

# **Community Housing Partnership of Williamson County**

Financial Statements  
For the Year Ended June 30, 2022

# **Community Housing Partnership of Williamson County**

## **Financial Statements**

For the Year Ended June 30, 2022

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## **Independent Auditor's Report**

Board of Directors  
Community Housing Partnership of Williamson County

### **Opinion**

We have audited the financial statements of Community Housing Partnership of Williamson County (the Organization), which comprise the statement of financial position as of June 30, 2022, the related statements of activities, functional expenses, and cash flows for the year 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the 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.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
October 25, 2022

# Community Housing Partnership of Williamson County

## Statement of Financial Position

June 30, 2022

### Assets

Cash	\$ 254,728
Accounts receivable, net	5,639
Investments	247,165
Prepaid expenses	1,031
Inventories	6,051,157
Escrow deposits	28,176
Property and equipment, net	3,880,688
Loans receivable, net	66,125
Total assets	<b>\$ 10,534,709</b>

### Liabilities and Net Assets

#### Liabilities

Accounts payable	\$ 11,365
Accrued expenses	5,415
Tenant deposits	43,081
Promises to give obligation, net	23,307
Lines of credit	542,434
Refundable advances	822,120
Long-term debt	6,156,871
Total liabilities	7,604,593

#### Net assets

Without donor restrictions	2,914,403
With donor restrictions	15,713
Total net assets	2,930,116

Total liabilities and net assets	<b>\$ 10,534,709</b>
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# Community Housing Partnership of Williamson County

## Statement of Activities

For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
<b>Revenues and Support</b>			
Grants	\$ 583,266	\$ 213,744	\$ 797,010
Contributions of financial assets	81	15,500	15,581
Contributions of nonfinancial assets	10,140	-	10,140
Rental income	495,351	-	495,351
Home sales	1,945,422	-	1,945,422
Other income	18,754	-	18,754
Interest income	5,930	-	5,930
Unrealized gain (loss) on investment	(57,289)	-	(57,289)
Realized gain (loss) on investment	2,682	-	2,682
Net assets released from restriction	213,531	(213,531)	-
Total revenues and support	3,217,868	15,713	3,233,581
<b>Expenses</b>			
Program services	3,002,811	-	3,002,811
Management and general	182,204	-	182,204
Total expenses	3,185,015	-	3,185,015
Change in net assets	32,853	15,713	48,566
Net assets, beginning of year	2,881,550	-	2,881,550
Net assets, end of year	\$ 2,914,403	\$ 15,713	\$ 2,930,116

## Community Housing Partnership of Williamson County

### Statement of Functional Expenses

For the Year Ended June 30, 2022

	<b>Program services</b>	<b>Management and general</b>	<b>Total</b>
Salaries and benefits	\$ 393,571	\$ 98,393	\$ 491,964
Payroll taxes	26,910	6,727	33,637
Total wage costs	<u>420,481</u>	<u>105,120</u>	<u>525,601</u>
Community rehabilitation	133,916	-	133,916
Cost of homes sold	1,859,466	-	1,859,466
Depreciation	170,388	4,988	175,376
Donations	1,503	-	1,503
Insurance	31,152	7,788	38,940
Interest	36,827	-	36,827
Maintenance and repairs	62,589	-	62,589
Mileage	1,382	346	1,728
Office and supplies	42,562	10,640	53,202
Professional services	160,855	40,214	201,069
Property taxes	29,261	-	29,261
Rent	13,442	3,361	16,803
Training, meetings, and dues	8,168	2,042	10,210
Other	30,819	7,705	38,524
	<b>\$ 3,002,811</b>	<b>\$ 182,204</b>	<b>\$ 3,185,015</b>

# Community Housing Partnership of Williamson County

## Statement of Cash Flows For the Year Ended June 30, 2022

Cash, beginning of year	\$ 463,499
<b>Cash flows from operating activities</b>	
Change in net assets	48,566
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	175,376
Forgiveness of PPP loan	(69,745)
Forgiveness of refundable advances	(28,818)
Unrealized (gain) loss on investment	57,289
Change in:	
Accounts receivable, net	3,847
Grants receivable	7,500
Prepaid expenses	(1,031)
Inventories	(714,781)
Loans receivable, net	9,705
Accounts payable	(27,914)
Accrued expenses	2,000
Tenant deposits	26,550
Promises to give obligation, net	(7,890)
Net cash provided (used) by operating activities	(519,346)
<b>Cash flows from investing activities</b>	
Purchase of investments	(7,685)
Proceeds from the sale of investments	44,428
Purchase of property	(62,247)
Net cash provided (used) by investing activities	(25,504)
<b>Cash flows from financing activities</b>	
Principal payments on notes payable	(368,239)
Proceeds from notes payable	704,318
Net cash provided (used) by financing activities	336,079
Net change in cash	(208,771)
Cash, end of year	\$ 254,728



# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2022

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### Note 1. **Summary of Significant Accounting Policies**

#### **Nature of Activities**

Community Housing Partnership of Williamson County (the Organization) is a not-for-profit organization in Williamson County, Tennessee. The Organization's mission is to provide affordable housing in Williamson County to low- and moderate-income families.

#### **Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

#### **Use of Estimates**

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

#### **Financial Statement Presentation**

Financial statement presentation is reported in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) for *Presentation of Financial Statements, Not-for-Profit Entities*. Under these provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions 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 the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the 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.

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

#### **Cash and Cash Equivalents**

The Organization defines its cash and cash equivalents to include only cash on hand, demand deposits, and all highly liquid investments with original maturities of three months or less from the date of acquisition. Certain cash may be reported as restricted because it is maintained in separate bank accounts and is restricted for use in community development. There are no cash equivalents.

#### **Accounts Receivable and Allowance for Credit Losses**

Accounts receivable results primarily from tenant rent owed to the Organization. An allowance for credit losses is established based on review of outstanding receivables, management's historical experience, and economic conditions. Receivables are written off when a balance is determined to be uncollectible. The allowance is \$5,614 at year-end.

# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2022

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### Note 1. Summary of Significant Accounting Policies

#### **Inventories and Cost of Homes Sold**

The Organization's inventories are made up of finished homes and lots under construction, which are recorded at cost. Accordingly, inventory costs include land acquisition, land development, and home construction costs. Construction overhead, interest, and closing costs are expensed as incurred, as the Organization does not believe that such costs generate or enhance resources that will be used in satisfying the performance obligations in the future. Homes held-for-sale are classified as inventories until delivered.

Cost of home sales includes the construction cost, which is the amounts paid through the closing date of the home, plus an accrual for costs incurred, but not yet paid.

#### **Property and Equipment**

The Organization's policy is to capitalize property and equipment over \$1,000. Purchased property and equipment is recorded at cost or estimated fair value, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. Repairs and maintenance are expensed as incurred.

#### **Loans Receivable and Promises to Give Obligation**

As part of its mission, the Organization sells homes at a price below market to individuals within the Williamson County community. As part of the sale of these homes, the Organization often issues a second mortgage on each home that is based on the difference between the appraised value of the home and the first mortgage selling price of the home. The loans are recorded at present value.

The Organization has promised to forgive certain HOME Program loans over a period of five years, which is recorded as a promises to give obligation at fair value at the date of award.

#### **SBA PPP Loan**

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as *debt* and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a *conditional contribution* where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization elected to treat the PPP loan as *debt*, which was forgiven in November 2021. PPP forgiveness in the amount \$69,745 has been included in grants on the statement of activities.

#### **Grant Notes**

The Organization has received several grants through the Tennessee Housing Development Agency's Tennessee Housing Trust Fund Competitive Grants Program for the acquisition and rehabilitation of rental housing to serve as transitional housing for low-income individuals. These grants include grant notes that specify a 15-year forgiveness period. As such, proceeds are treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as conditions for forgiveness are substantially met or explicitly waived.

# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2022

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### Note 1. **Summary of Significant Accounting Policies**

#### **Fair Value Measurement**

The Organization has adopted the *Fair Value Measurements and Disclosures* topic of the FASB ASC for determining fair value of financial assets and liabilities that are required to be carried at such amounts. Fair value is required to be evaluated and adjusted according to the following valuation techniques:

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

#### **Revenues and Support**

The Organization recognizes revenues from all home building activities at the closing of the sale. During construction, all direct material and labor costs and those indirect costs related to acquisition and construction are capitalized, which are charged to earnings upon closing. Costs incurred in connection with completed homes and selling, general, and administrative costs are charged to expenses as incurred.

Contributions and grants are received and recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions with donor restrictions are presented as net assets with donor restrictions in the statement of activities. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### **Donated Supplies and Services**

Donated goods and assets are recorded at estimated fair market value at the date of donation. If donors stipulate how long the assets must be used, the donations are recorded as with donor restrictions. In the absence of such stipulations, donations of property and equipment are recorded as without donor restrictions.

Donated 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.

#### **Program and Supporting Services**

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

Program services – includes activities carried out to fulfill the Organization's mission.

Management and general – relates to the overall direction of the Organization. These expenses are not identifiable with a particular program, event, or fundraising but are indispensable to the conduct of those activities and are essential to the Organization.

# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2022

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### Note 1. **Summary of Significant Accounting Policies**

#### **Functional Allocation of Expenses**

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

#### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities. 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 asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examinations by the Internal Revenue Services. Management has analyzed the tax positions of the Organization and has concluded that as of year-end, no uncertain positions have been taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to routine audits by taxing jurisdictions for any tax periods before 2018.

#### **Advertising**

Advertising costs are expensed when incurred.

### Note 2. **Liquidity and Availability**

The following represents the Organization's financial assets:

Financial assets	
Cash	\$ 254,728
Accounts receivable, net	5,639
Investments	<u>247,165</u>
Total financial assets at year-end	<b>\$ 507,532</b>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

### Note 3. **Concentration and Credit Risk**

The Organization maintains its cash in bank accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of year-end, the Organization had no deposits in excess of FDIC limits.

In addition, the Organization has credit risk associated with the purchase and rehabilitation of residential homes, with the risk of the housing market supporting the desired price and timeframe of the sale.

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2022

#### Note 4. Investments

Investments are as follows:

	Level 1	Level 2	Level 3	Total
Cash	\$ 3,435	\$ -	\$ -	\$ 3,435
Exchange traded funds	171,070	-	-	171,070
Mutual funds	<u>72,660</u>	<u>-</u>	<u>-</u>	<u>72,660</u>
	<b>\$ 247,165</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 247,165</b>

#### Note 5. Inventories

Inventories include costs of eight properties that are in various stages of construction. Lots in inventories totaled \$6,051,157.

In April 2022, the Organization accepted an offer for the sale of one of its properties for \$7,000,000 for which it received \$25,000 of earnest money before year-end. The sale was finalized in September 2022.

#### Note 6. Property and Equipment

Property and equipment consist of the following:

	Affordable rental housing	Other	Total
Land	\$ 533,924	\$ -	\$ 533,924
Buildings	4,397,313	-	4,397,313
Construction in progress	570,768	-	570,768
Furniture and equipment	<u>-</u>	<u>84,528</u>	<u>84,528</u>
	5,502,005	84,528	5,586,533
Less: accumulated depreciation	<u>(1,662,968)</u>	<u>(42,877)</u>	<u>(1,705,845)</u>
Property and equipment, net	<b>\$ 3,839,037</b>	<b>\$ 41,651</b>	<b>\$ 3,880,688</b>

Total depreciation expense for the year is \$175,376.

#### Note 7. Loans Receivable and Promises to Give Obligation

During the year, the Organization sold six homes and there are six loans receivable totaling \$131,525 at year-end. The Organization has promised to forgive three HOME Program loans and one Community Development Block Grant loan over a period of five years. The remaining notes are for a period of 40 years, at which time the Organization may decide to forgive some or all of the value of the loan at its sole discretion. Loans receivable have maturity dates between 2022 and 2047. These mortgages have been discounted at 5%, to be amortized into interest income over the life of the loans. The aggregate discount is \$65,400 at year-end. The promises to give obligation related to forgiveness of the HOME Program loans were recorded at fair value as of the date of the promises and reflect the present value at a discount rate of 5%.

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2022

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#### Note 8. Lines of Credit

The Organization has a \$200,000 line of credit with a bank bearing interest at prime, less 4.00%, with a floor of 1.25% (1.25% at June 30, 2022), which must be renewed annually. The line matures in December 2022 and has an outstanding balance of \$198,617.

The Organization has a \$100,000 line of credit with a bank bearing interest at prime (4.75% at June 30, 2022), which must be renewed annually. The line matures in July 2022 and has an outstanding balance of \$89,799.

In addition, the Organization has a \$255,000 line of credit with a bank bearing interest at prime, plus 0.95%, with a floor of 3.00% (5.70% at June 30, 2022), which is secured by a deed of trust and an assignment of rents on properties held for rent by the Organization. The line matures in September 2022 and has an outstanding balance of \$254,018.

In September 2022, the Organization paid off these lines of credit with the sale of the property described in note 5.

#### Note 9. Refundable Advances

On September 27, 2019, the Organization entered into a \$460,000 grant note through the 2019 spring round of the Tennessee Housing Trust Fund Competitive Grants Program (the Program), which is secured by a deed of trust. In addition, on June 7, 2021, the Organization entered into a \$496,169 grant note through the 2021 winter round of the Program. Each of these grant notes are to be forgiven through annual reductions, each in the amount of 6.67% of the original principal sum over a period of 15 years, beginning one year from the date the secured property is first available for occupancy.

Refundable advances consist of the following:

Property	Occupancy date	Final forgiveness date	Original advance amount	Balance at year end
126 W Fowlkes St	06/08/2020	06/08/2035	\$ 432,277	\$ 374,641
2242 S. Berry's Chapel	06/30/2022	06/30/2037	447,479	<u>447,479</u>
				<b>\$ 822,120</b>

# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2022

### Note 10. Long-term Debt

Long-term debt consists of the following notes payable:

Property	Origination date	Maturity date	Interest rate description	Interest rate	Principal balance outstanding
<i>Secured mortgage debt</i>					
<u>Lender A</u>					
Walker PI Development (1st)	11/22/2019	05/02/2023	WSJ Prime - 4.00%	0.75%	\$ 3,275,000
<u>Lender B</u>					
Walker PI Development (2nd)	11/22/2019	12/31/2022	WSJ Prime + 1.00%	5.75%	1,000,000
Walker PI Pre-Development (1)	12/13/2019	12/31/2022	WSJ Prime + 2.00%	6.75%	249,302
<u>Lender C</u>					
Mt. Hope St & 11th Ave N re-fi (2)	12/12/2019	12/12/2030	Fixed	1.25%	339,296
<u>Lender D</u>					
7944 Horn Tavern et al (3)	04/09/2020	04/09/2025	WSJ Prime, 4.00% floor	4.00%	160,328
<u>Lender E</u>					
7209 Rye Ct (4)	03/03/2020	03/03/2025	WSJ Prime - 4.00%	0.00%	558,759
126 W Fowlkes St (5)	10/01/2019	10/02/2024	Fixed	1.00%	67,488
<u>Lender F</u>					
Walker PI Development (6)	08/28/2019	09/27/2022	WSJ Prime, 4.00% floor	4.00%	320,432
254 Natchez St (7)	06/16/2021	06/16/2026	WSJ Prime - 4.00%	0.00%	186,266
					<b>\$ 6,156,871</b>

(1) Secured by Pleasant Hill Estates lots 6 and 7

(2) Included re-fi of loans on 2505 Penny Ln, 4007 Kelsey Way, 628 Westminster, 160 Cadet, 7344 Hidden Lake, and 7222 Blue Ridge. Loan is subordinate to THDA Deed of Trust (Working Agreement HM-09-17, as amended).

(3) Loan is re-fi of original loan dated October 9, 2018

(4) Loan is for purchase of 1100 W Main St D4 and D6, 2271 Dewey Dr #G-2, and 7209 Rye Ct

(5) Including THDA Housing Trust Fund Grant financing of \$215,586

(6) Secured by 248 and 264 Chestnut Ln real property and related rents. Loan modified on September 27, 2021 extending maturity date from August 25, 2021 to September 27, 2022.

(7) Loan is a re-fi of original loan dated January 1, 2016

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2022

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#### Note 10. **Long-term Debt**

Future maturities of long-term debt are as follows:

<b>Year ended June 30,</b>	
2023	\$ 4,895,791
2024	51,751
2025	715,730
2026	154,303
2027	-
Thereafter	<u>339,296</u>
<b>Total</b>	<b>\$ 6,156,871</b>

In September 2022, the Organization paid off approximately \$5,259,000 of its debt with the sale of property described in note 5.

#### Note 11. **Retirement Plan**

The Organization has adopted a Simplified Employee Retirement Plan covering all eligible employees who are age 21 or older and who have completed a successful 90-day probationary period. The Organization contributes 5% of an employee's salary to the Plan each year. The Organization contributed \$16,400 to the retirement plan during the year.

#### Note 12. **Grants**

The Organization has various grants from state and local sources. In addition, the Organization received a federal grant, which is administered through the Tennessee Housing Development Agency. The grant, which falls under the US Department of Housing and Urban Development, allows the Organization to purchase and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. Once redeveloped, the properties are then rented or sold to qualified residents at reduced prices.

Amounts received from grantors are subject to restrictions and are open to audits. Any disallowed claims including amounts already collected, could become a liability to the Organization.

#### Note 13. **Subsequent Events**

Management has evaluated subsequent events through October 25, 2022, the date on which the financial statements were available for issuance.