HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

FINANCIAL STATEMENTS

JUNE 30, 2025

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

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INTRODUCTORY SECTION

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Board of Directors

June 30, 2025

Name	Title
Neil Burgess	Chair
Len Assante	Treasurer
Joanne Walker	Secretary
Stan Carver	Board Member
Jessie Maness	Board Member
Allen Ramsey	Board Member
Phil Carver	Board Member
Derrick Jackson	Board Member
Don Cunningham	Board Member

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE (615) 822-4177
HENDERSONVILLE, TN 37075

Independent Auditor's Report

To the Board of Directors of
Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee
Gallatin, Tennessee

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee which comprise the statement of financial position as of June 30, 2025, and the related statement of activities and cash flows for the year then ended and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee as of June 30, 2025, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

- 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 Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information -Introductory Section

Management is responsible for the other information included in the annual report. The other information section, as listed in the table of contents such as the Introductory section, does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the other information, and I do not express an opinion or any other assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated July 31, 2025, on my consideration of Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's internal control over financial reporting and on my 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 my 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 Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee'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 Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's internal control over financial reporting and compliance.

John R Poole, CPA

July 31, 2025

FINANCIAL STATEMENTS

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Statement of Financial Position

June 30, 2025

Assets

Current assets:		
Cash	$	101,411
Certificate of deposit		10,544
Total current assets		111,955
Total assets	$	111,955

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$	0
Total current liabilities		0
Net assets		111,955
Total net assets		111,955
Total liabilities and net assets	$	111,955

The accompanying notes are an intergal part of these statements.

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Statement of Activities

For the year ended June 30, 2025

Revenues:		
PILOT	$	74,829
Maintenance fees		3,370
Other income		2,362
Total public support		80,561
Expenses:		
Civitas		48,000
Professional services		13,300
Insurance		1,265
Miscellaneous		38
Total expenses		62,603
Increase (decrease) in net assets		17,958
Beginning of year net assets		93,997
End of year net assets	$	111,955

The accompanying notes are an intergal part of these statements.

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Statement of Cash Flows

For the year ended June 30, 2025

Cash flows from operating activities:		
Support and revenue received	$	80,561
Cash paid for:		
Program and support services		(62,603)
Net cash provided by operating activities		17,958
Cash flows used by investing activities:		
Purchase of certificate of deposit		(282)
Net cash used by investing activities		(282)
Net increase in cash		17,676
Cash and cash equivalents at beginning of year		83,735
Cash and cash equivalents at end of year	$	101,411

Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities

Increase (decrease) in net assets	$	17,958
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Changes in assets (increase) decrease:		
Changes in liabilities increase (decrease)		
Net cash provided by operating activities	$	17,958

The accompanying notes are an intergal part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Notes to the Financial Statements
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee is responsible for recruitment and facilitate development in the City of Gallatin, Tennessee. Revenues are primarily from the administration of the PILOT program which involves payments in lieu of taxes.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, Not-for-Profit Organizations.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards. The Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee is required to report information regarding its financial position and activities according to the two classes (with or without donor restrictions) of net assets.

Contributions

Contributions received are recorded as with or without donor restricted support depending on the existence or nature of any donor restrictions.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in donor restricted net assets depending on the nature of the restrictions. When a restriction expires, donor restricted net assets are reclassified to without donor restricted net assets.

Donated Services

Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee receives many hours of donated time from various citizens. It is impractical to estimate a value for these services, as such no such value has been placed on these services in the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under the provisions of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

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

2. AVAILABILITY AND LIQUIDITY

The following represents Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's financial assets at June 30, 2025:

Financial assets at year end:		
Cash		$ 101,411
Certificate of deposit		10,544
	Total	$ 111,955
Less amounts not available to be used within one year:		0
Financial assets available to meet general expenditures over the next twelve months:		$ 111,955

Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's goal is to maintain financial assets to meet its operating expenses and has purchased a Certificate of Deposit of $10,544.

3. SUBSEQUENT EVENTS

Thru July 31, 2025 (the date of this report), there are no material subsequent events that should be reported.

SUPPLEMENTAL INFORMATION

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Schedule of Cash and Cash Equivalents and Certificate of Deposit

For the year ended June 30, 2025

Checking accounts	101,411
Certificate of Deposit	10,544
Total Cash	111,955

The accompanying notes are an intergal part of these statements.

COMPLIANCE AND INTERNAL CONTROL

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

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HENDERSONVILLE, TN 37075

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee
Gallatin, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee which comprise the statement of financial position as of June 30, 2025,and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's financial statements and have issued a report thereon dated July 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's internal control. Accordingly, I 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 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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health, Educational and Housing Facilities Board of the City of Gallatin, Tennessee's financial statements are free of material misstatement, I 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 determination of the financial statements. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the 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 the testing of internal control and compliance and the result 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.

John R Poole, CPA

July 31, 2025

HEALTH, EDUCATIONAL AND HOUSING FACILITIES BOARD OF THE CITY OF GALLATIN, TENNESSEE

Schedule of Disposition of Prior Year Comments

June 30, 2025

There were no prior year comments.