

Contact/Prepared By: Allison Cantway

Date Prepared: 03/13/26

Title (Caption): A resolution to provide grant funding to Room in the Inn for the provision of day shelter and Guest House

services to provide shelter, food, clothing, navigation to resources, and other programs for people experiencing homelessness.

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

Proposing Department: Office of Homeless Services Requested By: Allison Cantway

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 checked="" type="checkbox"/> Grant            | <input type="checkbox"/> Settlement of Claims/Lawsuits |
| <input type="checkbox"/> Code Amendment       | <input type="checkbox"/> Grant Application           | <input type="checkbox"/> Street/Highway Improvements   |
| <input type="checkbox"/> Condemnation         | <input type="checkbox"/> Improvement Acc.            | <input type="checkbox"/> Other: _____                  |

|  |   |   |
|--|---|---|
| <b>FINANCE</b>                             | <b>Amount +/-:</b> \$ <u>\$ 180,000.00</u>  | <b>Match:</b> \$ _____  |
| <b>Funding Source:</b>                     | <input type="checkbox"/> Capital Improvement Budget<br><input type="checkbox"/> Capital Outlay Notes<br><input type="checkbox"/> Departmental/Agency Budget<br><input type="checkbox"/> Funds to Metro<br><input type="checkbox"/> General Obligation Bonds<br><input checked="" type="checkbox"/> <b>Grant</b><br><input type="checkbox"/> Increased Revenue Sources | <input type="checkbox"/> Judgments and Losses<br><input type="checkbox"/> Local Government Investment Project<br><input type="checkbox"/> Revenue Bonds<br><input type="checkbox"/> Self-Insured Liability<br><input type="checkbox"/> Solid Waste Reserve<br><input type="checkbox"/> Unappropriated Fund Balance<br><input type="checkbox"/> 4% Fund<br><input type="checkbox"/> Other: _____ |
| Approved by OMB: _____                     | Approved by Finance/Accounts: _____   | Date to Finance Director's Office: _____  |
| Approved by Div Grants Coordination: _____ | <b>APPROVED BY</b><br><b>FINANCE DIRECTOR'S OFFICE:</b> _____   |   |

|   |
|---|
| <b>ADMINISTRATION</b>                                       |
| Council District Member Sponsors: _____                     |
| Council Committee Chair Sponsors: _____                     |
| <b>Approved by Administration:</b> _____ <b>Date:</b> _____ |

|   |  |   |
|---|--|---|
| <b>DEPARTMENT OF LAW</b>                      | Date to Dept. of Law: _____                                | Approved by Department of Law: _____  |
|   | <b>Settlement Resolution/Memorandum Approved by:</b> _____ |   |
|   | Date to Council: _____                                     | For Council Meeting: _____ <input type="checkbox"/> E-mailed Clerk  |
| <input type="checkbox"/> All Dept. Signatures | <input type="checkbox"/> Copies                            | <input type="checkbox"/> Backing <input type="checkbox"/> Legislative Summary <input type="checkbox"/> Settlement Memo <input type="checkbox"/> Clerk Letter <input type="checkbox"/> Ready to File |

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

A resolution appropriating a total of \$180,000 to Room in the Inn, Inc. and approving a grant agreement between the Metropolitan Government of Nashville and Davidson County, acting by and through the Office of Homeless Services, and Room in the Inn, Inc. for the provision of Day Shelter and Guest House services to provide shelter, food, clothing, navigation to resources, and other programs for people experiencing homelessness.

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

WHEREAS, pursuant to BL2025-833, the Metropolitan Council appropriated a total of \$450,000 from the budget of the Office of Homeless Services for a grant to Room in the Inn, Inc. to provide services to people experiencing homelessness; and,

WHEREAS, Room in the Inn, Inc. provides services to people experiencing homelessness, including navigation to resources such as food stamps, employment, treatment options, and housing (the "Guest House") and a program that serves as a day center for visitors to Room in the Inn (the "Day Shelter"); and,

WHEREAS, the Office of Homeless Services has additional funds in its operational budget to provide support for the Guest House and Day Shelter program at Room in the Inn.

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

WHEREAS, the Metropolitan Government of Nashville and Davidson County, acting by and through the Office of Homeless Services, wishes to appropriate funding and contract with Room in the Inn, Inc. for the provision of Day Shelter and Guest House services to provide shelter, food, clothing, navigation to resources, and other programs for people experiencing homelessness; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that these funds be appropriated to this nonprofit organization.

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

Section 1. There is hereby appropriated One Hundred Eighty Thousand Dollars (\$180,000) from the Office of Homeless Services to Room in the Inn, Inc. for the provision of Day Shelter and Guest House services to provide shelter, food, clothing, navigation to resources, and other programs for people experiencing homelessness.

Section 2. The Metropolitan Government is hereby authorized to enter into a grant contract, attached hereto and incorporated herein, for the amount provided herein and the purposes stated.

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

APPROVED FOR PROPER BUDGET PROCEDURES:

DocuSigned by:  
*Aaron Pratt*  
DB59844A2DE04C4...  
Budget Officer

INTRODUCED BY:

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

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:  
*Jenine Reed/mjw*  
79E58C7F7EC7AA2...  
Director of Finance

\_\_\_\_\_  
Member(s) of Council

APPROVED AS TO FORM AND LEGALITY:

Signed by:  
*Matthew Gault*  
19C1D3EDC425416...  
Assistant Metropolitan Attorney

**Grant contract between the Metropolitan Government of Nashville and Davidson County and «GranteeName», Contract # \_\_\_\_\_**

**GRANT CONTRACT  
BETWEEN THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY  
AND  
ROOM IN THE INN, INC**

This Grant Contract issued and entered into pursuant to RS 2026-XXX, by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH METROPOLITAN OFFICE OF HOMELESS SERVICES**, a municipal corporation of the State of Tennessee (hereinafter referred to as “**OHS**” or “**Metro**”), and Room In The Inn Inc, (“**Agency**”), The contract is for the provision of services as defined in the “SCOPE OF SERVICES.” The Agency’s corporate charter, IRS determination letter, most recent annual report, and audit are attached as exhibits and are on file at OHS.

**WITNESSETH**

WHEREAS, OHS is the recipient of local Metro homeless funds for use in projects by the OHS (hereinafter called “OHS Funds”) in the amount of \$180,000; and,

WHEREAS, the Agency provides services to people experiencing homelessness, including navigation to resources including food stamps, employment, treatment options and housing (“the Guest House”); and,

WHEREAS, the Guest House also includes a program that serves as a day center for visitors to Room in the Inn (“the Day Shelter”); and,

WHEREAS, the Agency agrees to utilize OHS Funds to fund general Guest House services to provide shelter, food, clothing and other programs for people experiencing homelessness including recuperative care for the medically fragile, stable shelter for those taking next steps in their recovery and those actively struggling with addiction (“the Guest House Funds”); and,

WHEREAS, the Agency agrees to utilize the OHS Funds to fund Day Shelter services to people experiencing homelessness, including administering a program that serves as a day center for visitors to Room in the Inn (“the Day Shelter Funds”); and,

NOW, THEREFORE, in consideration of the mutual promises as contained herein, the Parties hereto have agreed and hereby enter into this Contract according to the provisions as set forth herein.

**A. SCOPE OF PROGRAM:**

**A A.1.SCOPE OF SERVICES FOR GENERAL GUEST HOUSE PROGRAM:**

The Agency shall:

1. Use the Guest House Funds to provide a location that will serve as a safe stable environment for people experiencing homelessness that face barriers to traditional shelters and safe spaces. The program shall provide shelter, food, clothing and connection to other programs offered by the Agency.
2. Guest House Funds shall be expended for the following services:
  - a Provide Guest House clients (of all genders) with basic shelter, food, hygiene and clothing needs.

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- b Provide opportunity for Guest House clients to recover from drug and alcohol addiction while staying at the Guest House and/or connecting them with outside treatment programs.
3. Hold an average of fifty (50) persons in the residential program each month (approximately 600 for the year).
4. Work with the Metro Office of Homeless Services to share community data. This includes coordinating with OHS to provide specific aggregate data of individuals accessing Guest House services, and collaborating on the goal of having a system established to enter all reasonable and appropriate data into the Homeless Management Information System (HMIS) by the time in this contract period ends (ending June 30, 2026).
5. Provide an opportunity for clients to attend in-house Alcoholics Anonymous (“AA”) meetings or connect them with community AA meetings.
6. Provide referrals to community resources.
7. Provide navigation and support for health services including behavioral and occupational health services.
8. Provide clients the opportunity to participate in services offered by the Educational Day Center.
9. Utilize Guest House Funds only for the residents of Davidson County.
10. Submit monthly invoices no later than 30 days after the close of each month.
11. Collect data on the primary county of residence of the guests served and provide that data to OHS along with the final program and expenditure reports.

**B. SCOPE OF SERVICES FOR DAY SHELTER PROGRAM:**

The Agency shall:

1. Use the Day Shelter Funds to provide operational support for a Day Shelter serving people experiencing homelessness. Support services include: day shelter, showers, hygiene items, housing navigation services, access to telephones, and access to mainstream services such as Supplemental Nutrition Assistance Program (SNAP) services and others as they may apply.
  2. Work with the Office of Homeless Services on sharing community data. This includes coordinating with OHS to provide specific aggregate data of individuals accessing Day Center Services, and collaborating on the goal of having a system established to enter all reasonable and appropriate data into the Homeless Management Information System (HMIS) by the time this contract period ends (ending June 30, 2026).
  3. Utilize Day Shelter Funds only for residents of Davidson County.
  4. Collect data on the primary county of residence of the guests served and provide that data to OHS along with the final program and expenditure reports.
- A.2. The Recipient must spend these funds consistent with the Grant Spending Plan, attached and incorporated herein as Attachment 1. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.
- A.3. The Recipient will only utilize these funds for services the Recipient provides to documented residents of Davidson County. Documentation of residency may be established with a recent utility bill; voter's registration card; driver's license or other government issued-ID; current record

**Grant contract between the Metropolitan Government of Nashville and Davidson County and «GranteeName», Contract # \_\_\_\_\_**

from a school showing address; affidavit by landlord; or affidavit by a nonprofit treatment, shelter, half-way house, or homeless assistance entity located within Davidson County. Recipient agrees that it will not use Metro funding for services to non-Davidson County residents.

A.4. Additionally, the Recipient must collect data on the primary county of residence of the clients it serves and provide that data to Metro upon request.

**B. GRANT CONTRACT TERM:**

B.1. **Grant Contract Term.** The term of this Grant will commence on the date filed with the Metropolitan Clerk after receiving all required Metro approvals and end on June 30, 2026. Metro will have no obligation for services rendered by the Recipient that are not performed within this term. Notwithstanding the foregoing, it is understood that Recipient has provided services prior to the commencement of the term of this agreement and will be allowed to submit invoices and be paid for services rendered beginning July 1, 2025.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. **Maximum Liability.** In no event will Metro's maximum liability under this Grant Contract exceed one hundred eighty thousand dollars (\$180,000.00). The Grant Spending Plan will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Spending Plan line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

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

The Recipient will only be compensated for actual costs based upon the Grant Spending Plan, not to exceed the maximum liability established in Section C.1. Recipient may invoice and be compensated for program costs incurred after July 1, 2025 and before the signature date of the contract, pending approval from the OHS Finance team.

Department will issue reimbursable payments to equal up to \$180,000. Upon progress toward the completion of the services as described in section A, the Recipient shall submit invoices monthly, within 10 business days of the end of each month, and any supporting documentation as requested by OHS to demonstrate that the funds are used as required by this Contract, prior to any payment for allowable costs. If Recipient will not submit an invoice for a given month, they must notify Metro in writing by the tenth day of the following month.

All invoices must include a formal invoice document along with the Metro-approved coversheet, a clear breakdown of direct costs and approved indirect costs, and itemization by line item that is aligned with the approved grant budget. Each invoice package should include supporting documentation, (such as receipts, payroll records, subcontractor invoices, timesheets, etc.), a summary report of activities during the billing period, and a listing of the assigned HMIS numbers of all clients served during the time period.

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Recipient must send all invoices with supporting documentation as defined by the Office of Homeless Services to:

Joseph Marsh  
Assistant Director of Admin. & Finance  
Office of Homeless Services  
[joseph.marsh@nashville.gov](mailto:joseph.marsh@nashville.gov)  
615-880-2867

- C.3. **Annual Expenditure Report.** The Recipient must submit a final grant Annual Expenditure Report, to be received by Joseph Marsh by August 15, 2026. Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.4. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.5. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Utilization of Metro funding for services to non-Davidson County residents is not allowed.
- C.6. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.
- C.7. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Spending Plan.
- C.8. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- D. **STANDARD TERMS AND CONDITIONS:**
- D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro

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any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant Contract. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.

- D.4. **Termination - Notice.** Metro may terminate the Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by Metro. Metro shall give the Recipient at least thirty (30) days written notice before effective termination date.
- (a) The Recipient shall be entitled to receive compensation for satisfactory, authorized service completed as of the effective termination date, but in no event shall Metro be liable to the Recipient for compensation for any service that has not been rendered.
- (b) Upon such termination, the Recipient shall have no right to any actual general, special, incidental, consequential or any other damages whatsoever of any description or amount.
- D.5. **Termination –Funding.** This Grant Contract is subject to the appropriation and availability of local, State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, Metro shall have the right to terminate this Grant Contract immediately upon written notice to the Recipient. Upon receipt of the written notice, the Recipient shall cease all work associated with this Grant Contract on or before the effective termination date specified in the written notice. Should such an event occur, the Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the effective termination date. The Recipient shall be responsible for repayment of any funds already received in excess of satisfactory and authorized services completed as of the effective termination date.
- D.6. **Subcontracting.** The Recipient may not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient will be considered the prime Recipient and will be responsible for all work performed.
- D.7. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.
- D.8. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.9. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the standards outlined in the Non-Profit Grants Manual. The financial statements must be prepared in accordance with generally accepted accounting principles.

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- D.10. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.11. **Reporting.** The Recipient must submit an Interim Program Report, to be received by Allison Cantway by May 1, 2026 and a Final Program Report, to be received by Allison Cantway by August 15, 2026. Said reports shall detail the outcome of the activities funded under this Grant Contract. Metro and OHS reserve the right to request and review additional documentation at any time.
- D.12. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.13. **Insurance.** The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract.
- D.14. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.
- D. 15. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D. 16. **Indemnification and Hold Harmless.**
- (a) Recipient agrees to indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient will pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Recipient's duties under this section will survive the termination or expiration of the grant.
- D.17 **Force Majeure.** "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party. Except as provided in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a breach under this Grant Contract. The non-performing party will be

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excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. Recipient will promptly notify Metro within forty-eight (48) hours of any delay caused by a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

- D.18. **State, Local and Federal Compliance.** The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract. Metro shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.
- D.19. **Governing Law and Venue.** The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.
- D.20. **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.21. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.
- D.22. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

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

- D. 23. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.24. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any

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other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

- D.25. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by facsimile transmission, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro/OHS

For contract-related matters:  
Allison Cantway  
Asst. Director of Research & Planning  
[allison.cantway@nashville.gov](mailto:allison.cantway@nashville.gov)  
615-880-2350

For inquiries regarding invoices:  
Joseph Marsh  
Assistant Director of Administration and  
Finance  
[joseph.marsh@nashville.gov](mailto:joseph.marsh@nashville.gov)

Recipient

Rachel Hester, Executive Director  
Room In The Inn Inc  
705 Drexel St.  
Nashville, TN 37203  
615-251-9791

- D.26. **Lobbying.** The Recipient certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - c. The Recipient will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

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**D.27. Certification Regarding Debarment and Convictions.**

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

**D. 28 Severability.** Should any provision of this Grant Contract be declared to be invalid by a court of competent jurisdiction, or otherwise rendered invalid or unenforceable, such provision shall be severed and shall not affect the validity of the remaining provisions of this Grant Contract.

**D.29. Effective Date.** This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

(THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.)

Grant contract between the Metropolitan Government of Nashville and Davidson County and «GranteeName», Contract # \_\_\_\_\_

**METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY  
GRANT SPENDING PLAN**

|                        |                 |
|------------------------|-----------------|
| <b>RECIPIENT NAME:</b> | Room In The Inn |
|------------------------|-----------------|

| THE FOLLOWING IS APPLICABLE TO EXPENSES PLANNED TO BE INCURRED DURING THE<br><b>CONTRACT GRANT PERIOD: 7/1/25 - 6/30/26</b> |   |                      |                                       |                     |
|---|---|----------------------|---------------------------------------|---------------------|
|   | EXPENSE OBJECT LINE-ITEM<br>CATEGORY                            | METRO GRANT<br>FUNDS | RECIPIENT<br>MATCH<br>(participation) | TOTAL PROJECT       |
|   | Salaries and Wages  | \$150,000.00         |                                       | \$150,000.00        |
|   | Benefits and Taxes <span style="color: red;">[(PERCENT)]</span> | \$13,000.00          |                                       | \$13,000.00         |
|   | Professional Fees   |                      |                                       | \$0.00              |
|   | Supplies  | \$11,000.00          |                                       | \$11,000.00         |
|   | Communications  |                      |                                       | \$0.00              |
|   | Postage and Shipping  |                      |                                       | \$0.00              |
|   | Occupancy   | \$6,000.00           |                                       | \$6,000.00          |
|   | Equipment Rental and Maintenance                                |                      |                                       | \$0.00              |
|   | Printing and Publications                                       |                      |                                       | \$0.00              |
|   | Travel/ Conferences and Meetings                                |                      |                                       | \$0.00              |
|   | Insurance   |                      |                                       | \$0.00              |
|   | Specific Assistance to Individuals                              |                      |                                       | \$0.00              |
|   | Other Non-Personnel   |                      |                                       | \$0.00              |
|   | <b>GRAND TOTAL</b>  | <b>\$180,000.00</b>  | <b>\$0.00</b>                         | <b>\$180,000.00</b> |

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

Signed by:  
April Calvin  
5E9675E3D1984EC...  
April Calvin, Director of Office of Homeless  
Services

**RECIPIENT: Room in the Inn, Inc.**

DocuSigned by:  
By: Rachel Hester  
B9E9785F7BA94B6...

Rachel Hester, Executive Director

APPROVED AS TO AVAILABILITY OF  
FUNDS:

Signed by: DS  
Jenreen Reed/mjw  
79E58C7F7EC74A2...  
Director of Finance

APPROVED AS TO RISK AND INSURANCE:

Signed by:  
B.C. Cobb  
68804BF12FD741C...  
B.C. Cobb

APPROVED AS TO FORM AND LEGALITY:

Signed by:  
Matthew Garth  
19C1D3EDC425416...  
Matthew Garth

FILED IN THE OFFICE OF THE CLERK:

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



P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248167147  
Dec. 05, 2014 LTR 4168C 0  
62-0811413 000000 00  
00023123  
BODC: TE

ROOM IN THE INN INC  
PO BOX 25309  
NASHVILLE TN 37202



010675

Employer Identification Number: 62-0811413  
Person to Contact: Ms Wittwer  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Nov. 25, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in March 1971.

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

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

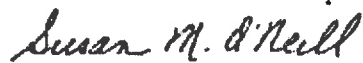
Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing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

0248167147  
Dec. 05, 2014 LTR 4168C 0  
62-0811413 000000 00  
00023124

ROOM IN THE INN INC  
PO BOX 25309  
NASHVILLE TN 37202

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

Sincerely yours,



Susan M. O'Neill, Department Mgr.  
Accounts Management Operations

ARTICLES OF AMENDMENT TO THE CHARTER

OF

THE CAMPUS FOR HUMAN DEVELOPMENT

FILED

Pursuant to Tennessee Code Annotated § 48-60-105, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is currently The Campus for Human Development.

The Corporate Control Number is 72121.

2. The amendments adopted are:

(a) To change the name of "The Campus for Human Development" to "Room In The Inn, Inc."

(b) Paragraph 8 of the charter, as amended on January 29, 1971, December 9, 1982, January 6, 1986, and December 30, 1987, and as restated after merger on December 31, 1987, and on December 28, 1995, is deleted and the following inserted:

"This corporation shall have no members."

3. The corporation is a nonprofit corporation.

4. The cancellation of membership set forth above has been implemented through the amendment of the attached by-laws.

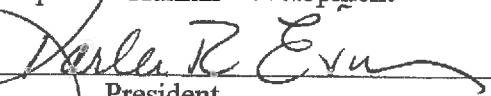
5. The amendments to the charter were duly adopted by a vote of the members on August 26, 2014, in compliance with Tennessee Code Annotated § 48-60-103.

6. Pursuant to Tennessee Code Annotated § 48-60-301, the charter does not require approval of any third parties.

7. The amendment is to be effective when these articles are filed by the Secretary of State.

Dated: August 26, 2014

The Campus for Human Development

by:   
President

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**BYLAWS**  
**Of**  
**Room In The Inn, Inc.,**  
**A Public Benefit Corporation**  
**Pursuant to the**  
**Tennessee Nonprofit Corporation Act**

These bylaws shall regulate the business and affairs of Room In The Inn, Inc., (the Corporation), subject to the provisions of the Corporation's Charter and any applicable provisions of Tennessee law.

**SECTION 1**  
**OFFICES AND REGISTERED AGENT**

Section 1.01. Registered Office. The Corporation shall designate and continuously maintain a registered office in the State of Tennessee.

Section 1.02. Other Offices. The Corporation may also have other offices within and without the State of Tennessee at such places as the Board of Directors may from time to time determine.

Section 1.03. Registered Agent. The Corporation shall designate and continuously have a registered agent in the State of Tennessee.

**SECTION 2**  
**BOARD OF DIRECTORS**

Section 2.01. General Powers Qualifications. All corporate powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Section 2.02. Number of Directors. The Board of Directors shall consist of no less than three (3) people. The specific number of Directors shall be established by a resolution of the Board of Directors as determined necessary by the Board from time to time. Directors shall have staggered terms, so that the terms of approximately one third of the Directors expire each year.

Section 2.03. Term. Directors shall be elected by the Board of Directors at its annual meeting; each Director elected to succeed a Director whose term expires shall be elected for a period of three (3) years. Directors shall be eligible for reelection for one additional term of three (3) years. At the end of a second term as a director, a person shall not be eligible for reelection for a period of at least one (1) year. The Board may elect a Director to fill an unscheduled vacancy on the Board at any meeting. Any Director elected to fill an unscheduled vacancy shall be elected for the remaining portion of the scheduled term of that vacancy. Should that period of time be less than 18 months, such partial term will not constitute a term of office for purposes of reelection to the Board.

Section 2.04. Community Member. One Director shall be appointed by the President each year following the annual meeting of the Board of Directors for a term of one (1) year, except that the term shall not extend beyond the end of the term of the person making the appointment. Such Director shall be a member of the Corporation's community and shall be eligible for reappointment for subsequent terms.

Section 2.05. Annual Meeting. The Board of Directors shall hold its annual meeting, no later than September 30 for election of officers and transaction of such other business as may come before the meeting.

Section 2.06. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and at such place as the Board of Directors shall determine from time to time, but no less frequently than quarter-annually.

Section 2.07. Special Meetings. Special meetings of the Board of Directors may be called by the President or any two (2) Directors.

Section 2.08. Notice. Annual and regular meetings of the Board of Directors may be held without notice. Special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each Director of the date, time, and place, but not the purpose of, such special meeting.

Section 2.09. Quorum and Voting. A quorum of the Board of Directors consists of a majority of the Directors in office immediately before the meeting begins. If a quorum is present, the affirmative vote of a majority of Directors present is the act of the Board.

Section 2.10. Ex Officio and Honorary Directors. (a) The Directors may elect at any time one or more Ex Officio Directors and one or more Honorary Directors, who may attend and contribute to any discussion at all meetings of the Board of Directors, but who shall not have the right to notice of any meeting or to vote at any meeting. Each such Ex Officio or Honorary Director shall serve for such term as specified upon his or her election, but if none is specified

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then the term shall be one year. Vacancies occurring in any such directorships may, but do not have to, be filled by the Board of Directors. All references to Directors in these bylaws refer to voting Directors and not to Ex Officio or Honorary Directors. (b) The President may appoint at any time no more than two (2) Ex Officio Directors. Such Directors shall serve for a term of one (1) year, except that the term shall not extend beyond the end of the term of the person making the appointment. (c) Charles Strobel shall hold a position as Ex Officio Director for as long as he shall desire.

Section 2.11. Removal of a Director. Any Director may be removed from office with or without cause by affirmative vote of two-thirds (2/3rds) of the Directors then in office. Any Director who has been absent from two consecutive regular meetings of the Board may be removed by an affirmative vote of a majority of the Directors then in office.

### SECTION 3 COMMITTEES

Section 3.01. Formation. The Board of Directors may create standing or special committees of the Board. The creation of a committee and appointment of committee members must be approved by a majority of the Directors in office when such action is taken. Unless otherwise provided, committee members need not be Directors but at least one Director shall be a member of each committee.

Section 3.02. Standing Committees. The Corporation shall have the following standing committees:

- a. Executive Committee. The Executive Committee shall consist of the President, President-Elect, Secretary, Treasurer and Immediate Past President. The Executive Committee shall meet as directed by the Board of Directors and shall act on such matters as empowered by the Board of Directors, except that the power to purchase or sell real estate may not be delegated by the Board of Directors. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors.
- b. Finance Committee. The Finance Committee shall consist of the Treasurer and two other Directors. It shall be responsible for recommending to the Board of Directors an annual budget and retaining an outside auditor to audit the Corporation, as well as such other matters as empowered by the Board.
- c. Board Development Committee. The Board Development Committee shall have five Directors. It shall be responsible for assuring board effectiveness, maximum

participation and performance; recommending new Directors in a timely fashion; ensuring board policies are being observed; implementing board development and growth opportunities throughout the year; ensuring all Directors receive orientation and annually recommending a slate of officers and committee members to the Board of Directors for approval.

#### SECTION 4 OFFICERS

Section 4.01. Required Officers. The officers of the Corporation shall be a President, a President-Elect, a Secretary, a Treasurer, and such other officers as may from time to time be elected or appointed by the Board of Directors. Except for the offices of Secretary and Treasurer, the same individual may not hold simultaneous offices.

Section 4.02. Election. The Board of Directors, at its annual meeting, shall elect the officers of the Corporation.

Section 4.03. Term of Office. The officers of the Corporation shall hold office for one (1) year or until their successors are chosen and qualified in their stead; subject, however, to the right and authority of the Board of Directors to remove any officer at any time with or without cause.

Section 4.04. Powers and Duties of Officers. The powers and duties of the officers of the Corporation shall be as follows:

- a. President. The President shall serve as chairman of the Board of Directors and the Executive Committee and preside at meetings of those bodies. The President shall be an Ex-Officio member of all standing committees of the Board. The President shall perform such other duties, as the Board of Directors may from time to time prescribe, not in conflict with the powers and purposes of this Corporation as set forth in its Charter.
- b. President-Elect. The President-Elect shall assist the President in the duties so assigned, perform the duties and possess and exercise the powers of the President in the event of the President's absence or disability, and perform such other duties as the Board of Directors may from time to time prescribe.
- c. Secretary. The Secretary shall be responsible for preparing minutes of the Directors' meetings, for the care and custody of the Corporation's minute book and for authenticating records of the Corporation. The Secretary shall also perform such other duties as may be assigned by the Board of Directors or by the

President. In the event the Secretary is absent from any meeting where minutes are to be prepared or is otherwise unable to take such minutes, the presiding officer of such meeting shall appoint another person, subject to the approval of those present and entitled to vote at such meeting, to take the minutes thereof.

- d. Treasurer. The Treasurer shall have custody of the Corporation's funds and securities and shall see to it that a full and accurate account of receipts and disbursements in the appropriate Corporation books is kept, and shall require the deposit of all monies and other valuable assets in the name of and to the credit of the Corporation in such financial institutions as may be designated by the Board of Directors. The Treasurer shall report on the financial condition of the Corporation at all regular meetings of the Directors and at other meetings upon request of the Board or President.

Section 4.05. Vacancies. Any vacancies occurring in the offices of the President, President-Elect, Secretary, Treasurer, or Executive Director shall be filled by the Board of Directors as soon as practicable after such vacancy occurs.

Section 4.06. Delegation of Powers and Duties. In case of the absence of any officer of the Corporation, or for any reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers of such officer to any other officer or to any Director for the time being.

SECTION 5  
EXECUTIVE DIRECTOR

Section 5.01. Executive Director. The Board of Directors may engage or appoint an Executive Director to manage the administrative affairs of the Corporation. The Executive Director shall be responsible to the Board and shall be governed by the duties and authority granted by the Board. The Executive Director shall be the custodian of the books of account and shall make the same available at all times to the Treasurer, President, and other Directors.

SECTION 6  
RECORDS

Section 6.01. Corporate Records. The Corporation shall keep as permanent records in written form minutes of all meetings of its Board of Directors and Executive Committee, a record of all actions taken by the Directors without a meeting, appropriate accounting records, all articles filed with the Tennessee Secretary of State, these by-laws and such other records as may be required by the Board or by law.

SECTION 7  
FINANCIAL MATTERS

Section 7.01. Commercial Paper. All checks, drafts, notes, or other obligations of the Corporation in sums greater than \$1,000 shall be signed by no less than two (2) of the officers of the Corporation, or by no less than two (2) other persons, as may be authorized from time to time by the Board of Directors.

Section 7.02. Conflict of Interest.

- a. Directors, whether regular or Ex Officio, shall not knowingly engage in any activities or transactions in material conflict with their duties and obligations to the corporation while serving in such capacity.
- b. Directors shall not conduct private business in a manner that places them at a special advantage because of their association with the corporation or any of its affiliate organizations and groups.
- c. Any duality of interest or possible conflict of interest on the part of any Director should be disclosed by the affected Director or any other Director to the other Directors and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action.
- d. Any Director having a duality of interest or possible conflict of interest on any matter should not vote or use personal influence on the matter and should not be counted in determining the quorum for the meetings, even when permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

Section 7.03. Surety Bonds. The Board of Directors may require any officer or other employee of the Corporation to obtain a surety bond insuring the faithful performance of his or her duties in an amount and with such corporate surety as the Board may from time to time determine.

SECTION 8  
MISCELLANEOUS PROVISIONS

Section 8.01. Nonprofit Operation. The Corporation will operate exclusively at all times as a public benefit corporation pursuant to the Tennessee Nonprofit Corporation Act. The Corporation will not have or issue shares of stock. No dividends will be paid. No part of the

income or assets of the Corporation will be distributed to its members, Directors or officers unless full equivalent value in goods or services is given in return. The Corporation may contract in due course with its Directors and officers without violating this provision.

Section 8.02. Fiscal Year. The fiscal year of the Corporation shall be the period selected by the Board of Directors as the taxable year of the Corporation for federal income tax purposes.

Section 8.03. No Corporate Seal. The Corporation shall not have a corporate seal.

Section 8.04. Indemnification. In addition to the laws of Tennessee which serve to protect the Directors from personal liability, the Corporation will indemnify each Director to the fullest extent permitted by law. Such indemnification shall include, but not be limited to, protection against: (a) reasonable expenses, including attorney's fees, actually and necessarily incurred by the Director in conjunction with any threatened, pending or completed action, suit or proceedings, whether civil, administrative, or investigative, and whether brought by or on behalf of the Corporation, seeking to hold liable as a result of actions taken in the Director's capacity as a Director, and (b) reasonable payments in satisfaction of any judgment, money decree, fine, penalty or settlement for which may have become liable in any such action, suit or proceeding.

The Board shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this provision, including without limitation, to extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of the indemnity due the claimant.

## SECTION 9 AMENDMENT OF BYLAWS

Section 9.01. By Board of Directors. By a majority vote of the Directors then in office the Board may amend the bylaws or charter at any regular meeting or at any duly-called special meeting.

## SECTION 10 NON-DISCRIMINATION

Section 10.01. Statement of Policy and Practice. It shall be the policy and practice of the Corporation to not discriminate in employment or in rendering services or otherwise on the basis of race, color, national origin, religion, gender, sexual orientation, or age.

# **Room In The Inn, Inc.**

Financial Statements  
For the Years Ended June 30, 2024 and 2023

**Room In The Inn, Inc.**  
Financial Statements  
For the Years Ended June 30, 2024 and 2023

**Contents**

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## Independent Auditor's Report

Board of Directors  
Room In The Inn, Inc.

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Room In The Inn, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information 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 January 7, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Blankenship CPA Group PLLC*

Blankenship CPA Group, PLLC  
Nashville, Tennessee  
January 7, 2025

**Room In The Inn, Inc.**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and cash equivalents  | \$ 4,188,966         | \$ 3,682,637         |
| Contracts and grants receivable  | 46,401               | 749,714              |
| Pledge receivable, current portion   | 200,000              | 200,000              |
| Prepaid expenses   | 99,297               | 102,915              |
| Total current assets   | 4,534,664            | 4,735,266            |
| <br>   |                      |                      |
| Cash restricted for long-term assets   | 600,000              | 400,000              |
| Pledge receivable, net of current portion                                    | 200,000              | 400,000              |
| Investments  | 1,455,389            | 1,347,383            |
| Land, buildings and equipment, net   | 17,259,858           | 16,639,706           |
| Beneficial interest in assets at Community Foundation<br>of Middle Tennessee | 56,522               | 56,522               |
| Total assets   | <b>\$ 24,106,433</b> | <b>\$ 23,578,877</b> |
| <br><b>Liabilities and Net Assets</b>  |                      |                      |
| Current liabilities  |                      |                      |
| Accounts payable and accrued expenses  | \$ 516,944           | \$ 561,976           |
| Notes payable, current portion   | 465,601              | 458,563              |
| Total current liabilities  | 982,545              | 1,020,539            |
| <br>   |                      |                      |
| Promissory note  | 3,441,424            | 2,677,017            |
| Notes payable, net of current portion  | 2,588,850            | 3,211,456            |
| Total liabilities  | 7,012,819            | 6,909,012            |
| <br>   |                      |                      |
| Net assets   |                      |                      |
| Without donor restrictions   | 16,093,614           | 15,669,865           |
| With donor restrictions  | 1,000,000            | 1,000,000            |
| Total net assets   | 17,093,614           | 16,669,865           |
| Total liabilities and net assets   | <b>\$ 24,106,433</b> | <b>\$ 23,578,877</b> |

**Room In The Inn, Inc.**  
Statement of Activities  
For the Year Ended June 30, 2024

|  | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> | <b>Total</b>         |
|--|---------------------------------------|------------------------------------|----------------------|
| <b>Revenues</b>                                  |                                       |                                    |                      |
| Contributions of cash and other financial assets |                                       |                                    |                      |
| General contributions                            | \$ 3,145,417                          | \$ -                               | \$ 3,145,417         |
| Grants and contracts                             | 1,638,512                             | -                                  | 1,638,512            |
| Contributions of nonfinancial assets             | 472,910                               | -                                  | 472,910              |
| Other  | 350,655                               | -                                  | 350,655              |
| Investment income (loss)                         | <u>119,297</u>                        | <u>-</u>                           | <u>119,297</u>       |
| Total revenues                                   | 5,726,791                             | -                                  | 5,726,791            |
| <b>Expenses</b>                                  |                                       |                                    |                      |
| Program services                                 | 4,436,438                             | -                                  | 4,436,438            |
| Supporting services                              | <u>866,604</u>                        | <u>-</u>                           | <u>866,604</u>       |
| Total expenses                                   | 5,303,042                             | -                                  | 5,303,042            |
| Change in net assets                             | 423,749                               | -                                  | 423,749              |
| Net assets, beginning of year                    | <u>15,669,865</u>                     | <u>1,000,000</u>                   | <u>16,669,865</u>    |
| Net assets, end of year                          | <b>\$ 16,093,614</b>                  | <b>\$ 1,000,000</b>                | <b>\$ 17,093,614</b> |

**Room In The Inn, Inc.**  
Statement of Activities  
For the Year Ended June 30, 2023

|  | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> | <b>Total</b>         |
|--|---------------------------------------|------------------------------------|----------------------|
| <b>Revenues</b>                                  |                                       |                                    |                      |
| Contributions of cash and other financial assets |                                       |                                    |                      |
| General contributions                            | \$ 3,608,233                          | \$ -                               | \$ 3,608,233         |
| Grants and contracts                             | 1,242,817                             | -                                  | 1,242,817            |
| Contributions of nonfinancial assets             | 662,500                               | -                                  | 662,500              |
| Other  | 344,810                               | -                                  | 344,810              |
| Investment income (loss)                         | 81,537                                | -                                  | 81,537               |
| Total revenues                                   | <u>5,939,897</u>                      | <u>-</u>                           | <u>5,939,897</u>     |
| <b>Expenses</b>                                  |                                       |                                    |                      |
| Program services                                 | 4,329,396                             | -                                  | 4,329,396            |
| Supporting services                              | 796,797                               | -                                  | 796,797              |
| Total expenses                                   | <u>5,126,193</u>                      | <u>-</u>                           | <u>5,126,193</u>     |
| Change in net assets                             | 813,704                               | -                                  | 813,704              |
| Net assets, beginning of year                    | <u>14,856,161</u>                     | <u>1,000,000</u>                   | <u>15,856,161</u>    |
| Net assets, end of year                          | <b>\$ 15,669,865</b>                  | <b>\$ 1,000,000</b>                | <b>\$ 16,669,865</b> |

**Room In The Inn, Inc.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2024

|   | Program Services    |                   |                     |                   |                   |                   | Supporting Services    |                        |                                       | Grand total       |                           |
|---|---------------------|-------------------|---------------------|-------------------|-------------------|-------------------|------------------------|------------------------|---------------------------------------|-------------------|---------------------------|
|   | Day Center          | Veterans          | Guest House         | Respite           | Permanent Housing | Room In The Inn   | Total program services | Management and general | Fundraising and community development |                   | Total supporting services |
| Salaries and related expenses             | \$ 711,685          | \$ 433,367        | \$ 401,393          | \$ 188,709        | \$ 150,132        | \$ 117,550        | \$ 2,002,836           | \$ 323,783             | \$ 324,017                            | \$ 647,800        | \$ 2,650,636              |
| Birth certificates and fees               | 20,465              | 53                | -                   | -                 | -                 | 48                | 20,566                 | -                      | -                                     | -                 | 20,566                    |
| Depreciation                              | 185,320             | 89,465            | 83,074              | 51,123            | 210,880           | -                 | 619,862                | 19,171                 | -                                     | 19,171            | 639,033                   |
| Food (including \$94,375 nonfincial)      | -                   | 120,008           | 228,227             | 85,026            | -                 | 15,705            | 448,966                | -                      | -                                     | -                 | 448,966                   |
| Insurance                                 | 23,881              | 12,533            | 11,089              | 7,306             | 21,766            | 1,619             | 78,194                 | 3,524                  | 2,024                                 | 5,548             | 83,742                    |
| Interest expense                          | 32,849              | 15,858            | 14,725              | 9,062             | 37,380            | -                 | 109,874                | 3,398                  | -                                     | 3,398             | 113,272                   |
| Laundry in-kind                           | -                   | -                 | 42,840              | 15,960            | -                 | 25,200            | 84,000                 | -                      | -                                     | -                 | 84,000                    |
| Maintenance and security                  | 72,500              | 35,665            | 33,489              | 20,368            | 89,030            | 4,108             | 255,160                | 7,520                  | -                                     | 7,520             | 262,680                   |
| Office equipment maintenance              | 3,117               | 2,078             | 1,616               | 1,270             | 462               | 923               | 9,466                  | 923                    | 1,154                                 | 2,077             | 11,543                    |
| Professional fees                         | 38,031              | 17,937            | 14,056              | 10,934            | 5,459             | 9,050             | 95,467                 | 20,105                 | 45,582                                | 65,687            | 161,154                   |
| Program materials                         | 20,343              | 10,820            | 16,460              | 4,539             | 2,540             | 22,158            | 76,860                 | -                      | -                                     | -                 | 76,860                    |
| Rent expense in-kind                      | -                   | -                 | 71,400              | 26,600            | -                 | 42,000            | 140,000                | -                      | -                                     | -                 | 140,000                   |
| Supplies (including \$154,535 nonfincial) | 2,626               | 38,780            | 114,466             | 43,618            | 351               | 30,792            | 230,633                | 702                    | 878                                   | 1,580             | 232,213                   |
| Transportation                            | 12,633              | 130               | 221                 | 82                | -                 | 1,574             | 14,640                 | -                      | -                                     | -                 | 14,640                    |
| Utilities                                 | 54,288              | 26,086            | 35,411              | 14,907            | 67,989            | 2,974             | 201,655                | 6,794                  | -                                     | 6,794             | 208,449                   |
| Miscellaneous                             | 12,206              | 8,126             | 6,319               | 4,965             | 1,805             | 14,838            | 48,259                 | 58,422                 | 48,607                                | 107,029           | 155,288                   |
|   | <b>\$ 1,189,944</b> | <b>\$ 810,906</b> | <b>\$ 1,074,786</b> | <b>\$ 484,469</b> | <b>\$ 587,794</b> | <b>\$ 288,539</b> | <b>\$ 4,436,438</b>    | <b>\$ 444,342</b>      | <b>\$ 422,262</b>                     | <b>\$ 866,604</b> | <b>\$ 5,303,042</b>       |

**Room In The Inn, Inc.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2023

|  | Program Services    |                   |                   |                   |                   |                   | Supporting Services    |                        |                                       | Grand total       |                           |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|------------------------|---------------------------------------|-------------------|---------------------------|
|  | Day Center          | Veterans          | Guest House       | Respite           | Permanent Housing | Room In The Inn   | Total program services | Management and general | Fundraising and community development |                   | Total supporting services |
| Salaries and related expenses            | \$ 734,566          | \$ 424,359        | \$ 288,454        | \$ 179,179        | \$ 141,854        | \$ 94,064         | \$ 1,862,476           | \$ 313,144             | \$ 307,852                            | \$ 620,996        | \$ 2,483,472              |
| Birth certificates and fees              | 24,382              | -                 | 111               | -                 | -                 | 5                 | 24,498                 | -                      | -                                     | -                 | 24,498                    |
| Depreciation                             | 173,780             | 83,894            | 77,901            | 47,939            | 197,749           | -                 | 581,263                | 17,977                 | -                                     | 17,977            | 599,240                   |
| Food (including \$340,500 nonfincial)    | -                   | 62,167            | 280,838           | 105,492           | -                 | 102,998           | 551,495                | -                      | -                                     | -                 | 551,495                   |
| Insurance                                | 7,798               | 12,177            | 10,431            | 22,212            | 19,302            | 1,926             | 73,846                 | 3,778                  | 2,492                                 | 6,270             | 80,116                    |
| Interest expense                         | 10,288              | 17,298            | 15,581            | 35,529            | 40,505            | -                 | 119,201                | 4,868                  | -                                     | 4,868             | 124,069                   |
| Laundry in-kind                          | -                   | -                 | 42,840            | 15,960            | -                 | 25,200            | 84,000                 | -                      | -                                     | -                 | 84,000                    |
| Maintenance and security                 | 18,444              | 31,641            | 38,292            | 64,060            | 76,456            | 1,649             | 230,542                | 6,984                  | -                                     | 6,984             | 237,526                   |
| Office equipment maintenance             | 1,486               | 2,102             | 1,633             | 2,963             | 464               | 932               | 9,580                  | 975                    | 1,206                                 | 2,181             | 11,761                    |
| Professional fees                        | 31,990              | 14,846            | 11,461            | 21,199            | 5,292             | 16,130            | 100,918                | 17,429                 | 43,957                                | 61,386            | 162,304                   |
| Program materials                        | 19,594              | 2,511             | 9,196             | 1,261             | 2,860             | 10,587            | 46,009                 | 44                     | -                                     | 44                | 46,053                    |
| Rent expense in-kind                     | -                   | -                 | 71,400            | 26,600            | -                 | 42,000            | 140,000                | -                      | -                                     | -                 | 140,000                   |
| Supplies (including \$98,000 nonfincial) | 1,251               | 18,842            | 80,806            | 32,347            | 391               | 30,156            | 163,793                | 2,261                  | 1,015                                 | 3,276             | 167,069                   |
| Transportation                           | 8,786               | 653               | 1,313             | 429               | -                 | (95)              | 11,086                 | -                      | -                                     | -                 | 11,086                    |
| Utilities                                | 19,792              | 32,149            | 40,569            | 66,033            | 82,699            | 11,250            | 252,492                | 9,713                  | -                                     | 9,713             | 262,205                   |
| Miscellaneous                            | 6,082               | 8,312             | 6,640             | 12,044            | 1,994             | 43,125            | 78,197                 | 50,690                 | 12,412                                | 63,102            | 141,299                   |
|  | <b>\$ 1,058,239</b> | <b>\$ 710,951</b> | <b>\$ 977,466</b> | <b>\$ 633,247</b> | <b>\$ 569,566</b> | <b>\$ 379,927</b> | <b>\$ 4,329,396</b>    | <b>\$ 427,863</b>      | <b>\$ 368,934</b>                     | <b>\$ 796,797</b> | <b>\$ 5,126,193</b>       |

**Room In The Inn, Inc.**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2024 and 2023

|  | <b>2024</b>         | <b>2023</b>         |
|--|---------------------|---------------------|
| Cash and cash equivalents, beginning of year   | \$ 4,082,637        | \$ 3,418,229        |
| <b>Cash flows from operating activities</b>  |                     |                     |
| Change in net assets   | 423,749             | 813,704             |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |                     |                     |
| Depreciation   | 639,033             | 599,240             |
| Unrealized (gain) loss on investments  | (42,742)            | (1,580)             |
| Contributions restricted for long-term purposes  | (200,000)           | (200,000)           |
| Promissory note forgiveness  | (78,214)            | -                   |
| Change in beneficial interest in assets at Community Foundation of Middle Tennessee                | -                   | (56,522)            |
| Change in:   |                     |                     |
| Contracts and grants receivable  | 703,313             | (662,404)           |
| Pledge receivable  | 200,000             | 200,000             |
| Employee Retention Credit receivable   | -                   | 840,406             |
| Prepaid expenses   | 3,618               | (3,421)             |
| Accounts payable and accrued expenses  | <u>(45,032)</u>     | <u>(20,842)</u>     |
| Net cash provided (used) by operating activities   | 1,603,725           | 1,508,581           |
| <b>Cash flows from investing activities</b>  |                     |                     |
| Purchase of investments  | (453,845)           | (547,396)           |
| Proceeds from sale of investments  | 388,581             | 478,216             |
| Purchase of land, building, and equipment  | <u>(1,259,185)</u>  | <u>(2,707,055)</u>  |
| Net cash provided (used) by investing activities   | (1,324,449)         | (2,776,235)         |
| <b>Cash flows from financing activities</b>  |                     |                     |
| Contributions restricted for long-term purposes  | 200,000             | 200,000             |
| Proceeds from promissory note  | 842,621             | 2,677,017           |
| Payments on notes payable  | <u>(615,568)</u>    | <u>(944,955)</u>    |
| Net cash provided (used) by financing activities   | 427,053             | 1,932,062           |
| Net change in cash and cash equivalents  | <u>706,329</u>      | <u>664,408</u>      |
| Cash and cash equivalents, end of year   | <b>\$ 4,788,966</b> | <b>\$ 4,082,637</b> |
| <b>Supplemental disclosure of cash flow information</b>  |                     |                     |
| Cash paid during the year for interest   | \$ 113,272          | \$ 124,069          |
| <b>Reconciliation to the statements of financial position</b>                                      |                     |                     |
| Cash and cash equivalents  | \$ 4,188,966        | \$ 3,682,637        |
| Cash restricted for long-term assets   | <u>600,000</u>      | <u>400,000</u>      |
|  | <b>\$ 4,788,966</b> | <b>\$ 4,082,637</b> |

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 1. Nature of Organization**

Room In The Inn, Inc. (the Organization) is a religious non-profit organization based in Nashville, Tennessee. The Organization is committed to providing enhanced services to the homeless while improving the system by which these services are delivered. The Organization administers a variety of programs to provide a continuum of care that is emergency and long-term, residential, and educational. The following is a description of selected the Organization programs. The Day Center serves homeless individuals with daytime shelter and educational opportunities throughout the year. The Guest House serves homeless substance abusers by offering shelter to individuals who are undergoing alcohol and drug addiction treatment through a partnership with United Neighborhood Health and the chronic homeless program through the Veterans' Administration. It also provides transitional housing and supportive services for homeless men from the general population. The Veterans program provides transitional housing and supportive services to homeless veterans. The Permanent Housing program provides income-based housing for up to 38 homeless participants. Respite offers homeless individuals who are medically fragile a place to recover. Prior to the pandemic, the Organization partnered with more than 180 Middle Tennessee congregations and provided shelter for an average of 250 men, women, and children each evening during the winter months. The pandemic cut the congregations and shelter beds almost in half, but the program continues to rebuild each year.

**Note 2. Summary of Significant Accounting Policies**

**Accounting Principles**

The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

**Basis of Presentation**

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) guidelines, the Organization reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

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

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates**

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

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 2. Summary of Significant Accounting Policies**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

**Contributions and Grants Receivable**

The Organization accounts for contributions and grants receivable in accordance with standards of accounting and reporting prescribed for not-for-profit organizations. In accordance with these standards, contributions and grants received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Under these standards, time or purpose restricted contributions are required to be reported as support with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the donor restrictions. Allowances for uncollectible contributions and grants receivable are based on management's estimates based on prior collection history.

**Investments**

The Organization accounts for investments using FASB ASC guidance for investments by nonprofit organizations. Under this guidance, investments in marketable securities with readily determinable fair values and other readily marketable assets are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the statements of activities. Gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets and ordinary income from investments are accounted for as without donor restrictions unless restricted by the donor.

**Fair Value Measurements**

The Organization has adopted the provisions of the *Fair Value Measurement* topic of FASB ASC. This guidance establishes a framework for measuring fair value of financial assets and financial liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 2. Summary of Significant Accounting Policies**

**Fair Value Measurements**

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

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. A description of valuation methodologies used for assets measured at fair value are as follows:

Equities – Common stocks are valued at the closing price reported on the active market on which the securities are traded.

Fixed Income – Corporate bonds are valued at the present value of the bond's par value and the remaining coupon payments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the 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.

**Land, Building, and Equipment**

The Organization capitalizes all expenditures for land, building, and equipment in excess of \$1,000. Purchases of land, building, and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 39 years.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Accordingly, no provision for income tax has been made. US GAAP requires the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or an asset) if the Organization has taken an uncertain position that more likely than not would not be sustained under examination by the Internal Revenue Service. Management has analyzed the tax positions of the Organization and had concluded that as of June 30, 2024 and 2023, no uncertain tax positions have been taken or are expected to be taken that would require recognition of a liability (or an asset) or disclosure in the financial statements.

**Contributions of Cash and Other Financial Assets**

Contributions of cash and other financial assets are recognized as revenue when received. Unconditional promises to give that are expected to be collected within one year are recorded at their estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The discounts on those amounts are computed using an interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. Service revenue is recognized at the time the services are provided. In-kind contributions are recorded at estimated fair value at the date of donation.

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 2. Summary of Significant Accounting Policies**

**Contributions of Cash and Other Financial Assets**

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions. However, if a donor-imposed restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

**Contributions of Nonfinancial Assets**

Contributed services are reflected in the financial statements at the estimated fair value of the services received only when those services either (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Additionally, a number of non-professional volunteers donated approximately 59,900 and 50,300 hours during the years ended June 30, 2024 and 2023, respectively, to the Organization's program services. However, these services do not meet the requirements above and have not been recorded.

**Functional Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consist primarily of salaries and wages expense which is allocated based on time and effort.

**Leases**

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Association also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statement of activities.

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Association made an accounting policy election available to non-public entities to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 2. Summary of Significant Accounting Policies**

**Leases**

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle, and equipment asset classes. The nonlease components typically represent additional services transferred to the Entity, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Leases are not material to the Organization's financial statements and, therefore, separate line-item presentation and additional disclosures are not presented.

**Note 3. Liquidity and Availability**

The following table represents the Organization's financial assets as of June 30, reduced by amounts not available for general expenditure within one year:

|  | <b>2024</b>         | <b>2023</b>         |
|--|---------------------|---------------------|
| Financial assets   |                     |                     |
| Cash and cash equivalents  | \$ 4,188,966        | \$ 3,682,637        |
| Contributions and grants receivable  | 46,401              | 749,714             |
| Pledge receivable  | 400,000             | 600,000             |
| Cash restricted for long-term assets   | 600,000             | 400,000             |
| Investments  | <u>1,455,389</u>    | <u>1,347,383</u>    |
| Total financial assets at year-end   | 6,690,756           | 6,779,734           |
| Less amounts not available to be used within one year                                  |                     |                     |
| Net assets with donor restrictions   | <u>1,000,000</u>    | <u>1,000,000</u>    |
| Financial assets available to meet cash needs for general expenditures within one year | <b>\$ 5,690,756</b> | <b>\$ 5,779,734</b> |

The Organization has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization considers general expenditures to be all expenditures related to its ongoing activities of achieving its mission.

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

**Note 4. Pledge Receivable**

A summary of the Organization's pledge receivable is as follows:

|                          | <b>2024</b>       | <b>2023</b>       |
|--------------------------|-------------------|-------------------|
| Due within one year      | \$ 200,000        | \$ 200,000        |
| Due in two to four years | <u>200,000</u>    | <u>400,000</u>    |
|                          | <b>\$ 400,000</b> | <b>\$ 600,000</b> |

**Note 5. Investments**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

|                                     | <b>Level 1</b>    | <b>Level 2</b>    | <b>Level 3</b> | <b>Total</b>        |
|-------------------------------------|-------------------|-------------------|----------------|---------------------|
| Cash sweep                          | \$ 172,496        | \$ -              | \$ -           | \$ 172,496          |
| Equities, common stock              |                   |                   |                |                     |
| Technology                          | 124,260           | -                 | -              | 124,260             |
| Industrial goods                    | 86,549            | -                 | -              | 86,549              |
| Communication services              | 14,269            | -                 | -              | 14,269              |
| Consumer goods                      | 116,692           | -                 | -              | 116,692             |
| Financial                           | 145,364           | -                 | -              | 145,364             |
| Healthcare                          | 117,539           | -                 | -              | 117,539             |
| Utilities                           | 55,746            | -                 | -              | 55,746              |
| Basic materials                     | 78,498            | -                 | -              | 78,498              |
| Real estate                         | 15,217            | -                 | -              | 15,217              |
| Energy                              | <u>36,994</u>     | <u>-</u>          | <u>-</u>       | <u>36,994</u>       |
| Total equities, common stock        | 791,128           | -                 | -              | 791,128             |
| Fixed income, debt securities       |                   |                   |                |                     |
| Financial                           | -                 | 220,041           | -              | 220,041             |
| Basic materials                     | -                 | 20,170            | -              | 20,170              |
| Municipal                           | -                 | 49,200            | -              | 49,200              |
| Industrial goods                    | -                 | 74,447            | -              | 74,447              |
| Communication services              | -                 | 49,214            | -              | 49,214              |
| Consumer discretionary              | <u>-</u>          | <u>78,693</u>     | <u>-</u>       | <u>78,693</u>       |
| Total fixed income, debt securities | <u>-</u>          | <u>491,765</u>    | <u>-</u>       | <u>491,765</u>      |
| Total investments                   | <b>\$ 963,624</b> | <b>\$ 491,765</b> | <b>\$ -</b>    | <b>\$ 1,455,389</b> |

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

**Note 5. Investments**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

|                                     | <b>Level 1</b>    | <b>Level 2</b>    | <b>Level 3</b> | <b>Total</b>        |
|-------------------------------------|-------------------|-------------------|----------------|---------------------|
| Cash sweep                          | \$ 80,851         | \$ -              | \$ -           | \$ 80,851           |
| Equities, common stock              |                   |                   |                |                     |
| Technology                          | 136,744           | -                 | -              | 136,744             |
| Industrial goods                    | 100,247           | -                 | -              | 100,247             |
| Consumer goods                      | 123,901           | -                 | -              | 123,901             |
| Financial                           | 112,993           | -                 | -              | 112,993             |
| Healthcare                          | 100,884           | -                 | -              | 100,884             |
| Utilities                           | 67,880            | -                 | -              | 67,880              |
| Basic materials                     | 55,877            | -                 | -              | 55,877              |
| Real estate                         | 17,961            | -                 | -              | 17,961              |
| Energy                              | <u>18,082</u>     | <u>-</u>          | <u>-</u>       | <u>18,082</u>       |
| Total equities, common stock        | 734,569           | -                 | -              | 734,569             |
| Fixed income, debt securities       |                   |                   |                |                     |
| Financial                           | -                 | 232,428           | -              | 232,428             |
| Consumer goods                      | -                 | 99,476            | -              | 99,476              |
| Healthcare                          | -                 | 48,909            | -              | 48,909              |
| Industrial goods                    | -                 | 73,869            | -              | 73,869              |
| Communication services              | -                 | 48,734            | -              | 48,734              |
| Consumer discretionary              | <u>-</u>          | <u>28,547</u>     | <u>-</u>       | <u>28,547</u>       |
| Total fixed income, debt securities | <u>-</u>          | <u>531,963</u>    | <u>-</u>       | <u>531,963</u>      |
| Total investments                   | <b>\$ 815,420</b> | <b>\$ 531,963</b> | <b>\$ -</b>    | <b>\$ 1,347,383</b> |

**Note 6. Land, Buildings, and Equipment**

Land, buildings, and equipment consist of the following:

|                                     | <b>2024</b>          | <b>2023</b>          |
|-------------------------------------|----------------------|----------------------|
| Land and buildings                  | \$ 15,435,451        | \$ 15,435,451        |
| Leasehold improvements              | 6,668,988            | 2,827,354            |
| Furniture and laundry equipment     | 881,401              | 812,122              |
| Office equipment                    | 949,409              | 932,139              |
| Vehicles                            | 79,385               | 79,385               |
| Construction in progress            | <u>-</u>             | <u>2,668,998</u>     |
|                                     | 24,014,634           | 22,755,449           |
| Less: accumulated depreciation      | <u>(6,754,776)</u>   | <u>(6,115,743)</u>   |
| Land, buildings, and equipment, net | <b>\$ 17,259,858</b> | <b>\$ 16,639,706</b> |

**Room In The Inn, Inc.**  
**Notes to Financial Statements**  
For the Years Ended June 30, 2024 and 2023

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**Note 6. Land, Buildings, and Equipment**

There are restrictions on certain property owned by the Organization. The real estate restrictions by the Department of Housing and Urban Development require the Organization to operate the transitional housing facilities for a period of 10 years from the initial occupancy. Additionally, Metropolitan Development and Housing Agency (MDHA) grant funds have placed restrictions on leasehold improvements and office equipment that require the Organization to use the assets for the benefit of homeless individuals.

Construction in progress relates primarily to leasehold improvements that will be used for the Organization's activities in conjunction with the developer agreement and promissory note discussed in note 6.

**Note 7. Promissory Note**

During the year ended June 30, 2023, the Organization entered into a developer agreement and promissory note with MDHA for the addition of 10 units of permanent supportive housing and the renovation of certain common area and wellness space at the Organization's leased facilities. Under terms of the agreement, the Organization has up to \$3,609,727 available for these renovations which are drawn down as construction progresses. Financial assistance to this project is provided in the form of a loan at 0% interest. This loan will be forgiven ratably over a 30-year period as long as the Organization uses the renovations for permanent supportive housing. At June 30, 2024 and 2023, the Organization had incurred \$3,519,638 and \$2,677,017, respectively, of qualifying construction expenditures. This amount has been recorded as a promissory note in the statement of financial position.

Under terms of the agreement, \$78,214 was forgiven during the year ended June 30, 2024.

**Note 8. Notes Payable**

In conjunction with the purchase and construction of buildings, the Organization has notes payable consisting of the following:

|   | <b>2024</b> | <b>2023</b> |
|---|-------------|-------------|
| Note payable to a financial institution payable in monthly principal installments of \$6,662. Interest is calculated at the bank's prime rate less 400 basis points not to fall below 0.00%. The note matures December 2026, as amended, and is secured by a deed of trust. | \$ 173,526  | \$ 260,138  |
| Note payable to a financial institution payable in monthly principal installments of \$6,648. Interest is calculated at the bank's prime rate less 400 basis points not to fall below 0.00%. The note matures December 2026, as amended, and is secured by a deed of trust. | 192,799     | 272,577     |
| Note payable to a financial institution payable in monthly principal installments of \$5,556. Interest is calculated at the bank's prime rate less 400 basis points not to fall below 0.00%. The note matures December 2025 and is secured by a deed of trust.              | 100,004     | 166,670     |

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 8. Notes Payable**

Note payable to a financial institution payable in monthly principal installments of \$26,476. Interest is fixed at 2.99%. The note matures October 2026 and is secured by a deed of trust. The note requires the Organization maintain minimum liquidity and net assets balances at all times.

|                                       | <b>2024</b>         | <b>2023</b>         |
|---------------------------------------|---------------------|---------------------|
|                                       | <u>2,588,122</u>    | <u>2,970,634</u>    |
| Total notes payable                   | 3,054,451           | 3,670,019           |
| Notes payable, current portion        | <u>(465,601)</u>    | <u>(458,563)</u>    |
| Notes payable, net of current portion | <b>\$ 2,588,850</b> | <b>\$ 3,211,456</b> |

Future principal payments on the notes are as follows:

| <b>Years ending<br/>June 30,</b> |           |                  |
|----------------------------------|-----------|------------------|
| 2025                             | \$        | 465,601          |
| 2026                             |           | 439,521          |
| 2027                             |           | <u>2,149,329</u> |
|                                  | <b>\$</b> | <b>3,054,451</b> |

**Note 9. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following:

|                  | <b>2024</b>  | <b>2023</b>  |
|------------------|--------------|--------------|
| Capital projects | \$ 1,000,000 | \$ 1,000,000 |

**Note 10. Donated Materials and Services**

The Organization receives specific contributions for expenses associated with the mission of the Organization. These contributions are classified as net assets with donor restrictions until the restricted purpose has been fulfilled.

The Organization received contributed nonfinancial assets as follows:

|                             | <b>2024</b>       | <b>2023</b>       |
|-----------------------------|-------------------|-------------------|
| Food                        | \$ 94,375         | \$ 340,500        |
| Supplies                    | 154,535           | 98,000            |
| Rental facilities           | 140,000           | 140,000           |
| Laundry services            | <u>84,000</u>     | <u>84,000</u>     |
| Total in-kind contributions | <b>\$ 472,910</b> | <b>\$ 662,500</b> |

Contributed food represents donations of food to the Organization and meals provided to individuals participating in the Organization's various programs.

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 10. Donated Materials and Services**

Contributed supplies represent items contributed by various donors for use in the Organization's various programs.

The property located at Eighth Avenue South is leased on a long-term basis from MDHA. The payment of monthly rent is currently suspended and the Organization recorded contributed rent of \$89,475 for 2024 and 2023. The lease requires the property to be used for programs to help the homeless and the Guest House operations. The property at 625 Benton Avenue is provided to the Organization by MDHA who requires the property to be used to assist the homeless. The payment of monthly rent is suspended and the Organization recorded contributed rent of \$36,000 for 2024 and 2023. The property located on Fifteenth Avenue is provided to the Organization by Belmont University and requires the property to be used for transitional housing. The payment of monthly rent is suspended and the Organization recorded contributed rent of \$14,525 for 2024 and 2023. Rental rates have been estimated based upon square footage and comparable rental rates for similar properties.

Contributed laundry services are provided for the Organization's apartments free of charge.

In valuing food, supplies, and laundry services, the Organization estimated the fair value or the basis of estimates of the retail value that would be required if purchased.

**Note 11. Concentrations**

The Organization receives a significant amount of its support from contracts and grants from government agencies. The Organization also receives a significant amount of financial and other support from religious organizations. A major reduction of support from these organizations, should this occur, could have a material effect on the financial position of the Organization.

In addition, cash and cash equivalent balances are held primarily by financial institutions and at times may exceed federally insured limits. Cash and cash equivalents exceeded federally insured limits by approximately \$3,941,000 and \$2,240,000 at June 30, 2024 and 2023, respectively.

The Organization utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

**Note 12. Employee Retirement Plan**

The Organization adopted a defined contribution plan effective January 1, 1997. The plan covers all employees who are at least 21 years of age and have completed 90 days of service. The Organization does not match employee contributions to the defined contribution plan.

**Room In The Inn, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

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**Note 13. Employee Retention Credit**

The CARES Act contains the Employee Retention Credit (ERC), a refundable payroll tax credit available to employers that have experienced hardship in their operations due to the COVID-19 outbreak. The Organization qualified for \$840,406 of ERC for various quarters during the years ended June 30, 2022 and 2021. The Organization selected ASC 958-605 as the applicable standard for accounting for ERC and, as such, recognized the ERC when the qualifying wages were incurred and any barriers to realization were overcome, which was deemed to be during the year ended June 30, 2022 with the filing of the amended payroll tax returns. At June 20, 2022, \$840,406 had been recorded as Employee Retention Credit receivable. All amounts were received during 2023.

**Note 14. Subsequent Events**

Management has evaluated subsequent events through January 7, 2025, the date on which the financial statements were available for issuance.

## **Compliance Information**

**Room In The Inn, Inc.**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

| Grantor / Pass-through Grantor  | Program name   | Assistance Listing | Contract number        | Expenditures        |
|---|--|--------------------|------------------------|---------------------|
| <b>Federal Awards</b>   |  |                    |                        |                     |
| U.S. Department of Housing and Urban Development /<br>Metropolitan Development and Housing Agency | COVID-19 - Community Development Block Grants/Entitlement Grants                 | 14.218             | n/a                    | \$ 842,621          |
| Metropolitan Development and Housing Agency   | Emergency Solutions Grant Program  | 14.231             | n/a                    | 28,489              |
| N/A - direct  | Continuum of Care Program  | 14.267             | TN0179L4J042111        | 34,216              |
| U.S. Department of Treasury<br>Metropolitan Government of Nashville and<br>Davidson County        | COVID-19 - Coronavirus State and Local Fiscal Recovery Funds                     | 21.027             | L-5602                 | 267,160             |
| U.S. Department of the Veterans Affairs /<br>N/A - direct   | VA Homeless Providers Grant and Per Diem Program                                 | 64.024             | RITI413-3901-626-PD-24 | 554,351             |
| U.S. Department Health & Human Services /<br>Tennessee Department of Health                       | COVID-19 - Epidemiology and Laboratory Capacity for<br>Infectious Diseases (ELC) | 93.323             | 34349-57922            | 27,546              |
| U.S. Department of Homeland Security /<br>N/A - direct  | Emergency Food and Shelter National Board Program                                | 97.024             | n/a                    | 26,438              |
| Total federal awards  |  |                    |                        | <u>\$ 1,780,821</u> |

**Notes to Schedule of Expenditures of Federal Awards**

**Note 1. Basis of Presentation**

This schedule of expenditures of federal awards summarizes the expenditures of the Organization under programs of the federal and state governments for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization. Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 2. Indirect Cost Rate**

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Loan Program**

The Organization received a loan from the Metropolitan Development and Housing Agency pursuant to the Community Development Block Grants/Entitlement Grants program. The outstanding balance of the loan at June 30, 2024 totaled \$3,441,424.



**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***

Board of Directors  
Room In The Inn, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Room In The Inn, Inc. (a not-for-profit organization, the Organization), which comprise the statement of financial position as of June 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements as listed in the table of contents, and have issued our report thereon dated January 7, 2025.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

*Blankenship CPA Group PLLC*

Blankenship CPA Group, PLLC  
Nashville, Tennessee  
January 7, 2025



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

Board of Directors  
Room In The Inn, Inc.

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

We have audited Room In The Inn, Inc.’s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2024. The Organization’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, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

*Blankenship CPA Group PLLC*

Blankenship CPA Group, PLLC  
Nashville, Tennessee  
January 7, 2025

**Room In The Inn, Inc.**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2024

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**Section I. Summary of Auditor’s Results**

*Financial Statements*

|  |               |
|--|---------------|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with US GAAP | Unmodified    |
| Internal control over financial reporting  |               |
| Material weakness identified?  | No            |
| Significant deficiency identified?   | None reported |
| Noncompliance material to financial statements noted?  | No            |

*Federal Awards*

|  |               |
|--|---------------|
| Internal control over major federal programs   |               |
| Material weakness identified?  | No            |
| Significant deficiency identified?   | None reported |
| Type of auditor’s report issued on compliance for major federal programs                           | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |

Identification of major federal programs (Assistance Listing and name of federal program or cluster)

- 14.218 COVID-19 – Community Development Block Grants/Entitlement Grants
- 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

|   |           |
|---|-----------|
| Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| Auditee qualified as low-risk auditee?                                  | No        |

**Room In The Inn, Inc.**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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Section II. **Financial Statement Findings**

None.

Section III. **Federal Award Findings and Questioned Costs**

None.

**Room In The Inn, Inc.**  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2024

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Section I. **Financial Statement Findings**

**Finding 2023-001: Material Weakness – Financial Reporting and Restatement of Prior Year Financial Statements**

*Condition/Context:* The Organization's 2022 financial statements were restated as a result of a pledge that was not previously recorded during the year ended June 30, 2022.

*Criteria:* Pledges should be recorded at the point an unconditional promise to give is made to ensure related revenues and receivables are recorded in the proper period.

*Cause:* As the restatement relates to a single pledge, the Organization overlooked it during the prior year financial statement preparation. The Organization was recording the related revenues as payments were received.

*Effect:* Financial statements are inaccurate in relation to the accrual basis of accounting as contribution-related revenues were not recognized when an unconditional promise to give was made.

*Recommendation:* We recommend pledges be recorded during the period, the Organization becomes aware that an unconditional promise to give was made.

*Current status:* This is not a repeat finding.

Section II. **Federal Award Findings and Questioned Costs**

None