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**Executive Committee Meeting Agenda | June 21, 2023**

1. **Call to Order | Randy Heady, Chairman**
  - a. Prayer
  - b. Pledge of Allegiance
2. **Roll Call | Sherry Thurman**
3. **Approval of Consent Agenda | Randy Heady, Chairman**
  - a. Executive Committee Meeting Minutes – April 12, 2023
  - b. Lease Agreement Between Upper Cumberland Development District and Upper Cumberland Human Resource Agency
4. **UCDD Financial Report | Ginger Stout, Finance Director**
5. **Guest Speaker | Mark Farley, Executive Director**

Evan Spann, Deputy Director of Field Operations for the TDEC Division of Remediation
6. **UCDD Loans | Megan Choate, Director of Lending and Economic Development**

**Mindy Tramel, Loan Officer**

  - a. Jackson Kayak
  - b. Highlands Cabinets
7. **Action Items | Randy Heady, Chairman**
  - a. FY-2024 Budget
  - b. 2023-2024 Work Plan
  - c. Meeting Date – Executive Committee, June 19, 2024
8. **Program Updates | Mark Farley, Executive Director**
  - a. Select USA | Tyler Asher, TN Small Business Development Center Director/ECD Assistant Director  
Aaron Lay, Economic Development Planner
9. **Executive Director Report | Mark Farley, Executive Director**
10. **Regional Partners | Randy Heady, Chairman**
11. **Old Business | Randy Heady, Chairman**
12. **New Business | Randy Heady, Chairman**
13. **Public Comments | Randy Heady, Chairman**
14. **Adjourn | Randy Heady, Chairman**

**Upper Cumberland Development District  
Executive Committee Meeting**

DRAFT MINUTES	APRIL 12, 2023	10:00 A.M.	COOKEVILLE, TN
MEETING CALLED BY	Chairman Randy Heady		
TYPE OF MEETING	UCDD Executive Committee Meeting		
FACILITATOR	Chairman Randy Heady		
NOTE TAKER	Sherry Thurman		
MEMBERS PRESENT	Dale Reagan, Allen Foster, Matt Adcock, Randy Heady, Lloyd Williams, Steve Jones, Steven Barlow, Stephen Bilbrey, Sam Gibson, Jeff Mason, David Sullivan, Alisa Farmer, Ryle Chastain, Marvin Lusk, Jerry Lowery		
MEMBERS ABSENT	Greg Mitchell, Andy Duggin, Luke Collins, R. J. Crawford, Josh Miller, Jimmy Johnson, Harvey Stowers, Jerry Wilmore, Curtis Hayes, Randy Porter, Laurin Wheaton, Stephen Babcock, Terry Bell, Denny Robinson, Representative Cameron Sexton, Senator Paul Bailey		
	CALL TO ORDER / PRAYER / PLEDGE OF ALLEGIANCE	CHAIRMAN RANDY HEADY	
CALL TO ORDER	Chairman Randy Heady called the meeting to order.		
PRAYER	Chairman Randy Heady opened the meeting with prayer.		
PLEDGE OF ALLEGIANCE	The Pledge of Allegiance was cited.		
	ROLL CALL		
ROLLCALL	Sherry Thurman called the roll and the attendance is recorded above. There was a quorum of the committee members present.		
	APPROVAL OF CONSENT AGENDA	CHAIRMAN RANDY HEADY	
DISCUSSION	Chairman Randy Heady advised that the consent agenda consist of the following: <ul style="list-style-type: none"><li>Executive Committee Meeting Minutes – February 15, 2023</li></ul> A motion was made to approve the Consent Agenda.		
ACTION	<u>Motion to Approve</u> Motion made by: Jeff Mason Motion seconded by: Steve Jones  Chairman Randy Heady asked for discussion or comments on the motion. Motion carried unanimously.		
	UCDD FINANCIAL REPORT	GINGER STOUT, FINANCE DIRECTOR	
DISCUSSION	Ginger Stout presented the July 1, 2022 through February 28, 2023 financial report for Upper Cumberland Development District.		

<b>ACTION</b>	A motion was made to approve the financial report.
<b>ACTION</b>	<p><b><u>Motion to Approve</u></b>  Motion made by: Steve Jones  Motion seconded by: Dale Reagan  Chairman Randy Heady asked for discussion or comments on the motion.  Motion carried unanimously.</p>
	<p><b>GUEST SPEAKER</b> <b>EXECUTIVE DIRECTOR MARK FARLEY</b></p>
<b>DISCUSSION</b>	<p>Executive Director Mark Farley introduced Bill Piper with VC3.  Mr. Piper gave an overview of the services VC3 provides and how they can assist the counties/cities.</p>
	<p><b>UCDD LOANS</b> <b>JESSE VILLARD, LOAN OFFICER</b></p> <ul style="list-style-type: none"> <li>• <b>Meg's Bread</b></li> <li>• <b>Cumberland Child Care, LLC</b></li> <li>• <b>Wonderbees Child Care Center, LLC</b></li> </ul>
<b>DISCUSSION</b>	<p>Jesse Villard presented a loan request for Meg's Bread located at 52 S. Cedar Avenue, Cookeville. The loan request will fund the creation of a natural grocery store and deli next door to the bakery.</p> <ul style="list-style-type: none"> <li>• Project Total Cost: \$115,000.00</li> <li>• Loan Amount: \$65,000.00</li> <li>• Meghan Borland and Luke Yoder: \$30,000.00</li> <li>• Microloan: \$20,000.00</li> <li>• Proposed Interest Rate: 8.70%</li> <li>• Proposed Terms: 10 years</li> <li>• Collateral: First lien on new equipment, furniture &amp; fixtures, current equipment</li> <li>• Personal guarantees on Meghan Borland and Luke Yoder.</li> </ul> <p>A motion was made to approve the loan request.</p>
<b>ACTION</b>	<p><b><u>Motion to Approve</u></b>  Motion made by: Dale Reagan  Motion seconded by: Matt Adcock  Chairman Randy Heady asked for discussion or comments on the motion.  Motion carried with a roll call vote. Fifteen board members voted yes.</p>
<b>DISCUSSION</b>	<p>Jesse Villard presented a loan request for Cumberland Child Care, LLC in Crossville. At the October, 2022 board meeting, CAIC approved a loan to Cumberland Child Care in the amount of \$55,000. Cumberland Child Care is seeking an increase of \$30,000 to install a smoke detector system located at 161 Dooley Street.</p> <p>The new proposed project is as follows:</p> <ul style="list-style-type: none"> <li>• Project Total Cost: \$205,000.00</li> <li>• Loan Amount: \$85,000.00</li> <li>• Janna Farris: \$20,000.00</li> <li>• Childcare Grant: 100,000.00</li> <li>• Proposed Interest Rate: 1.00%</li> </ul>

	<ul style="list-style-type: none"> <li>• Proposed Terms: 12 years</li> <li>• Collateral: First lien on building located at 161 Dooley Street</li> <li>• Assignment of life insurance for the loan amount</li> <li>• Personal guarantees on Mr. and Mrs. Farris</li> </ul> <p>A motion was made to approve the loan request.</p>
<b>ACTION</b>	<p><b><u>Motion to Approve</u></b>  Motion made by: Steve Jones  Motion seconded by: Jeff Mason  Chairman Randy Heady asked for discussion or comments on the motion.  Motion carried with a roll call vote. Fifteen board members voted yes.</p>
<b>DISCUSSION</b>	<p>Jesse Villard presented a loan request for Wonderbees Childcare Center, LLC. Wonderbees Childcare Center is seeking a loan amount of \$55,000 to renovate the building located at 1008 East Main Street in Livingston.</p> <ul style="list-style-type: none"> <li>• Project Total Cost: \$260,000.00</li> <li>• Loan Amount: \$55,000.00</li> <li>• CDBG-CV Grant: \$160,000.00</li> <li>• Jamie and Jeffrey Nunan: \$45,000.00</li> <li>• Proposed Interest Rate: 1.00%</li> <li>• Proposed Terms: 12 years</li> <li>• Collateral: First lien on building located at 1010 East Main Street</li> <li>• Personal guarantee on Jamie and Jeffrey Nunan</li> </ul> <p>A motion was made to approve the loan request.</p>
<b>ACTION</b>	<p><b><u>Motion to Approve</u></b>  Motion made by: Jeff Mason  Motion seconded by: Steve Barlow  Chairman Randy Heady asked for discussion or comments on the motion.  Motion carried with a roll call vote. Fifteen board members voted yes</p>
<b>DISCUSSION</b>	<p>City Mayor Sam Gipson asked about the status of the DOTA loan presented at the February board meeting.</p> <p>Executive Director Mark Farley advised that the owner is working with the Angel Investment Firm and the Biz Foundry to secure funding.</p> <p>Executive Director Mark Farley advised that the Angel Investment Firm has met all their requirements and they have sent out notifications. The firm will be ready for their first investment soon.</p>
	<p><b>ACTION ITEMS</b> <span style="float: right;"><b>CHAIRMAN RANDY HEADY</b></span></p> <ul style="list-style-type: none"> <li>• <b>Lease agreement between UCDD and CRDC</b></li> <li>• <b>Area Agency on Aging and Disability FY 24 Area Plan</b></li> <li>• <b>Strategic Plan</b></li> <li>• <b>Performance Evaluations</b> <ul style="list-style-type: none"> <li>• <b>Mark Farley, Executive Director</b></li> <li>• <b>Ginger Stout, Executive Director</b></li> </ul> </li> </ul>



<b>DISCUSSION</b>	<p>Executive Director Mark Farley gave an update on the Action Items.</p> <ul style="list-style-type: none"> <li>• Under the umbrella of the Upper Cumberland Development District there are two nonprofits, Cumberland Area Investment Corporation and Cumberland Regional Development Corporation. The UCDD building is under the name of Cumberland Regional Development Corporation. UCDD has a lease agreement with CRDC that is updated annually. The Development District is asking for approval to update the agreement.</li> <li>• The Area Agency on Aging and Disability Area Plan update will be submitted to Tennessee Department of Aging and Disability. UCDD/AAAD is asking for approval of the plan update for the period of July 1, 2023 through June 30, 2024.</li> <li>• The Strategic Plan for the Upper Cumberland Development District was presented for approval. The focus areas for UCDD and UCHRA are on substance abuse and poverty reduction. The focus areas for the UCDD departments are: <ul style="list-style-type: none"> <li>• Aging – how we continue to modernize our senior centers to address the needs of the senior population.</li> <li>• Housing – develop transitional housing opportunities for individuals coming out of treatment and needing somewhere to go. Executive Director Farley advised that UCDD received funding for our first transitional house in Smithville and we received notification on a funded grant for Smith County.</li> <li>• Community Development – work on a new training program to ensure that employees have the tools they need for their position.</li> <li>• Economic Development – work to integrate the small business development center and the revolving loan fund.</li> </ul> </li> </ul> <p>Chairman Randy Heady advised that the Evaluation Committee met and evaluated Executive Director Mark Farley and Finance Director Ginger Stout. The results of the evaluations were: Executive Director's overall average 3.73 and the Finance Director's overall average 3.79.</p> <p>A motion was made to approve the Action Items.</p>
<b>ACTION</b>	<p><b><u>Motion to Approve</u></b>  Motion made by: Stephen Bilbrey  Motion seconded by: Ryle Chastain</p> <p>Chairman Randy Heady asked for discussion or comments on the motion.</p> <p>Motion carried with a roll call vote. Fifteen board members voted yes.</p>
	<p><b>PROGRAM UPDATES</b>                      <b>MARK FARLEY, EXECUTIVE DIRECTOR</b></p>
<b>DISCUSSION</b>	<p>Tommy Lee advised that the state and local ARP reporting is due April 30<sup>th</sup>.</p> <p>Executive Director Mark Farley advised that board members may have been contacted by the Comptrollers office on the ARP applications that the Development District is working on. UCDD has been in contact with the Comptroller's office &amp; TDEC and they assure us that we are on progress. Their biggest focus is trying to get all the contracts across the state completed by the end of April.</p>

<b>DISCUSSION</b>	Executive Director Mark Farley announced that the UCDD/UCHRA Boot Camp is tentatively scheduled for May 17 <sup>th</sup> , 9:00-2:00, at the Development District. UCDD will send out a Save the Date.
	<b>EXECUTIVE DIRECTOR REPORT</b> <b>MARK FARLEY,</b> <b>EXECUTIVE DIRECTOR</b>
<b>DISCUSSION</b>	The Executive Director Report was covered under program updates.
	<b>REGIONAL PARTNERS</b> <b>CHAIRMAN RANDY HEADY</b>
<b>DISCUSSION</b>	Chairman Randy Headly asked for updates from the regional partners. <ul style="list-style-type: none"> <li>• Angela Regitko and Jill Osborne with the Tennessee Department of Economic and Community Development advised that several partners are working on inventory by county. ECD met with MTIDA, TVA, UCDD and TDOT to talk about properties in each county.</li> <li>• Robert Becker announced that TDEC is in the middle of food, waste and awareness week. TDEC partnered with the UT Extension office and throughout the state there are several areas to drop off food donations. Mr. Becker announced advised that when ARP awards are announced, press releases will be going out to the counties.</li> <li>• Josh Wilkerson with USDA Rural Development announced that the interest rates for the next quarter have been posted. The Community Facilities Loans will remain the same at 3.75% and the Water &amp; Waste Loans will remain at 3%. The Rural Energy for American Program, which is a guarantee loan and grant program, is available through the USDA business division. The program is available to small businesses, manufactures, or any ag producers in the counties and cities. The program would allow them to install either a solar system on a farm/on top of their building or do energy efficiencies upgrades to lighting, windows, insulation, HVAC, etc. If anyone is interest in the program, they can contact Mr. Wilkerson.</li> <li>• Taylor Belcher with TVA announced that a meeting was held with MTIDA to go over inventory on industrial sites that are being marketing in the Upper Cumberland.</li> <li>• Tanner Cox with Senator Bill Hagerty's office announced that Senator Hagerty came to the Upper Cumberland this past quarter and made manufacturing plant visits in Putnam and Cumberland counties. Staff is working on farm bills. Senator Hagerty recently introduced a school safety bill along with Senator Blackburn's office to provide more funding for SRO's.</li> <li>• Bonnie Warren with Senator Bill Hagerty's office announced that she and Tanner visited local agencies to discuss legislative updates and advised them how to help people in their community.</li> <li>• Blake Ealey with Senator Marsha Blackburn's office announced that the Senator has been working on a safe school's act. Senator Blackburn will be in the Upper Cumberland in April and May.</li> <li>• Chelsea Ivens with Senator Marsha Blackburn's office announced that staff can give a support of letter to anyone that is applying for a grant.</li> <li>• Sonya Rimmer with Volunteer Energy Cooperative advised that she works closely with TVA on Economic Development and if there is anything she can do to help the counties and cities please reach out to her.</li> </ul>
<b>DISCUSSION</b>	

	<b>OLD BUSINESS</b>	<b>CHAIRMAN RANDY HEADY</b>
<b>DISCUSSION</b>	No old business was presented for discussion.	
	<b>NEW BUSINESS</b>	<b>CHAIRMAN RANDY HEADY</b>
<b>DISCUSSION</b>	Executive Director Mark Farley introduced new employees to the board. Jenna McKenzie, Center Hill RPO and Shelia Scruggs will be working with the Empower Program with Megan Choate on employment issues.	
	<b>PUBLIC COMMENTS</b>	<b>CHAIRMAN RANDY HEADY</b>
<b>DISCUSSION</b>	There were no public comments presented.	
	<b>ADJOURN</b>	<b>CHAIRMAN RANDY HEADY</b>
<b>ACTION</b>	<p>Chairman Randy Headly advised that he would accept a motion to adjourn.</p> <p><b><u>Motion to Adjourn:</u></b></p> <p>Motion made by: Steve Jones</p> <p>Motion seconded by: Stephen Barlow</p> <p>The UCDD Executive Committee voted unanimously to adjourn the April 12, 2023 meeting.</p>	
<b>CONCLUSION</b> <b>11:05 a.m.</b>		

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 Randy Headly, Chairman

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 Jimmy Johnson, Secretary

## Sub Lease Agreement

This Lease, entered into as of the 1st day July of 2023 by Upper Cumberland Development District (Lessee) and between Upper Cumberland Human Resource Agency (Lessor) a public agency created pursuant to Title 13, Chapter 26, Tennessee Code Annotated:

**NOW THEREFORE**, for and in consideration of the covenants and premises herein contained, the parties agree and intend to be legally bound as follows:

1. **LOCATION**: The Lessor hereby Leases unto the Lessee certain premises with the appurtenances situated in the County of Putnam County, located at 580 S. Jefferson Avenue, Cookeville, TN.
2. **DESCRIPTION**: The premises above are more particularly described as follows:  
  
Being a portion of the building and parking lot known as Upper Cumberland Human Resource Agency, said space is identified as offices, Upper Cumberland Development District, consisting of finished office and related space, within the space identified as the Upper Cumberland Human Resource Office located in Cookeville, Tennessee.
3. **TERM**. The term of this lease shall be a one-year lease. The Lease agreement shall commence on July 1, 2023 and shall end on June 30, 2024, with such rights of termination as are hereinafter expressly set forth.
4. **RENTAL**. The Lessee shall pay the rental amount of \$700.00 per month per office rented. Rent payable hereinafter for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on the actual number of days in the month. Rental shall be paid to Lessor at the address specified in Paragraph 6, or to such other address as the Lessor may designate by a notice in writing. Rent shall be payable by the 10<sup>th</sup> day of each month. Lessee
5. **TERMINATION FOR CONVENIENCE**. Lessee in its sole discretion may terminate this lease at any time for: Failure of the Lessor to provide any of the services required under the terms of this lease, failure to disclose any conflict or potential conflict of interest existing at the date of this lease or hereafter created, or any other breach of the terms of this lease by Lessor which is not adequately remedied within twenty (20) days of the mailing of written notices thereof to Lessor.
6. **NOTICES**. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid,

and addressed as follows:

To the Lessor at:

Upper Cumberland Human Resource  
Agency  
Attn: Randy Heady  
580 S. Jefferson Ave, Suite B  
Cookeville, TN 38501  
Phone: (931) 528-1127  
Fax: (931)526-8305

To the Lessee at:

Upper Cumberland Development District.  
Attn: Mark Farley

7. ASSIGNMENT AND SUBLETTING. The Lessee shall not assign this lease.
8. INSPECTION. The Lessor reserves the right to enter and inspect the leased premises, at reasonable times, and to render services and make any necessary repairs to the premises.
9. ALTERATIONS. Lessee can do alterations to the leased space only with the owner's approval. Lessee can establish a separate exterior mailbox or mail slot subject to owner's approval. Lessee has the exclusive right to place logos or signs with owner approval. Header signs will follow the general color scheme of the current signs already in place. Lessee may paint the walls of the leased space to a desired color following the professional nature of the building at Lessee's cost... All changes shall comply with local city and state codes and is subject to the owner's approval.

Any other alterations of office space or building must be approved by Owner.

10. SURRENDER OR POSSESSION. Upon termination or expiration of this lease, the Lessee will peaceably surrender to the Lessor the leased premises in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the Lessee has no control or for which the Lessor is responsible pursuant to this lease, excepted.
11. QUIET POSSESSION. The Lessor agrees that the Lessee in keeping and performing covenants contained herein on the part of the Lessee to be kept and performed, shall at all times during the existence of the lease peaceable and quietly have, hold and enjoy the leased premises, without suit, trouble or hindrance from the Lessor, or any person claiming under Lessor.

12. REPAIR AND MAINTENANCE. During the lease term, the Lessor shall maintain the leased premises and appearances which is provided in good repair and tenantable condition, including, but not limited to, the maintenance and repair of plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in good operating condition except in case of damage arising solely from a willful or negligent act of the Lessee's agent, invitee, or employee. Lessee's obligations shall include, but are not limited to, furnishing and replacing electrical light bulbs, fluorescent tubes, ballasts and starters, and air conditioning and ventilating equipment filters. In case Lessor, after notice in writing from the Lessee, requiring the Lessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply therewith, or in the event of an emergency constituting a hazard to the health and safety of the Lessee's employees, property, or invitees, the Lessee may perform such maintenance or make such repair at its own cost and, in addition to any other remedy the Lessee may have, may deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

13. TERMINATION: The Lessee may at its sole discretion terminate this lease at any time for the following causes: (a) Failure of Lessor to provide any of the services required under the terms of this lease; (b) Failure by the Lessor to make modifications, alterations or improvements as may be necessary to insure the leased premises are brought up to and maintained at code for building construction, health, fire and safety, and handicapped accessibility applicable to this particular premises; (c) Termination or consolidation of WIOA 7 and State operations or programs housed in the leased premises because of loss of funding; (d) Lack of funding by the appropriate Legislative Body or funding source; and can be terminated by the Lessee with 30 day notice.

14. DESTRUCTION. If the leased premises are totally destroyed by fire or other casualty, this lease shall terminate. If such casualty shall render then (10) percent or less of the floor spaces of the leased premises unusable for the purpose intended, Lessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than ten (10) percent of such floor space unusable but not constitute total destruction, Lessor shall forthwith give notice to Lessee of the specific number of days required to repair the same. If Lessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, Lessee, in either such event, as its option, may terminate this lease or, upon notice to Lessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and Lessee.

In the event of any such destruction other than total, when the Lessee has not terminated the lease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, the Lessor shall diligently prosecute the repair of said leased premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating ten (10) percent or less of the floor space, or within the period specified in Lessor's notice in connection with partial destruction aggregating more than ten (10) percent, the Lessee shall have the option to terminate this lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and Lessee.

In the event the Lessee remains in possession of said premises though partially destroyed, the rental as herein provided shall be reduced by the same ratio as the net square feet the Lessee is thus precluded from occupying bears to the total net square feet in the leased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

15. SERVICES AND UTILITIES. The Lessor shall furnish to the Lessee, during the lease term, the following services, utilities and supplies: (Enter "X" in each applicable box)

<u>  X  </u> 1. All utilities (except telephone)	<u>  x  </u> 6. Restroom Supplies
<u>     </u> 2. Janitorial Services & Supplies	<u>  x  </u> 7. Heat Equipment
<u>  X  </u> 3. Drinking Fountain	<u>  x  </u> 8. Air Conditioning Equipment
<u>  x  </u> 4. Elevator Service (if applicable)	<u>  x  </u> 9. Exterior Lawn & Parking Lot Maintenance
<u>  X  </u> 5. Hot and Cold Water Equipment	<u>  x  </u> 10. Waste collection & Disposal

16. INSURANCE AND INDEMNIFICATION. Lessee, at its own cost and expense, shall maintain general liability insurance in a good and solvent insurance company or companies licensed to do business in Tennessee in the amount of One Million Dollars (\$1,000,000.00) with respect to injury or death and One Million Dollars (\$1,000,000.00) with respect to any one accident or occurrence. Lessee shall furnish to Lessor and the owner a copy of any such policy or policies and a certificate evidencing that the required insurance is in full force and effect. All such policies shall stipulate that they are primary to any other potentially applicable insurance. Lessee shall also be responsible for and maintain any and all insurance on its tangible personal property and contents located on the Leased Premises. Lessor shall maintain insurance covering the building and any improvements now or hereafter on the Leased Premises against loss or damage by fire or other casualty. Furthermore, Lessee shall indemnify

Lessor and save Lessor harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury and/or damage to the Leased Premises arising from or out of the occupancy or use by Lessee of the Leased Premises or any part thereof or any other part of Lessor's property, occasioned wholly or in part by any act or commission of Lessee, its agents, contractors, employees, clients or invitees unless such claim, action, damage, liability and/or expense arises out of the gross negligence of Lessor.

17. **TAXES.** Lessor will be responsible for all real property taxes and/or fees associated with the ownership of the Leased Premises if applicable. Lessee shall be responsible for any personal property taxes attributable for any personal property placed by the Lessee at the premises in the event such tax should be assessed.
18. **SERVICES CREDIT.** Lessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Lessor pursuant to Paragraph 15 hereof and that should the Lessee vacate the premises prior to the end of the term of this lease, or, if after notices in writing from the Lessee, all or any part of such services, utilities or supplies for any reason are not used by the Lessee, then, in such event, the monthly rental rate as to each month or portion thereof as to which such services, utilities or supplies are not used by the Lessee shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.
19. **TIME OF ESSENCE.** Time is of the essence of this lease, and the terms and provisions of this lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns to the respective parties hereto.
20. **HOLDING OVER.** In the event the Lessee remains in possession of the premises after the expiration of the lease term, or any extension hereof, this lease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, as far as applicable.
21. **CODES.** The Lessor shall maintain the leased premises in accordance with all fire, building and life safety codes and The Americans with Disabilities Act.
22. **SPACE AUDIT.** The Lessor certifies that the amount of space, as described in Paragraph 2 above, is accurate to the best of his knowledge. The Lessee reserves the right to perform physical measurements of said space and adjust the rental amount based upon the amount of space as measured. If the measured amount is less than the amount of space indicated in Paragraph 2



above, the adjustment in rent shall be a percentage reduction equal to the percentage difference between the space as reported by the Lessor and that actually measured by the Lessee. In all cases, the Lessee shall use the current Building Owner's and Manager's Association (BOMA) standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

23. PEST CONTROL. The Lessee shall maintain the premises to a condition that is free of pests, rodents, and other vermin.

24. ADDITIONAL SERVICES. This agreement also includes:

- Use of Conference room, if scheduled with the UCHRA Administrative Office.
- Lessee staff and client use of restrooms and breakroom/kitchen areas.

25. By signing below all parties agree that in any event and for any reason that UCHRA (lessor) were to terminate its lease agreement with the building's owner, this lease can be terminated by the owner on ninety (90) days written notice to the Lessee. If such a lease termination by UCHRA were to occur, the building owner also retains the right to continue the lease and assume the role including all rights and responsibilities of the lessor of this lease.

26. The Lessee fully understands that this lease is not binding until all appropriate signatures have been obtained, and the fully executed document is returned to the Lessor.

IN WITNESS WHEREOF, said lease has been executed by the parties hereto:

LESSOR

LESSEE

Upper Cumberland Human  
Resource Agency

Upper Cumberland Development District

SIGNED: \_\_\_\_\_  
Randy Heady  
Board Chairman

SIGNED: \_\_\_\_\_  
Mark Farley  
Executive Director

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Upper Cumberland Development District**  
**07/01/2022 - 4/30/2023**

**Total Agency Grant Related Expenditures**

**Revenues**

Federal Grantor Revenue	\$ 4,617,747
State Grantor Revenue	\$ 1,398,845
Contract Revenues	\$ 632,568
Program	\$ 73,858
Other Revenue	\$ 8,250
Inkind	\$ 4,600
<b>TOTAL REVENUE</b>	<b>\$ 6,735,868</b>

**Program/Matching Revenues**

CDBG Revenue	\$ 177,452
State Match	\$ 230,000
Dues	\$ 86,134
Interest	\$ 1,830
Other	\$ 6,433
<b>TOTAL REVENUE</b>	<b>\$ 501,849</b>

**Expenditures**

Salaries and Wages	\$ 2,213,014
Employee Benefits & Taxes	\$ 748,973
Total Personnel Expenses	\$ 2,961,987
Professional Fees	\$ 144,333
Supplies	\$ 62,658
Communication & Advertising	\$ 79,770
Postage & Shipping	\$ -
Occupancy	\$ 180,885
Equipment Rental & Maintenance	\$ 7,918
Travel/Fuel	\$ 186,401
Training	\$ -
Vehicle Maintenance	\$ -
Transportation Trips	\$ -
Insurance	\$ -
Assistance to Individuals	\$ 467,985
Printing	\$ -
Contracted Services	\$ 2,524,585
Food	\$ -
Miscellaneous	\$ 9,817
RTAP-Training	\$ -
Job Access Trips	\$ -
Fundraising Costs	\$ -
Capital-Preventive Maintenance	\$ -
Capital-Mobility Management	\$ -
Reimbursable Capital Exp.	\$ 11,169
In-kind / CPE	\$ 4,600
Total Non-Personnel Expenses	\$ 3,680,122
Total Direct Program Expenses	\$ 6,642,109
Administrative Expenses	\$ 508,803
<b>TOTAL EXPENSES</b>	<b>\$ 7,150,912</b>

**Non Grant Related Expenditures**

Supplies	\$ 12,672
Travel	\$ 20,513
Other	\$ 9,250
<b>TOTAL EXPENSES</b>	<b>\$ 42,435</b>
Revenue Over (Under) Exp	\$ 459,414
Match Requirement	\$ (415,043)
	<b>\$ 44,370</b>

**Program Match** \$ (415,043)

# JACKSON KAYAK

Upper Cumberland Development District

Loan Proposal- June 21, 2023

## JACKSON KAYAK

Kayak manufacturer in Sparta, founded in 2003

Leader in elite kayak manufacturing

Serves both the whitewater sector and kayak fishing niche

Increased offerings several years ago to include a fishing line, coolers, and kennels

# JACKSON kayak



## PROPOSED PROJECT:

SEEKING A LOAN AMOUNT OF \$350,000 FOR THE PURCHASE AND  
SETUP OF A NEW ROTOMOLD OVEN

- Total Project Cost: \$850,000
- UCDD Loan Request: \$350,000
- Proposed Rate: 7.5%
- Proposed Term: 10 years
- Estimated monthly UCDD payment: \$4,155
- Additional \$300,000 in funds requested from the White County Industrial Development Board

## USE OF FUNDS

Use	Amount
Rotomold Oven	\$750,000
Set-up and Power Source	\$100,000
<b>Total</b>	<b>\$850,000</b>

## SOURCES OF FUNDS

Source	Amount	Rate	Term
Upper Cumberland Development District	\$350,000	7.5%	10 Years
White County IDB	\$300,000	-	-
Borrower Contribution	\$200,000	-	-
<b>Total of All Sources</b>	<b>\$850,000</b>		

COLLATERAL

Description	Market Value	Lien	Equity	Discounted Value	Position
New Rotomold Oven	\$750,000	\$0	\$750,000	\$562,500	Interlocal Agreement with White County IDB
Existing Rotomold Oven	\$320,000	\$0	\$320,000	\$240,000	Interlocal Agreement with White County IDB
Total Collateral Value				\$802,500	



Loan Application Overview

BORROWER INFORMATION

Company Name:	Jackson Kayak	Current # of Jobs:	83
Owners:	Tony Lunt; Bill Cave CFO	# of Jobs Created:	
Address:	3300 McMinnville Hwy, Sparta, TN 38583	Comm. Mtg. Date	6/13/2023
		Board Mtg. Date	6/21/2023
TAX ID:	06-1712162		

COMPANY SUMMARY

Jackson Kayak is a kayak manufacturer founded in 2003, located in Sparta. Jackson Kayak has grown to claim a leading position as an elite kayak manufacturer in not only the whitewater sector but in the kayak fishing niche as well. Jackson Kayak has also introduced a high end cooler, Orion Coolers as well as a recreational line that includes Blue Sky Boatworks.

PROJECT SUMMARY

Funds will be used to purchase and set up a new Rotomold oven in the Sparta manufacturing facility to support existing and new contract business

SOURCES & USES OF FUNDS					
Uses of Funds			Sources of Funds		
1	Set up and power source	\$100,000	1	CAIC/UCDD	\$350,000
2	Rotomold oven	\$750,000	2	IDB	\$300,000
			3	Jackson Kayak	\$200,000
TOTAL		\$850,000	TOTAL		\$850,000

COLLATERAL DETAIL						
Type/Description		Value	Lien	Equity	Discounted Value	Position
1	New rotomold oven	\$750,000	0	\$750,000	\$562,500	agreement with White Co IDB
2	Existing rotomold oven	\$320,000		\$320,000	\$240,000	Interlocal agreement with White Co IDB
3						
TOTAL				\$802,500		

Loan to Value (<90 desired)

44%

Discount %	
Land & Building	80%
Machinery & Equip	75%
Technology	50%
Inventory	60%
Receivables	60%

**BUSINESS FINANCIAL INFORMATION**

**Based from Projections**

2020A

2021A

2022A

from 1120S

**Tax return info**

Revenue	\$13,000,493.00	\$16,101,642.00	\$13,801,730.00
COGS	\$ 8,750,120.00	\$10,811,995.00	\$ 9,620,549.00
Gross Profit	\$ 4,250,373.00	\$ 5,289,647.00	\$ 4,181,181.00
Operating Expenses	\$ 3,789,010.00	\$ 4,038,341.00	\$ 4,531,257.00
EBITDA	\$ 461,363.00	\$ 1,251,306.00	\$ (350,076.00)
Depreciation	\$ 781,402.00	\$ 1,023,086.00	\$ 710,603.00
Interest Expense	\$ 138,419.00	\$ 117,808.00	\$ 69,836.00
Taxes Paid	\$ -	\$ -	\$ -
Net Income	(\$458,458)	\$110,412	(\$1,130,515.00)

**Tax return info**

Cash			
Inventory	\$ -	\$ -	\$ -
Other Current Assets	\$ 12,418,493	\$ 11,734,668	\$ 10,316,051
Total Current Assets	\$12,418,493	\$11,734,668	\$10,316,051
Long-Term Assets	\$ -	\$ -	\$ -
Total Assets			
Current Liabilities			
Long-Term Liabilities			
Stockholder's Equity			
Total Liabilities & Equity	\$0	\$ -	\$0

Balance Sheet Check

Balanced

Balanced

Balanced

Cash Flow Info			
Net Cash Flow from Operations	N/A	\$1,817,323	\$998,705

PROPOSED LOAN DETAILS	
Loan Amount	\$350,000.00
Project Amount	\$850,000.00
% of Project	41%
Interest Rate	7.50%
Term	10 Years
Expected Payment	\$4,155.00

**ECONOMIC DEVELOPMENT ADMINISTRATION LOAN PROGRAM  
or USDA INTERMEDIARY RELENDING PROGRAM  
LOAN APPLICATION**

**I. General Applicant Information**

Name of Business: JACKSON KAYAK

Business Description: \_\_\_\_\_

Address: 3300 McMinnville Highway

Address of Project: SAME

Contact Person & Title: BILL CAVE, CFO

Work Phone: - Cell Phone: 704.617.2490

Business Type: PLASTICS MANUFACTURING Product/Service: KAYAKS, COOLERS, CONTRACTS

Date Established: 2003 Employer ID Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_ NAICS Number: 325211

Bank References: ONE BANK

Principal Stockholders:

Name	Address	US Citizen (Y/N)	Race	Gender (M/F)	% Ownership
<u>TONY LUNT</u>	_____	<u>X</u>	<u>WHITE</u>	<u>M</u>	<u>94</u> %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %

**II. Project Information**

A. Project Description [describe the project in full including owner participation and use of requested loan funds]:

PROJECT FUNDS WILL BE USED TO PURCHASE AND  
SET UP A NEW OVEN IN THE SPARTA MANUFACTURING  
FACILITY TO SUPPORT EXISTING AND NEW CONTRACT  
BUSINESS.

B. Total Project Cost [including business  
and outside funding sources]:

\$850,000

C. Total Loan Amount requested  
from CAIC and/or UCDD:

\$650,000

D. Employee Data:

Current # of Employees (including yourself)

Sex	Total	# Economically Disadvantaged
F	<u>24</u>	<u>          </u>
M	<u>59</u>	<u>          </u>
Total	<u>83</u>	<u>0</u>

Expected # of New Employees

Sex	Total	# Economically Disadvantaged
F	<u>          </u>	<u>          </u>
M	<u>          </u>	<u>          </u>
Total	<u>0</u>	<u>0</u>

III. Project Financing

A. Use of all project funds from all sources [check items UCDD/CAIC funds will be used for]:

	Estimated cost	Description	✓
Land Acquisition	\$ <u>          </u>	<u>          </u>	<u>          </u>
Site Preparation	\$ <u>100,000</u>	<u>SET-UP AND POWER SOURCE</u>	<u>          </u>
Building Purchase	\$ <u>          </u>	<u>          </u>	<u>          </u>
New Construction/ Renovation	\$ <u>          </u>	<u>          </u>	<u>          </u>
Machinery & Equip.	\$ <u>750,000</u>	<u>ROTO MOLD OVEN</u>	<u>✓</u>
Furniture & Fixtures	\$ <u>          </u>	<u>          </u>	<u>          </u>
Inventory Purchase	\$ <u>          </u>	<u>          </u>	<u>          </u>
Working Capital	\$ <u>          </u>	<u>          </u>	<u>          </u>
Other <u>          </u>	\$ <u>          </u>	<u>          </u>	<u>          </u>
Total	\$ <u><del>0.00</del> 850,000.</u>	** total use of funds must equal total project cost in section 2B	

B. Sources of Funds (please list all sources of funds for the total project, i.e. owner, bank, investor, etc.)


Source	Amount	Term	Rate	Collateral securing funds
<u>CAIC / UCDD</u>	\$ <u>650,000</u>	<u>          </u>	<u>          </u> %	<u>NEW OVEN</u>
<u>JACKSON KAYAK</u>	\$ <u>200,000</u>	<u>—</u>	<u>—</u> %	<u>—</u>
<u>          </u>	\$ <u>          </u>	<u>          </u>	<u>          </u> %	<u>          </u>
<u>          </u>	\$ <u>          </u>	<u>          </u>	<u>          </u> %	<u>          </u>
Total	\$ <u><del>0.00</del> 850,000</u>	** total source of funds must equal total project cost in section 2B		

C. Summary of Collateral pledged to UCDD/CAIC Loan:

	Description	Market Value	Lien Balance
Land	_____	\$ _____	\$ _____
Building	_____	\$ _____	\$ _____
Mach. & Equip.	<u>New oven</u>	\$ <u>759,000</u>	\$ <u>TBD</u>
Furniture & Fix.	_____	\$ _____	\$ _____
Other Collateral	_____	\$ _____	\$ _____
Total		\$ <u>0.00</u>	\$ <u>0.00</u>

IV. Exhibits (submit exhibits as detailed on the included checklist).

All information in this application and the Exhibits are true and complete to the best of my/our knowledge and are submitted to review by the *Cumberland Area Investment Corporation (CAIC) / Upper Cumberland Development District (UCDD)* so that it may decide whether to grant a loan or participate with a lending institution in a loan to me/us. I/We agree to pay for or reimburse the *CAIC/UCDD* for the cost of any surveys, title or mortgage examinations, appraisals, etc. performed, and all legal fees associated with the loan requested. *CAIC/UCDD* is authorized to make all inquiries necessary to verify the accuracy of information in any statements or schedules and to determine my/our creditworthiness for this requested loan. If the loan is not approved, the *CAIC/UCDD* shall have no liability for actions taken by me/us in anticipation of loan approval. I am aware that the *CAIC/UCDD* is subject to the Freedom of Information Act.

  
Signature  
Bill Cave  
Printed Name  
CFO  
Title  
5/21/23  
Date

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date



**Tre Hargett**  
Secretary of State

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

DIANE WRIGHT  
DIANE WRIGHT  
3300 MCMINNVILLE HWY  
SPARTA, TN 38583

June 3, 2020

Request Type: Certificate of Existence/Authorization  
Request #: 0367214

Issuance Date: 06/03/2020  
Copies Requested: 1

Document Receipt

Receipt # : 005580546

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3782752547

\$20.00

Regarding: JACKSON KAYAK, INC.

Filing Type: For-profit Corporation - Domestic

Control # : 456310

Formation/Qualification Date: 10/24/2003

Date Formed: 10/24/2003

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: WHITE COUNTY

**CERTIFICATE OF EXISTENCE**

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

**JACKSON KAYAK, INC.**

\* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;

\* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

\* has filed the most recent annual report required with this office;

\* has appointed a registered agent and registered office in this State;

\* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 039932435



# JACKSON KAYAK, INC.

## BYLAWS

### ARTICLE I OFFICES

Section 1.1 The registered office of Jackson Kayak, Inc. (the "*Corporation*") shall be in Knoxville, Tennessee.

Section 1.2 The Corporation may also have offices at such other places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the Corporation may require.

### ARTICLE II MEETINGS OF STOCKHOLDERS

Section 2.1 All meetings of the stockholders shall be held at such time and place, within or without the State of Tennessee, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.2 A meeting of stockholders shall be held in each year for the election of Directors at such time and place as the Board of Directors shall determine. Any other proper business, notice of which was given in the notice of the meeting or in a duly executed waiver of notice thereof, may be transacted at the semi-annual meeting. Elections of Directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation.

Section 2.3 Unless otherwise provided by law, written notice of the semi-annual meeting shall be given to each stockholder entitled to vote thereat not less than five days nor more than two months before the date of the meeting.

Section 2.4 The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every election of Directors, a complete list of the stockholders entitled to vote at said election, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder during ordinary business hours, for a period of at least ten days prior to the election, either at a place within the city, town or village where the election is to be held and which place shall be specified in the notice of the meeting, or, if not specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

Section 2.5 Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation,

may be called by the president, vice president, or the Board of Directors or shall be called by the president, vice president, or secretary at the request in writing of stockholders owning at least 35% of the entire outstanding capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 2.6 Unless otherwise provided by law, written notice of a special meeting of stockholders, stating the time, place and object thereof, shall be given to each stockholder entitled to vote thereat, not less than ten days nor more than two months before the date fixed for the meeting.

Section 2.7 Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.8 The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.9 When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Tennessee Code, the Certificate of Incorporation, any stockholder agreement or any other governing document, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 2.10 Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period, and, except where the transfer books of the Corporation have been closed or a date has been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted on at any election for Directors which has been transferred on the books of the Corporation within twenty days next preceding such election of Directors.

Section 2.11 Any action required to be taken at any semi-annual or special meeting of stockholders, or any action which may be taken at any semi-annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by

the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

### *ARTICLE III* DIRECTORS

Section 3.1 The number of Directors which shall constitute the whole Board of Directors shall be such number as the Board of Directors may determine. The first Board of Directors shall consist of three (3) Directors. Directors need not be residents of the State of Tennessee nor stockholders of the Corporation. Except as hereinafter provided in Section 3.2 of this Article, the Directors, other than those constituting the first Board of Directors, shall be elected by the stockholders, and each Director shall hold office until his successor is elected and qualified or until his earlier resignation or removal. The first Board of Directors shall be:

Eric Jackson  
Tony Lunt  
[Christine Jackson]

Section 3.2 The number of Directors constituting the Board of Director may be increased upon the unanimous consent of the Directors. Any newly created directorships resulting from any increase in the authorized number of Directors shall be filled by disinterested directors who shall not be related to a current director by sanguinity or affinity and shall not be associated with a current director in any manner financially or through any business relationship. The directors filling any newly created directorships shall be appointed by the majority of the outstanding shares of the Corporation.

Section 3.3 The business of the Corporation shall be managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

### MEETINGS OF THE BOARD OF DIRECTORS

Section 3.4 The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Tennessee. The Board of Directors shall hold a meeting at least semi-annually.

Section 3.5 The first meeting of each newly elected Board of Directors shall be held immediately after and at the same place as the meeting of the stockholders at which it was elected and no notice of such meeting shall be necessary to the newly

elected Directors in order legally to constitute the meeting, provided a quorum shall be present.

Section 3.6 Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the unanimous consent of the Board of Directors.

Section 3.7 Special meetings of the Board of Directors may be called by the president or vice president on five days notice to each Director, either personally, by mail, by telegram, by facsimile or by email, provided that each recipient receives such notice; in the event confirmation of receipt can not be established within 48 hours of delivery of such notice, the special meeting shall not be held until all Directors have received verbal or written notice not less than five days prior to such meeting. Special meetings shall be called by the president, vice president, or secretary in like manner and on like notice on the written request of two Directors.

Section 3.8 At all meetings of the Board of Directors a majority of Directors shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.9 Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

#### COMMITTEES OF DIRECTORS

Section 3.10 The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an

agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution or amending the Bylaws of the Corporation; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

Section 3.11 Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

#### COMPENSATION OF DIRECTORS

Section 3.12 The Board of Directors shall have the authority to fix the compensation of Directors.

#### PARTICIPATION IN MEETING BY TELEPHONE

Section 3.13 Members of the Board of Directors or any committee designated by such Board of Directors may participate in a meeting of the Board of Directors or of a committee of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

#### ARTICLE IV NOTICES

Section 4.1 Notices to Directors and stockholders shall be in writing and delivered personally or mailed to the Directors or stockholders at their addresses appearing on the books of the Corporation. Notice to Directors may also be given by telegram, facsimile or email, provided that receipt of such notice is confirmed at least five days prior to the date of any meeting or action.

Section 4.2 Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, Directors, or members of a committee of Directors need be specified in any written waiver of notice.

#### ARTICLE V OFFICERS

Section 5.1 The officers of the Corporation shall be chosen by the Board of Directors and shall be a president, a vice president, a secretary and a treasurer. The Board of Directors may also choose a chairman of the Board of Directors and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the Certificate of Incorporation otherwise provides.

Section 5.2 The Board of Directors at its first meeting after each semi-annual meeting of stockholders shall choose the officers of the Corporation.

Section 5.3 The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 5.4 The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 5.5 The officers of the Corporation shall hold office until their successors are chosen and qualified. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

#### CHAIRMAN OF THE BOARD

Section 5.6 The chairman of the Board of Directors shall be the chief executive officer of the Corporation, shall preside at all meetings of the stockholders and the Board of Directors, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

#### PRESIDENT

Section 5.7 The president shall also be the Chairman of the Board and the chief executive officer of the Corporation, and shall have general and active management of the business of the Corporation. The president shall preside at all meetings of the stockholders and the Board of Directors in the absence of the chairman of the Board.

Section 5.8 The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

#### VICE PRESIDENTS

Section 5.9 The vice president, or if there shall be more than one, the vice presidents in the order determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

#### SECRETARY AND ASSISTANT SECRETARIES

Section 5.10 The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision the secretary shall be. The secretary shall have custody of the corporate seal of the Corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the secretary's signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by the secretary's signature.

Section 5.11 The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

#### THE TREASURER AND ASSISTANT TREASURERS

Section 5.12 The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

Section 5.13 The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the Corporation.

Section 5.14 If required by the Board of Directors, the treasurer shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful

performance of the duties of the office of treasurer and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 5.15 The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## *ARTICLE VI* CERTIFICATES OF STOCK

Section 6.1 Every holder of stock in the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation by, the chairman or vice-chairman of the Board of Directors, or president or a vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 6.2 Where a certificate is signed (1) by a transfer agent or an assistant transfer agent or (2) by a transfer clerk acting on behalf of the Corporation and a registrar, the signature of any such chairman or vice-chairman of the Board of Directors, president, vice president, treasurer, assistant treasurer, secretary or assistant secretary may be by facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation.

## LOST CERTIFICATES

Section 6.3 The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his or her legal representative, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed upon the issuance of such new certificate.



## TRANSFERS OF STOCK

Section 6.4 Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transactions upon its books, unless the Corporation has a duty to inquire as to adverse claims with respect to such transfer which has not been discharged. The Corporation shall have no duty to inquire into adverse claims with respect to such transfer unless (a) the Corporation has received a written notification of an adverse claim at a time and in a manner which affords the Corporation a reasonable opportunity to act on it prior to the issuance of a new, reissued or re-registered share certificate and the notification identifies the claimant, the registered owner and the issue of which the share or shares is a part and provides an address for communications directed to the claimant; or (b) the Corporation has required and obtained, with respect to a fiduciary, a copy of a will, trust, indenture, articles of co-partnership, Bylaws or other controlling instruments, for a purpose other than to obtain appropriate evidence of the appointment or incumbency of the fiduciary, and such documents indicate, upon reasonable inspection, the existence of an adverse claim.

Section 6.5 The Corporation may discharge any duty of inquiry by any reasonable means, including notifying an adverse claimant by registered or certified mail at the address furnished by him or her or, if there be no such address, at his or her residence or regular place of business that the security has been presented for registration of transfer by a named person, and that the transfer will be registered unless within thirty days from the date of mailing the notification, either (a) an appropriate restraining order, injunction or other process issues from a court of competent jurisdiction; or (b) an indemnity bond, sufficient in the Corporation's judgment to protect the Corporation and any transfer agent, registrar or other agent of the Corporation involved from any loss which it or they may suffer by complying with the adverse claim, is filed with the Corporation.

## FIXING RECORD DATE

Section 6.6 (a) In order that the Corporation may determine the stockholders entitled to notice or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

(b) If no record date is fixed:

(1) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(2) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed.

(3) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

#### REGISTERED STOCKHOLDERS

Section 6.7 Prior to due presentment for transfer of any share or shares, the Corporation shall treat the registered owner thereof as the person exclusively entitled to vote, to receive notifications and to all other benefits of ownership with respect to such share or shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Tennessee.

#### LIST OF STOCKHOLDERS

Section 6.8. A list of stockholders as of the record date, certified by the corporate officer responsible for its preparation or the transfer agent, shall be open for inspection at any meeting of stockholders. If the right to vote at any meeting is challenged, the person presiding thereat may rely on such list as evidence of the right of the persons challenged to vote at such meeting.

#### *ARTICLE VII* GENERAL PROVISIONS

#### DIVIDENDS

Section 7.1 Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in

stockholders or of the Board of Directors if notice of such alteration or repeal is contained in the notice of such special meeting.

## *ARTICLE IX* INDEMNIFICATION

Section 9.1 The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the Director, officer, employee or agent acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Director, officer, employee or agent did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 9.2 The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 9.3 To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 9.1 or 9.2 of this Article, or in defense of any claim, issue or matter therein, the Director, officer, employee or agent shall be indemnified

cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 7.2 Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, deem proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Directors shall deem conducive to the interest of the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

## FINANCIAL STATEMENTS

Section 7.3 The Board of Directors shall present at each semi-annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation. The Board of Directors shall review and approve the Corporation's annual budget at least 15 days prior to the start of each upcoming fiscal year. The Board of Directors shall ensure that each stockholder receives in a timely manner (a) quarterly financial statements, (b) annual financial statements reviewed by an independent certified public accountant and (c) a copy of the upcoming annual budget.

## CHECKS

Section 7.4 All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other persons as the Board of Directors may from time to time designate.

## FISCAL YEAR

Section 7.5 The end of the fiscal year of the Corporation shall be December 31.

## SEAL

Section 7.6 The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Tennessee." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

## ARTICLE VIII AMENDMENTS

Section 8.1 These Bylaws may be altered or repealed at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the

against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 9.4 Any indemnification under Sections 9.1 or 9.2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in such section. Such determination shall be made:

1. By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or
2. If such a quorum is not obtainable, or, even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or
3. By the stockholders.

Section 9.5 Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.


Section 9.6 The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

Section 9.7 The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the Director, officer, employee or agent and incurred by him or her in any such capacity, or arising out of status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article.


Section 9.8 The indemnification and advancement of expenses provided by or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or

agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Date: February 21 2004

  
President

---

  
Vice President

**BY-LAWS OF**  
**JACKSON KAYAK, INC.**

These Bylaws are subject to the applicable provisions of a Stockholders Agreement or amendment thereto executed by the then owners of all of the Voting Shares of stock in this Corporation.

**ARTICLE I**

**MEETING OF SHAREHOLDERS**

1. **Annual Meeting.** The annual meeting of the shareholders shall be held at such time and place, either within or without this State, as may be designated from time to time by the Directors. Unless the time is otherwise specified by the Directors, said meeting shall be held on the 15<sup>th</sup> day of July each year, or as close thereto as practicable.
2. **Special Meetings.** Special meetings of the shareholders may be called by the President, a majority of the Board of Directors, or by the holders of not less than ten (10%) percent of all the shares entitled to vote at such meeting. The place of said meetings shall be designated by the Directors.
3. **Notice of Shareholder Meetings.** Written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the person or persons calling the meeting, shall be delivered either personally or by mail by or at the direction of the President, Secretary, officer, or person calling the meeting to each shareholder entitled to vote at the meeting. Such notice shall be delivered not less than ten (10) days nor more than two (2) months before the date of the meeting, and shall be deemed to be delivered when deposited in the United States mail post paid and correctly addressed (if mailed), or upon actual receipt (if hand delivered). The person giving such notice shall certify that the notice required by this paragraph has been given.
4. **Quorum Requirements.** A majority of the shares entitled to vote shall constitute a quorum for the transaction of business. Once a share is represented for any purpose at a meeting, it shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjournment meeting.
5. **Voting and Proxies.** If a quorum exists, action on a matter (other than the election of directors) shall be approved if the votes favoring the action exceed the votes opposing the action. A shareholder may vote his or her shares either in person or by written proxy, which proxy is effective when received by the secretary or other person authorized to tabulate votes. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy.

## ARTICLE II

### BOARD OF DIRECTORS

1. Qualification and Election. Directors need not be shareholders or residents of this State, but must be of legal age. They shall be elected by a plurality of the votes cast at a meeting at which a quorum is present. Each Director shall hold office for the term of one (1) year, and thereafter until a successor has been elected and qualified.
2. Number. The number of Directors shall be fixed from time to time by the shareholders, or by the Board of Directors.
3. Meetings. The Board of Directors may hold such regular and special meetings as it may from time to time decide. These meetings may be either in person or by conference call. Special meetings may be called at any time by the chairman of the board, president or any two (2) directors. Until otherwise changed by the Board, the Board of Directors shall hold an annual meeting immediately following the adjournment of the annual meeting of the shareholders.
4. Notice of Directors' Meetings. All regular board meetings may be held without notice. Special meetings shall be preceded by at least two (2) days notice of the date, time and place of the meeting. Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in any one adjournment.
5. Quorum and Vote. The presence of a majority of the Directors shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.
6. Board Committees. The Board of Directors, by a resolution adopted by a majority of its members, may create one or more committees, consisting of one or more directors, and may delegate to such committee or committees any and all such authority as is permitted by law.

## ARTICLE III

### OFFICERS

1. Number. The corporation shall have a President and a Secretary, and such other officers as the Board of Directors shall from time to time deem necessary. Any two or more offices may be held by the same person, except the offices of President and Secretary.



2. Election and Term. The officers shall be elected by the Board of Directors. Each officer shall serve until the expiration of the term for which he is elected, and thereafter until his successor has been elected and qualified.

3. Duties. All officers shall have such authority and perform such duties in the management of the corporation as are normally incident to their offices and as the Board of Directors may from time to time provide.

#### ARTICLE IV

##### RESIGNATIONS, REMOVALS AND VACANCIES

1. Resignations. Any officer or director may resign at any time by giving written notice to the Chairman of the Board, the President, or the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then upon its delivery.

2. Removal of Officers. Any officer or agent may be removed by the Board at any time with or without cause.

3. Removal of Directors. Any or all of the directors may be removed either with or without cause by a proper vote of the shareholders.

4. Vacancies. Newly created directorships resulting from an increase in the number of Directors, and vacancies occurring in any office or directorship for any reason, including removal of an officer or director, may be filled by the vote of a majority of the Directors then in office, even if less than a quorum exists.

#### ARTICLE V

##### CAPITAL STOCK

1. Stock Certificates. Every shareholder shall be entitled to a certificate or certificates of capital stock of the corporation in such form as may be prescribed by the Board of Directors. Unless otherwise decided by the Board, such certificates shall be signed by the President and the Secretary of the corporation.

2. Transfer of Shares. Shares of stock may be transferred on the books of the corporation by delivery and surrender of the properly signed certificate, but subject to any restrictions or transfer imposed by either the applicable securities laws or any shareholder agreement.

3. Loss of Certificate. In the case of the loss, mutilation, or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors shall prescribe.

## ARTICLE VI

### SEAL

The corporation shall have a seal, which may have the name of the corporation around the rim of the seal and the words Corporate Seal, Tennessee, and the date of incorporation in the center.

## ARTICLE VII

### ACTION BY CONSENT

Whenever the shareholders or directors are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all the persons or entities entitled to vote thereon. The affirmative vote of the number of shares or directors that would be necessary to take such action at a meeting shall be the act of the shareholders or directors, as the case may be.

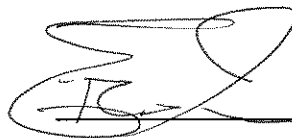
## ARTICLE VIII

### AMENDMENT OF BY-LAWS

These By-Laws may be amended, added to, or repealed either by the shareholders or the Board of Directors as provided by statute. Any change in the By-Laws made by the Board of Directors, however, may be amended or repealed by the shareholders.

### CERTIFICATION

I certify that these By-Laws were adopted as of the \_\_\_\_ day of \_\_\_\_\_,  
2003. 2007.



\_\_\_\_\_  
Incorporator or Officer

4 10 4 7 6 1 0 1 3 0 0 0

**CHARTER OF JACKSON KAYAK, INC.**

The undersigned person, pursuant to Tennessee Code Annotated § 48-12-102 and under Tennessee law generally, adopts the following charter for the above listed corporation.

1. The name of the corporation is Jackson Kayak, Inc.

2. The corporation is authorized to issue One Thousand (1,000) Shares of Stock (common, having no par value). These shares together shall have unlimited voting rights and full and equal rights to share in the profits of the corporation and its net assets upon dissolution.

3. (a) The complete address of the corporation's initial registered office in Tennessee is 11 Rhea St., Sparta, White County, Tennessee 38583.

(b) The name of the initial registered agent, to be located at the address listed in 3(a), is Lynn O. Sparkman, Attorney.

4. The name and complete address of each incorporator is: Eric Jackson, 826 Power House Road, Walling, TN 38587.

5. The complete address of the corporation's initial principal office is: 826 Power House Road, Walling, Tennessee 38587.

6. This corporation is for profit.

7. The corporation's initial board of directors shall be Eric Jackson of, 826 Power House Road, Walling, TN 38587 and Tony Lunt of 3330 N. El Camino Rinconado, Tucson, AZ 85749.

8. To the extent allowed by the laws of the State of Tennessee, no person currently or in the future performing the duties of a director pursuant to paragraph 7 above (or his or her estate, heirs, successors and personal representatives) shall be liable to the corporation or its other shareholders for monetary damages for breach or fiduciary duty in the performance

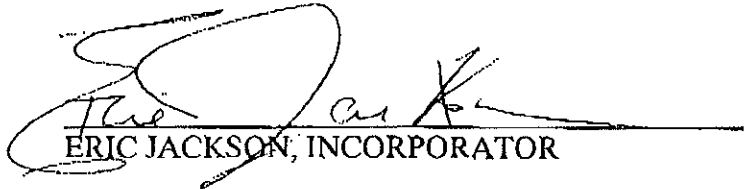
**FILED**  
RECEIVED  
STATE OF TENNESSEE  
2006 OCT 24 AM 10:08  
CLERK OF STATE  
SECRETARY OF STATE

of the duties of a director. Any liability of a person for performance of the duties of a director pursuant to paragraph 7 above (or his or her estate, heirs, successors and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.

9. With respect to claims or liabilities arising out of service as an officer of the corporation or performance of the duties of a director pursuant to paragraph 7 above, the corporation shall indemnify and advance expenses to each present and future officer and person presently or in the future performing the duties of a director (and his or her estate, heirs, successors and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

This 23 day of October, 2003.

10/23/03  
DATE

  
ERIC JACKSON, INCORPORATOR

1517.610 12-1-1993

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SECRETARY  
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ARTICLES OF AMENDMENT TO THE  
CHARTER OF JACKSON KAYAK, INC.

The undersigned person, pursuant to Tennessee Code Annotated § 48-20-106, and under Tennessee law generally, adopts the following amendment for the above listed corporation:

1. The name of the corporation is Jackson Kayak, Inc.
2. The only amendment adopted is that the corporation is authorized to issue Two Million (2,000,000) Shares of Stock (common, having no par value). These shares together shall have unlimited voting rights and full and equal rights to share in the profits of the corporation and its net assets upon dissolution.
3. The amendment was adopted by the board of directors on the 10<sup>th</sup> day of January, 2004, and since the only shareholders at this time are the board of directors, said amendment was likewise adopted by the shareholders on the same date.

This 12 day of February, 2004.

2/12/04  
DATE

  
ERIC JACKSON, PRESIDENT

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STATE OF TENNESSEE

ARTICLES OF AMENDMENT TO THE CHARTER OF

JACKSON KAYAK, INC.

2009 APR 21  
TERRY HARRIS  
SECRETARY OF STATE

The undersigned corporation, for the purpose of amending its charter and pursuant to the provisions of the Tennessee Business Corporation Act, executes the following articles of amendment:

Article One. The name of the corporation is JACKSON KAYAK, INC.

Article Two. The following amendments were adopted in the manner prescribed by the Tennessee Business Corporation Act:

Section Two of the Original Charter shall be amended to read as "The Corporation is authorized to issue Three Million (3,000,000) Shares of Stock (having no par value). Five Hundred Thousand (500,000) of the Three Million (3,000,000) Shares of Stock authorized to be issued shall be non-voting common stock and Two Million Five Hundred Thousand (2,500,000) of the Three Million (3,000,000) Shares of Stock authorized to be issued shall be voting common stock. All voting common stock and non-voting common stock shall have the same rights except as to the right to vote such stock."

Article Three. The foregoing amendments were adopted on 30 April, 2009:

By written consent signed by the holders of outstanding shares having not less than the minimum number of votes necessary to adopt the amendments.

In witness whereof, the undersigned corporation has caused these articles of amendment to be executed in its name by its President.

0535-0125

FILED

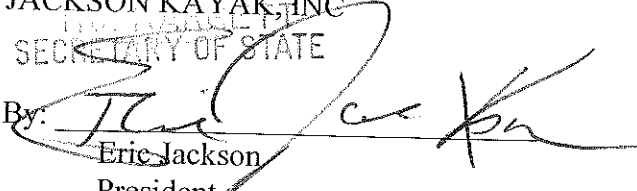
Dated this the 30 day of April, 2009.

RECEIVED  
STATE OF TENNESSEE

2009 MAY 11 AM 10:21

JACKSON KAYAK, INC.  
SECRETARY OF STATE

By:

  
Eric Jackson  
President

ES: 0128



08818281



# Tennessee Corporation Annual Report Form

File online at: <https://TNBear.TN.gov/>

Due on/Before: 04/01/2023

Reporting Year: 2022

AR Filing #: 08818281

FILED: Mar 9, 2023 10:54AM

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or  
\$40 if any changes are made in block 3 to the registered agent/office

This Annual Report has been successfully  
paid for and filed. Please keep this report for  
your records.

**Payment-ECHECK - State Payment Center  
- eCheck**

**SOS Control Number:** 456310

For-profit Corporation - Domestic

Date Formed: 10/24/2003

Formation Locale: TENNESSEE

**(1) Name and Mailing Address:**

JACKSON KAYAK, INC.  
JACKSON KAYAK INC  
3300 MCMINNVILLE HWY  
SPARTA, TN 38583-4937

**(2) Principal Office Address:**

JACKSON KAYAK INC  
3300 MCMINNVILLE HWY  
SPARTA, TN 38583-4937

**(3) Registered Agent (RA) and Registered Office (RO) Address:**

JEFF JONES  
STE 201  
1420 NEAL ST  
COOKEVILLE, TN 38501-4332

Agent Changed: No

Agent County: PUTNAM COUNTY

**(4) Name and business address (with zip code) of the principal officers.**

Title	Name	Business Address	City, State, Zip
Chairman of Board	Anthony J Lunt	3300 MCMINNVILLE HWY	SPARTA, TENNESSEE 38583
CEO and Treasurer	Peter Hausin	3300 MCMINNVILLE HWY	SPARTA, TENNESSEE 38583

**(5) Board of Directors names and business address (with zip code). \_\_\_ None, pursuant to T.C.A. §48-18-101(c), or listed below.**

Name	Business Address	City, State, Zip
Anthony J Lunt	3300 MCMINNVILLE HWY	SPARTA, TENNESSEE 38583
Peter Hausin	3300 MCMINNVILLE HWY	SPARTA, TENNESSEE 38583

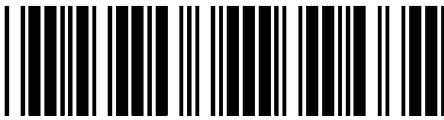
(6) Signature: Electronic

(7) Date: 03/09/2023

(8) Type/Print Name: Diane M Wright

(9) Title: Controller





08818420

**Tennessee Limited Liability Company Annual Report Form**

AR Filing #: 08818420

File online at: <https://TNBear.TN.gov/>

FILED: Mar 9, 2023 11:07AM

Due on/Before: 04/01/2023

Reporting Year: 2022

**Annual Report Filing Fee Due:**

\$300 minimum plus \$50 for each member over 6 to a maximum of \$3000

\$20 additional if changes are made in block 3 to the registered agent/office

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

**Payment-ECHECK - State Payment Center - eCheck****SOS Control Number:** 620320

Limited Liability Company - Domestic

Date Formed: 12/22/2009

Formation Locale: TENNESSEE

**(1) Name and Mailing Address:**Sparta Plastics, LLC  
DIANE WRIGHT  
3300 MCMINNVILLE HWY  
SPARTA, TN 38583-4937**(2) Principal Office Address:**DIANE WRIGHT  
3300 MCMINNVILLE HWY  
SPARTA, TN 38583-4937**(3) Registered Agent (RA) and Registered Office (RO) Address:**JEFFREY G JONES  
STE 201  
1420 NEAL ST  
COOKEVILLE, TN 38501-4332Agent Changed: No

Agent County: PUTNAM COUNTY

(4) This LLC is (as currently registered in Tennessee):      Director Managed,      Manager Managed, X Member Managed,      Board Managed (appropriate if formed prior to 1/1/2006 only).

If board, director, or manager managed, provide the names and business addresses, including zip codes, of the governors, directors, or managers (or their equivalent). If governed by the pre-2006 LLC act and board managed, list board members and managers.

Name	Business Address	City, State, Zip

(5) Provide the names and business addresses, including zip codes, of any LLC Officers (if governed by the Revised LLC Act), or their equivalent.

Name	Business Address	City, State, Zip

(6) Number of members on the date the annual report is executed: 1     This LLC is prohibited from doing business in Tennessee (check if applicable)

(7) Signature: Electronic

(8) Date: 03/09/2023

(9) Type/Print Name: Diane M Wright

(10) Title: Sparta

For calendar year 2020 or tax year beginning

, 2020, ending

, 20

<b>A</b> S election effective date	<b>TYPE OR PRINT</b>	Name	<b>D</b> Employer identification number
<b>10-24-2003</b>		<b>JACKSON KAYAK INC</b>	<b>06-1712162</b>
<b>B</b> Business activity code number (see instructions)		Number, street, and room or suite no. If a P.O. box, see instructions.	<b>E</b> Date incorporated
<b>336610</b>		<b>3300 McMinnville Hwy</b>	<b>10-24-2003</b>
<b>C</b> Check if Sch. M-3 attached <input checked="" type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code	<b>F</b> Total assets (see instructions)
		<b>Sparta TN 38583-2466</b>	<b>\$ 12,418,002</b>

**G** Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation

**I** Enter the number of shareholders who were shareholders during any part of the tax year . . . . . ▶ **6**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1 a</b> Gross receipts or sales . . . . .	<b>1a</b>	<b>13,000,493</b>	
	<b>b</b> Returns and allowances . . . . .	<b>1b</b>		
	<b>c</b> Balance. Subtract line 1b from line 1a . . . . .	<b>1c</b>		<b>13,000,493</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A) . . . . .	<b>2</b>		<b>8,750,120</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>		<b>4,250,373</b>
	<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . .	<b>4</b>		<b>(4,930)</b>
<b>5</b> Other income (loss) (see instructions - attach statement) . . . . .		<b>Statement #1.</b>	<b>5</b>	<b>(708,139)</b>
<b>6</b> <b>Total income (loss).</b> Add lines 3 through 5 . . . . . ▶	<b>6</b>			<b>3,537,304</b>
<b>Deductions (see instructions for limitations)</b>	<b>7</b> Compensation of officers (see instructions - attach Form 1125-E) . . . . .	<b>7</b>		
	<b>8</b> Salaries and wages (less employment credits) . . . . .	<b>8</b>		<b>1,410,714</b>
	<b>9</b> Repairs and maintenance . . . . .	<b>9</b>		
	<b>10</b> Bad debts . . . . .	<b>10</b>		<b>(194,975)</b>
	<b>11</b> Rents . . . . .	<b>11</b>		
	<b>12</b> Taxes and licenses . . . . .	<b>12</b>	<b>Wks. Tax/Lic.</b>	<b>189,891</b>
	<b>13</b> Interest (see instructions) . . . . .	<b>13</b>		<b>138,419</b>
	<b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .	<b>14</b>		<b>781,402</b>
	<b>15</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . .	<b>15</b>		
	<b>16</b> Advertising . . . . .	<b>16</b>		<b>99,656</b>
	<b>17</b> Pension, profit-sharing, etc., plans . . . . .	<b>17</b>		
	<b>18</b> Employee benefit programs . . . . .	<b>18</b>		
	<b>19</b> Other deductions (attach statement) . . . . .	<b>19</b>	<b>Statement #2.</b>	<b>2,378,296</b>
	<b>20</b> <b>Total deductions.</b> Add lines 7 through 19 . . . . . ▶	<b>20</b>		<b>4,803,403</b>
	<b>21</b> <b>Ordinary business income (loss).</b> Subtract line 20 from line 6. . . . .	<b>21</b>		<b>(1,266,099)</b>
<b>Tax and Payments</b>	<b>22 a</b> Excess net passive income or LIFO recapture tax (see instructions) . . . . .	<b>22a</b>		
	<b>b</b> Tax from Schedule D (Form 1120-S) . . . . .	<b>22b</b>		
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes) . . . . .	<b>22c</b>		
	<b>23 a</b> 2020 estimated tax payments and 2019 overpayment credited to 2020 . . . . .	<b>23a</b>		
	<b>b</b> Tax deposited with Form 7004 . . . . .	<b>23b</b>		
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136) . . . . .	<b>23c</b>		
	<b>d</b> Reserved for future use . . . . .	<b>23d</b>		
	<b>e</b> Add lines 23a through 23d . . . . .	<b>23e</b>		
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . ▶ <input type="checkbox"/>	<b>24</b>		
	<b>25</b> <b>Amount owed.</b> If line 23e is smaller than the total of lines 22c and 24, enter amount owed . . . . .	<b>25</b>		
	<b>26</b> <b>Overpayment.</b> If line 23e is larger than the total of lines 22c and 24, enter amount overpaid. . . . .	<b>26</b>		
<b>27</b> Enter amount from line 26: <b>Credited to 2021 estimated tax</b> ▶ <b>Refunded</b> ▶	<b>27</b>			

**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**BILL CAVE**  
Signature of officer

**CFO**  
Title

**Paid Preparer Use Only**  
Print/Type preparer's name  
**Jennifer Phipps**  
Firm's name ▶ **Phipps CPA PLLC**  
Firm's address ▶ **146 S Lowe Ave**  
**Cookeville TN 38501**

Preparer's signature  
Date  
**05-27-2021**

Check ☒ if self-employed  
PTIN  
**P01887306**  
Firm's EIN ▶ **47-5386676**  
Phone no.  
**(931) 854-1747**



Schedule B Other Information (see instructions) (continued)		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . . If "Yes," enter the amount of principal reduction . . . . . ▶ \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . . . .		X
14 a	Did the corporation make any payments in 2020 that would require it to file Form(s) 1099? . . . . .		
b	If "Yes," did the corporation file or will it file required Form(s) 1099? . . . . .		
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . . If "Yes," enter the amount from Form 8996, line 15 . . . . . ▶ \$		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21) . . . . .	1	(1,266,099)
	2 Net rental real estate income (loss) (attach Form 8825) . . . . .	2	
	3a Other gross rental income (loss) . . . . . 3a		
	b Expenses from other rental activities (attach statement) . . . . . 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a . . . . . 3c		
	4 Interest income . . . . . 4		
	5 Dividends: a Ordinary dividends . . . . . 5a		
	b Qualified dividends . . . . . 5b		
	6 Royalties . . . . . 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . 7		
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . 8a			
	b Collectibles (28%) gain (loss) . . . . . 8b		
	c Unrecaptured section 1250 gain (attach statement) Statement.#7. . . . . 8c 141,075		
9 Net section 1231 gain (loss) (attach Form 4797) . . . . . 9		32,435	
10 Other income (loss) (see instructions) . . . . . Type▶	10		
Deductions	11 Section 179 deduction (attach Form 4562) . . . . . 11		
	12a Charitable contributions . . . . . 12a		
	b Investment interest expense . . . . . 12b		
	c Section 59(e)(2) expenditures . . . . . Type▶ 12c		
d Other deductions (see instructions) . . . . . Type▶ 12d			
Credits	13a Low-income housing credit (section 42(j)(5)) . . . . . 13a		
	b Low-income housing credit (other) . . . . . 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) . . . . . 13c		
	d Other rental real estate credits (see instructions) . . . . . Type▶ 13d		
	e Other rental credits (see instructions) . . . . . Type▶ 13e		
	f Biofuel producer credit (attach Form 6478) . . . . . 13f		
	g Other credits (see instructions) . . . . . Type▶ 13g		
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources . . . . . 14b		
	c Gross income sourced at shareholder level . . . . . 14c		
	Foreign gross income sourced at corporate level		
	d Reserved for future use . . . . . 14d		
	e Foreign branch category . . . . . 14e		
	f Passive category . . . . . 14f		
	g General category . . . . . 14g		
	h Other (attach statement) . . . . . 14h		
	Deductions allocated and apportioned at shareholder level		
	i Interest expense . . . . . 14i		
	j Other . . . . . 14j		
	Deductions allocated and apportioned at corporate level to foreign source income		
	k Reserved for future use . . . . . 14k		
	l Foreign branch category . . . . . 14l		
	m Passive category . . . . . 14m		
	n General category . . . . . 14n		
	o Other (attach statement) . . . . . 14o		
Other information			
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . . . . . ▶ 14p			
q Reduction in taxes available for credit (attach statement) . . . . . 14q			
r Other foreign tax information (attach statement)			

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment . . . . .	15a
	b	Adjusted gain or loss . . . . .	15b
	c	Depletion (other than oil and gas) . . . . .	15c
	d	Oil, gas, and geothermal properties - gross income . . . . .	15d
	e	Oil, gas, and geothermal properties - deductions . . . . .	15e
	f	Other AMT items (attach statement) . . . . .	15f
Items Affecting Shareholder Basis	16a	Tax-exempt interest income . . . . .	16a
	b	Other tax-exempt income . . . . .	16b
	c	Nondeductible expenses . . . . .	16c
	d	Distributions (attach statement if required) (see instructions) . . . . .	16d
	e	Repayment of loans from shareholders . . . . .	16e
Other Information	17a	Investment income . . . . .	17a
	b	Investment expenses . . . . .	17b
	c	Dividend distributions paid from accumulated earnings and profits . . . . .	17c
	d	Other items and amounts (attach statement) . . . . . <b>Statement #18</b>	
Reconciliation	18	<b>Income (loss) reconciliation.</b> Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p . . . . .	18 (1,233,664)

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash . . . . .		(25,515)		3,758,930		
2a	Trade notes and accounts receivable . . . . .	1,451,606		1,191,668			
b	Less allowance for bad debts . . . . .	(200,000)	1,251,606	(217,916)	973,752		
3	Inventories . . . . .		3,002,846		1,757,468		
4	U.S. government obligations . . . . .						
5	Tax-exempt securities (see instructions) . . . . .						
6	Other current assets (attach statement) . . . . .	<b>Statement #19</b>	221,494	<b>Statement #19</b>	855,948		
7	Loans to shareholders . . . . .						
8	Mortgage and real estate loans . . . . .						
9	Other investments (attach statement) . . . . .	<b>Statement #20</b>	50,000	<b>Statement #20</b>	26,189		
10a	Buildings and other depreciable assets . . . . .	16,442,081		15,935,030			
b	Less accumulated depreciation . . . . .	(10,943,200)	5,498,881	(11,542,846)	4,392,184		
11a	Depletable assets . . . . .						
b	Less accumulated depletion . . . . .	( )		( )			
12	Land (net of any amortization) . . . . .		45,000		0		
13a	Intangible assets (amortizable only) . . . . .	142,123		157,920			
b	Less accumulated amortization . . . . .	(1,035)	141,088	(34,807)	123,113		
14	Other assets (attach statement) . . . . .	<b>Statement #21</b>	25,365	<b>Statement #21</b>	530,418		
15	Total assets . . . . .		10,210,765		12,418,002		
<b>Liabilities and Shareholders' Equity</b>							
16	Accounts payable . . . . .		1,645,176		562,499		
17	Mortgages, notes, bonds payable in less than 1 year . . . . .		5,877,984		1,893,681		
18	Other current liabilities (attach statement) . . . . .	<b>Statement #22</b>	7,463,717	<b>Statement #22</b>	9,247,566		
19	Loans from shareholders . . . . .		17,838,809		27,451,410		
20	Mortgages, notes, bonds payable in 1 year or more . . . . .		2,303,379		0		
21	Other liabilities (attach statement) . . . . .	<b>Statement #23</b>	0	<b>Statement #23</b>	59,905		
22	Capital stock . . . . .		13,020		13,020		
23	Additional paid-in capital . . . . .		400,000		400,000		
24	Retained earnings . . . . .		(25,331,320)		(27,210,079)		
25	Adjustments to shareholders' equity (attach statement) . . . . .						
26	Less cost of treasury stock . . . . .		( )		( )		
27	Total liabilities and shareholders' equity . . . . .		10,210,765		12,418,002		

**Schedule M-1****Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note:** The corporation may be required to file Schedule M-3. See instructions.

<b>1</b> Net income (loss) per books . . . . .	<b>(1,878,758)</b>	<b>5</b> Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
<b>2</b> Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		<b>a</b> Tax-exempt interest \$	<b>1,133,495</b>
<b>Statement #25</b> <b>92,194</b>	<b>92,194</b>	<b>Statement #27</b> <b>1,133,495</b>	
<b>3</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		<b>6</b> Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
<b>a</b> Depreciation \$ <b>199,590</b>		<b>a</b> Depreciation \$	
<b>b</b> Travel and entertainment \$		<b>Statement #28</b> <b>8,600</b>	<b>8,600</b>
<b>Statement #26</b> <b>1,495,405</b>	<b>1,694,995</b>	<b>7</b> Add lines 5 and 6 . . . . .	<b>1,142,095</b>
<b>4</b> Add lines 1 through 3 . . . . .	<b>(91,569)</b>	<b>8</b> Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	<b>(1,233,664)</b>

**Schedule M-2****Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account**  
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
<b>1</b> Balance at beginning of tax year . . . . .	<b>(22,761,424)</b>			<b>(268,824)</b>
<b>2</b> Ordinary income from page 1, line 21 . . . . .				
<b>3</b> Other additions . . . . . <b>Statement #29</b> . . . . .	<b>32,435</b>			
<b>4</b> Loss from page 1, line 21 . . . . .	<b>(1,266,099)</b>			
<b>5</b> Other reductions . . . . .	<b>( )</b>			<b>( )</b>
<b>6</b> Combine lines 1 through 5 . . . . .	<b>(23,995,088)</b>			<b>(268,824)</b>
<b>7</b> Distributions . . . . .				
<b>8</b> Balance at end of tax year. Subtract line 7 from line 6 . . . . .	<b>(23,995,088)</b>			<b>(268,824)</b>

**Cost of Goods Sold**▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**▶ **Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.**

OMB No. 1545-0123

Name <b>JACKSON KAYAK INC</b>		Employer identification number <b>06-1712162</b>
<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b> <b>3,002,846</b>
<b>2</b>	Purchases . . . . .	<b>2</b> <b>3,187,887</b>
<b>3</b>	Cost of labor . . . . .	<b>3</b>
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>
<b>5</b>	Other costs (attach schedule) . . . . . <b>Statement #5.</b>	<b>5</b> <b>4,316,855</b>
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b> <b>10,507,588</b>
<b>7</b>	Inventory at end of year . . . . .	<b>7</b> <b>1,757,468</b>
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions . . . . .	<b>8</b> <b>8,750,120</b>

**9a** Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ▶ \_\_\_\_\_

**b** Check if there was a writedown of subnormal goods . . . . . ▶ ☐

**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ▶ ☐

**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . . **9d** \_\_\_\_\_

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . . . ☒ Yes ☐ No

**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☐ No

**Schedule K-1**  
**(Form 1120-S)****2020**Department of the Treasury  
Internal Revenue Service

For calendar year 2020, or tax year

beginning 2020 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

**Part I Information About the Corporation****A** Corporation's employer identification number

06-1712162

**B** Corporation's name, address, city, state, and ZIP code

JACKSON KAYAK INC

3300 McMinnville Hwy

Sparta

TN 38583-2466

**C** IRS Center where corporation filed return

Ogden

**Part II Information About the Shareholder****D** Shareholder's identifying number**E** Shareholder's name, address, city, state, and ZIP code

ERIC JACKSON

888 POWERHOUSE ROAD

Walling

TN 38587

**F** Current year allocation percentage . . . . . 24.21875 %**G** Shareholder's number of shares

Beginning of tax year . . . . . 620,000

End of tax year . . . . . 620,000

**H** Loans from shareholder

Beginning of tax year . . . . . \$ \_\_\_\_\_

End of tax year . . . . . \$ \_\_\_\_\_

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss) ( 306,633 )	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain 34,167		
<b>9</b>	Net section 1231 gain (loss) 7,855		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions		
		<b>17</b>	Other information
		AC	3,148,557
		V*	STMT
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.



**Schedule K-1**  
**(Form 1120-S)****2020**Department of the Treasury  
Internal Revenue Service

For calendar year 2020, or tax year

beginning 2020 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

**Part I Information About the Corporation****A** Corporation's employer identification number

06-1712162

**B** Corporation's name, address, city, state, and ZIP code

JACKSON KAYAK INC

3300 McMinnville Hwy

Sparta

TN 38583-2466

**C** IRS Center where corporation filed return

Ogden

**Part II Information About the Shareholder****D** Shareholder's identifying number**E** Shareholder's name, address, city, state, and ZIP code

ANTHONY LUNT

12905 E CAMINO ANCHO

Tucson

AZ 85749

**F** Current year allocation percentage . . . . . 48.43750 %**G** Shareholder's number of shares

Beginning of tax year . . . . . 1,240,000

End of tax year . . . . . 1,240,000

**H** Loans from shareholder

Beginning of tax year . . . . . \$ 17,838,809

End of tax year . . . . . \$ 27,451,410

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss) ( 613,267 )	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain 68,333		
<b>9</b>	Net section 1231 gain (loss) 15,711		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions		
		<b>17</b>	Other information
		AC	6,297,114
		V*	STMT
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.

**Schedule K-1**  
**(Form 1120-S)****2020**Department of the Treasury  
Internal Revenue Service

For calendar year 2020, or tax year

beginning 2020 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

**Part I Information About the Corporation****A** Corporation's employer identification number

06-1712162

**B** Corporation's name, address, city, state, and ZIP code

JACKSON KAYAK INC

3300 McMinnville Hwy

Sparta

TN 38583-2466

**C** IRS Center where corporation filed return

Ogden

**Part II Information About the Shareholder****D** Shareholder's identifying number**E** Shareholder's name, address, city, state, and ZIP code

DAVID L OLSON

3939 TARRANT TRACE CIRCLE

High Point

NC 27265

**F** Current year allocation percentage . . . . . 12.10938 %**G** Shareholder's number of shares

Beginning of tax year . . . . . 310,000

End of tax year . . . . . 310,000

**H** Loans from shareholder

Beginning of tax year . . . . . \$ \_\_\_\_\_

End of tax year . . . . . \$ \_\_\_\_\_

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III****Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss) (153,317)	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain 17,083		
<b>9</b>	Net section 1231 gain (loss) 3,928		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions		
		<b>17</b>	Other information
		AC	1,574,278
		V*	STMT
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.

**Schedule K-1**  
**(Form 1120-S)****2020**Department of the Treasury  
Internal Revenue Service

For calendar year 2020, or tax year

beginning 2020 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions, Credits, etc.**  
▶ See separate instructions.

OMB No. 1545-0123

Part III		Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
1	Ordinary business income (loss) ( 39,566 )	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain 4,409		
9	Net section 1231 gain (loss) 1,014		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information AC 406,265 V* STMT
18	More than one activity for at-risk purposes*		
19	More than one activity for passive activity purposes*		
* See attached statement for additional information.			

Part I		Information About the Corporation	
A	Corporation's employer identification number	06-1712162	
B	Corporation's name, address, city, state, and ZIP code	JACKSON KAYAK INC  3300 McMinnville Hwy Sparta TN 38583-2466	
C	IRS Center where corporation filed return	Ogden	
Part II		Information About the Shareholder	
D	Shareholder's identifying number		
E	Shareholder's name, address, city, state, and ZIP code	DAVID KNIGHT  PO BOX 63 Lost City WV 26810	
F	Current year allocation percentage . . . . .	3.12500 %	
G	Shareholder's number of shares		
	Beginning of tax year . . . . .	80,000	
	End of tax year . . . . .	80,000	
H	Loans from shareholder		
	Beginning of tax year . . . . . \$		
	End of tax year . . . . . \$		
For IRS Use Only			

**Schedule K-1**  
**(Form 1120-S)****2020**Department of the Treasury  
Internal Revenue Service

For calendar year 2020, or tax year

beginning 2020 ending

**Shareholder's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

**Part I Information About the Corporation****A** Corporation's employer identification number

06-1712162

**B** Corporation's name, address, city, state, and ZIP code

JACKSON KAYAK INC

3300 McMinnville Hwy

Sparta

TN 38583-2466

**C** IRS Center where corporation filed return

Ogden

**Part II Information About the Shareholder****D** Shareholder's identifying number**E** Shareholder's name, address, city, state, and ZIP code

JOSEPH PULLIAM

509 B TOWNES STREET

Greenville

SC 29601

**F** Current year allocation percentage . . . . . 6.05469 %**G** Shareholder's number of shares

Beginning of tax year . . . . . 155,000

End of tax year . . . . . 155,000

**H** Loans from shareholder

Beginning of tax year . . . . . \$

End of tax year . . . . . \$

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss) (76,658)	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain 8,542		
<b>9</b>	Net section 1231 gain (loss) 1,964		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions		
		<b>17</b>	Other information
		AC	787,139
		V*	STMT
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.

**Schedule K-1  
(Form 1120-S)****2020**Department of the Treasury  
Internal Revenue Service

For calendar year 2020, or tax year

beginning 2020 ending

**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

**Part I Information About the Corporation****A** Corporation's employer identification number

06-1712162

**B** Corporation's name, address, city, state, and ZIP code

JACKSON KAYAK INC

3300 McMinnville Hwy

Sparta

TN 38583-2466

**C** IRS Center where corporation filed return

Ogden

**Part II Information About the Shareholder****D** Shareholder's identifying number**E** Shareholder's name, address, city, state, and ZIP code

JOHN A SHEPPARD

3207 BROOKMEADE CT

Cookeville

TN 38506

**F** Current year allocation percentage . . . . . 6.05469 %**G** Shareholder's number of shares

Beginning of tax year . . . . . 155,000

End of tax year . . . . . 155,000

**H** Loans from shareholder

Beginning of tax year . . . . . \$

End of tax year . . . . . \$

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III****Shareholder's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss) (76,658)	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain 8,541		
<b>9</b>	Net section 1231 gain (loss) 1,963		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions		
		<b>17</b>	Other information
		AC	787,140
		V*	STMT
<b>18</b>	More than one activity for at-risk purposes*		
<b>19</b>	More than one activity for passive activity purposes*		

\* See attached statement for additional information.

Form	1120-S	U.S. Income Tax Return for an S Corporation		OMB No. 1545-0123	
Department of the Treasury Internal Revenue Service		Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.			
For calendar year 2021 or tax year beginning		, 2021, ending		, 20	
A S election effective date	10-24-2003	TYPE OR PRINT	Name JACKSON KAYAK INC	D Employer identification number 06-1712162	
B Business activity code number (see instructions)	336610		Number, street, and room or suite no. If a P.O. box, see instructions. 3300 McMinnville Hwy	E Date incorporated 10-24-2003	
C Check if Sch. M-3 attached	X		City or town, state or province, country, and ZIP or foreign postal code Sparta TN 38583-2466	F Total assets (see instructions) \$ 11,734,668	
G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. Yes No X					
H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination					
I Enter the number of shareholders who were shareholders during any part of the tax year 8					
J Check if corporation: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes					
Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.					
Income	1 a	Gross receipts or sales	1a	16,101,642	
	b	Returns and allowances	1b		
	c	Balance. Subtract line 1b from line 1a	1c	16,101,642	
	2	Cost of goods sold (attach Form 1125-A)	2	10,811,995	
	3	Gross profit. Subtract line 2 from line 1c	3	5,289,647	
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	27,649	
Deductions (see instructions for limitations)	5	Other income (loss) (see instructions - attach statement)	5	32,434	Statement #1
	6	Total income (loss). Add lines 3 through 5	6	5,349,730	
	7	Compensation of officers (see instructions - attach Form 1125-E)	7		
	8	Salaries and wages (less employment credits)	8	1,120,186	
	9	Repairs and maintenance	9		
	10	Bad debts	10	11,018	
	11	Rents	11		
	12	Taxes and licenses	12	149,280	Wks Tax/Lic
	13	Interest (see instructions)	13	117,808	
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	1,023,086	
	15	Depletion (Do not deduct oil and gas depletion.)	15		
Tax and Payments	16	Advertising	16	148,031	
	17	Pension, profit-sharing, etc., plans	17		
	18	Employee benefit programs	18		
	19	Other deductions (attach statement)	19	2,918,155	Statement #2
	20	Total deductions. Add lines 7 through 19	20	5,487,564	
	21	Ordinary business income (loss). Subtract line 20 from line 6	21	(137,834)	
	22 a	Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b	Tax from Schedule D (Form 1120-S)	22b		
	c	Add lines 22a and 22b (see instructions for additional taxes)	22c		
	23 a	2021 estimated tax payments and 2020 overpayment credited to 2021	23a		
	b	Tax deposited with Form 7004	23b		
	c	Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d	Add lines 23a through 23c	23d		
	24	Estimated tax penalty (see instructions). Check if Form 2220 is attached	24		
25	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25			
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			
27	Enter amount from line 26: Credited to 2022 estimated tax Refunded	27			
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				May the IRS discuss this return with the preparer shown below? See instructions. Yes No X
	Signature of officer BILL CAVE		Date		CFO Title
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check X if self-employed	PTIN
	Jennifer Phipps CPA		08-23-2022		P01887306
	Firm's name	Firm's EIN	Phone no.		
	Phipps CPA PLLC	47-5386676	(931) 854-1747		
Firm's address		Cookeville TN 38501			
For Paperwork Reduction Act Notice, see separate instructions. Form 1120-S (2021)					

**Schedule B Other Information** (see instructions)

1	Check accounting method: <b>a</b> <input type="checkbox"/> Cash <b>b</b> <input checked="" type="checkbox"/> Accrual <b>c</b> <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2	See the instructions and enter the: <b>a</b> Business activity ▶ <b>MANUFACTURING</b> <b>b</b> Product or service ▶ <b>KAYAKS</b>		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . . . .		X
4	At the end of the tax year, did the corporation: <b>a</b> Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made

<b>b</b> Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .	Yes	No
		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

<b>5a</b> At the end of the tax year, did the corporation have any outstanding shares of restricted stock? . . . . . If "Yes," complete lines (i) and (ii) below. <b>(i)</b> Total shares of restricted stock . . . . . ▶ _____ <b>(ii)</b> Total shares of non-restricted stock . . . . . ▶ _____	Yes	No
		X
<b>b</b> At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? . . . . . If "Yes," complete lines (i) and (ii) below. <b>(i)</b> Total shares of stock outstanding at the end of the tax year . . . . . ▶ _____ <b>(ii)</b> Total shares of stock outstanding if all instruments were executed . . . . . ▶ _____		X
<b>6</b> Has this corporation filed, or is it required to file, <b>Form 8918</b> , Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .		X
<b>7</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . ▶ <input type="checkbox"/> If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
<b>8</b> If the corporation <b>(a)</b> was a C corporation before it elected to be an S corporation <b>or</b> the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, <b>and</b> <b>(b)</b> has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions . . . . . ▶ \$ _____		
<b>9</b> Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions . . . . .		X
<b>10</b> Does the corporation satisfy one or more of the following? See instructions . . . . . <b>a</b> The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense. <b>b</b> The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense. <b>c</b> The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.		X
<b>11</b> Does the corporation satisfy <b>both</b> of the following conditions? . . . . . <b>a</b> The corporation's total receipts (see instructions) for the tax year were less than \$250,000. <b>b</b> The corporation's total assets at the end of the tax year were less than \$250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.		X

Schedule B Other Information (see instructions) (continued)		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . . If "Yes," enter the amount of principal reduction . . . . . ▶ \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . . . .		X
14 a	Did the corporation make any payments in 2021 that would require it to file Form(s) 1099? . . . . .	X	
b	If "Yes," did the corporation file or will it file required Form(s) 1099? . . . . .	X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . . If "Yes," enter the amount from Form 8996, line 15 . . . . . ▶ \$		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21) . . . . .	1	(137,834)
	2 Net rental real estate income (loss) (attach Form 8825) . . . . .	2	
	3a Other gross rental income (loss) . . . . . 3a		
	b Expenses from other rental activities (attach statement) . . . . . 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a . . . . . 3c		
	4 Interest income . . . . . 4		
	5 Dividends: a Ordinary dividends . . . . . 5a		
	b Qualified dividends . . . . . 5b		
	6 Royalties . . . . . 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . 7		
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . 8a			
b Collectibles (28%) gain (loss) . . . . . 8b			
c Unrecaptured section 1250 gain (attach statement) . . . . . 8c			
9 Net section 1231 gain (loss) (attach Form 4797) . . . . . 9			
10 Other income (loss) (see instructions) . . . . . Type ▶	10		
Deductions	11 Section 179 deduction (attach Form 4562) . . . . . 11		
	12a Charitable contributions . . . . . 12a		
	b Investment interest expense . . . . . 12b		
	c Section 59(e)(2) expenditures . . . . . Type ▶ 12c		
d Other deductions (see instructions) . . . . . Type ▶ 12d			
Credits	13a Low-income housing credit (section 42(j)(5)) . . . . . 13a		
	b Low-income housing credit (other) . . . . . 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) . . . . . 13c		
	d Other rental real estate credits (see instructions) . . . . . Type ▶ 13d		
	e Other rental credits (see instructions) . . . . . Type ▶ 13e		
	f Biofuel producer credit (attach Form 6478) . . . . . 13f		
	g Other credits (see instructions) . . . . . Type ▶ 13g		
International Transactions	14 Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items - International, and check this box to indicate you are reporting items of international tax relevance . . . . . ▶ <input type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment . . . . . 15a		
	b Adjusted gain or loss . . . . . 15b		
	c Depletion (other than oil and gas) . . . . . 15c		
	d Oil, gas, and geothermal properties - gross income . . . . . 15d		
	e Oil, gas, and geothermal properties - deductions . . . . . 15e		
	f Other AMT items (attach statement) . . . . . 15f		
Items Affecting Shareholder Basis	16a Tax-exempt interest income . . . . . 16a		
	b Other tax-exempt income . . . . . 16b		
	c Nondeductible expenses . . . . . 16c		
	d Distributions (attach statement if required) (see instructions) . . . . . 16d		
	e Repayment of loans from shareholders . . . . . 16e	15,853,253	
	f Foreign taxes paid or accrued . . . . . 16f		



<b>Schedule K</b>		<b>Shareholders' Pro Rata Share Items (continued)</b>	<b>Total amount</b>
<b>Other Information</b>	<b>17a</b>	Investment income . . . . .	<b>17a</b>
	<b>b</b>	Investment expenses . . . . .	<b>17b</b>
	<b>c</b>	Dividend distributions paid from accumulated earnings and profits . . . . .	<b>17c</b>
	<b>d</b>	Other items and amounts (attach statement) <b>Statement #18</b>	
<b>Reconciliation</b>	<b>18</b>	<b>Income (loss) reconciliation.</b> Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f . . . . .	<b>18</b> (137,834)

<b>Schedule L</b>		<b>Balance Sheets per Books</b>		Beginning of tax year	End of tax year
<b>Assets</b>		(a)	(b)	(c)	(d)
<b>1</b>	Cash . . . . .		3,758,930		3,264,679
<b>2a</b>	Trade notes and accounts receivable . . . . .	1,191,668		850,471	
<b>b</b>	Less allowance for bad debts . . . . .	( 217,916 )	973,752	( 207,428 )	643,043
<b>3</b>	Inventories . . . . .		1,757,468		1,912,071
<b>4</b>	U.S. government obligations . . . . .				
<b>5</b>	Tax-exempt securities (see instructions) . . . . .				
<b>6</b>	Other current assets (attach statement) . . . . .	<b>Statement #19</b>	855,948	<b>Statement #19</b>	745,746
<b>7</b>	Loans to shareholders . . . . .				
<b>8</b>	Mortgage and real estate loans . . . . .				
<b>9</b>	Other investments (attach statement) . . . . .	<b>Statement #20</b>	26,189	<b>Statement #20</b>	25,000
<b>10a</b>	Buildings and other depreciable assets . . . . .	15,935,030		17,248,251	
<b>b</b>	Less accumulated depreciation . . . . .	( 11,542,846 )	4,392,184	( 12,266,867 )	4,981,384
<b>11a</b>	Depletable assets . . . . .				
<b>b</b>	Less accumulated depletion . . . . .	( )		( )	
<b>12</b>	Land (net of any amortization) . . . . .				
<b>13a</b>	Intangible assets (amortizable only) . . . . .	157,920		157,920	
<b>b</b>	Less accumulated amortization . . . . .	( 34,807 )	123,113	( 43,467 )	114,453
<b>14</b>	Other assets (attach statement) . . . . .	<b>Statement #21</b>	530,418	<b>Statement #21</b>	48,292
<b>15</b>	Total assets . . . . .		12,418,002		11,734,668
<b>Liabilities and Shareholders' Equity</b>					
<b>16</b>	Accounts payable . . . . .		562,499		543,108
<b>17</b>	Mortgages, notes, bonds payable in less than 1 year . . . . .		1,893,681		505,765
<b>18</b>	Other current liabilities (attach statement) . . . . .	<b>Statement #22</b>	9,247,566	<b>Statement #22</b>	1,615,251
<b>19</b>	Loans from shareholders . . . . .		27,451,410		11,598,157
<b>20</b>	Mortgages, notes, bonds payable in 1 year or more . . . . .		0		1,675,552
<b>21</b>	Other liabilities (attach statement) . . . . .	<b>Statement #23</b>	59,905	<b>Statement #23</b>	60,411
<b>22</b>	Capital stock . . . . .		13,020		13,020
<b>23</b>	Additional paid-in capital . . . . .		400,000		23,200,000
<b>24</b>	Retained earnings . . . . .		(27,210,079)		(27,476,596)
<b>25</b>	Adjustments to shareholders' equity (attach statement) . . . . .				
<b>26</b>	Less cost of treasury stock . . . . .		( )		( )
<b>27</b>	Total liabilities and shareholders' equity . . . . .		12,418,002		11,734,668

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The corporation may be required to file Schedule M-3. See instructions.

<b>1</b> Net income (loss) per books . . . . .	<b>(266,507)</b>	<b>5</b> Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
<b>2</b> Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		<b>a</b> Tax-exempt interest \$	
<b>Statement #25</b> 4,200	<b>4,200</b>	<b>Statement #27</b> 806,625	<b>806,625</b>
<b>3</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 16f (itemize):		<b>6</b> Deductions included on Schedule K, lines 1 through 12 and 16f, not charged against book income this year (itemize):	
<b>a</b> Depreciation \$		<b>a</b> Depreciation \$ 232,605	
<b>b</b> Travel and entertainment \$		<b>Statement #28</b> 9,126	
<b>Statement #26</b> 1,172,829	<b>1,172,829</b>		<b>241,731</b>
<b>4</b> Add lines 1 through 3 . . . . .	<b>910,522</b>	<b>7</b> Add lines 5 and 6 . . . . .	<b>1,048,356</b>
		<b>8</b> Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	<b>(137,834)</b>

**Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account**  
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
<b>1</b> Balance at beginning of tax year . . . . .	<b>(23,995,088)</b>			<b>(268,824)</b>
<b>2</b> Ordinary income from page 1, line 21 . . . . .				
<b>3</b> Other additions . . . . .				
<b>4</b> Loss from page 1, line 21 . . . . .	<b>( 137,834 )</b>			
<b>5</b> Other reductions . . . . .	<b>( )</b>			<b>( )</b>
<b>6</b> Combine lines 1 through 5 . . . . .	<b>(24,132,922)</b>			<b>(268,824)</b>
<b>7</b> Distributions . . . . .				
<b>8</b> Balance at end of tax year. Subtract line 7 from line 6 . . . . .	<b>(24,132,922)</b>			<b>(268,824)</b>

**Cost of Goods Sold**▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**▶ **Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.**

OMB No. 1545-0123

**JACKSON KAYAK INC**

Employer identification number

**06-1712162**

<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b>	<b>1,757,468</b>
<b>2</b>	Purchases . . . . .	<b>2</b>	<b>5,483,030</b>
<b>3</b>	Cost of labor . . . . .	<b>3</b>	
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>	
<b>5</b>	Other costs (attach schedule) . . . . . <b>Statement #5-</b>	<b>5</b>	<b>5,483,568</b>
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b>	<b>12,724,066</b>
<b>7</b>	Inventory at end of year . . . . .	<b>7</b>	<b>1,912,071</b>
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions . . . . .	<b>8</b>	<b>10,811,995</b>

**9a** Check all methods used for valuing closing inventory:(i) ☒ Cost(ii) ☐ Lower of cost or market(iii) ☐ Other (Specify method used and attach explanation.) ▶**b** Check if there was a writedown of subnormal goods . . . . . ▶ ☐**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ▶ ☐**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . . **9d** |**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . . . ☒ Yes ☐ No**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☒ No



Final K-1



Amended K-1

OMB No. 1545-0123

**Schedule K-1  
(Form 1120-S)****2021**Department of the Treasury  
Internal Revenue Service

For calendar year 2021, or tax year

beginning 2021 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
<b>A</b> Corporation's employer identification number <b>06-1712162</b>		<b>1</b> Ordinary business income (loss) <b>(8,323)</b>	<b>13</b> Credits
<b>B</b> Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>		<b>2</b> Net rental real estate income (loss)	
<b>C</b> IRS Center where corporation filed return <b>E-FILE</b>		<b>3</b> Other net rental income (loss)	
<b>D</b> Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>		<b>4</b> Interest income	
		<b>5a</b> Ordinary dividends	
		<b>5b</b> Qualified dividends	<b>14</b> Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>
		<b>6</b> Royalties	<b>15</b> Alternative minimum tax (AMT) items
		<b>7</b> Net short-term capital gain (loss)	
		<b>8a</b> Net long-term capital gain (loss)	
		<b>8b</b> Collectibles (28%) gain (loss)	
		<b>8c</b> Unrecaptured section 1250 gain	
		<b>9</b> Net section 1231 gain (loss)	<b>16</b> Items affecting shareholder basis
<b>E</b> Shareholder's identifying number		<b>10</b> Other income (loss)	
<b>F</b> Shareholder's name, address, city, state, and ZIP code <b>ERIC JACKSON</b>  <b>888 POWERHOUSE ROAD</b> <b>Walling TN 38587</b>			
<b>G</b> Current year allocation percentage . . . . . <b>6.03810 %</b>		<b>11</b> Section 179 deduction	<b>17</b> Other information <b>AC 972,233</b>
<b>H</b> Shareholder's number of shares Beginning of tax year . . . . . <b>620,000</b> End of tax year . . . . .		<b>12</b> Other deductions	<b>V*</b> <b>STMT</b>
<b>I</b> Loans from shareholder Beginning of tax year . . . . . \$ End of tax year . . . . . \$			
For IRS Use Only		<b>18</b> <input type="checkbox"/> More than one activity for at-risk purposes*	
		<b>19</b> <input type="checkbox"/> More than one activity for passive activity purposes*	
	* See attached statement for additional information.		

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

ERIC JACKSON

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		620000.00000	2560000.00000		365	
04-01-2021	620000.00000	-620000.00000	2560000.00000	91	365	006.03810
12-31-2021	000.00000		1362640.00000	274	365	000.00000
Total ownership percentage for the tax year:						006.03810

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$

Schedule K-1  
(Form 1120-S)Department of the Treasury  
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning 2021 ending

Shareholder's Share of Income, Deductions,  
Credits, etc.

▶ See separate instructions.

**Part I** Information About the Corporation

<b>A</b>	Corporation's employer identification number <b>06-1712162</b>
<b>B</b>	Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>
<b>C</b>	IRS Center where corporation filed return <b>E-FILE</b>
<b>D</b>	Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>

**Part II** Information About the Shareholder

<b>E</b>	Shareholder's identifying number
<b>F</b>	Shareholder's name, address, city, state, and ZIP code <b>ANTHONY LUNT</b>  <b>12905 E CAMINO ANCHO</b> <b>Tucson AZ 85749</b>
<b>G</b>	Current year allocation percentage . . . . . <b>80.38840 %</b>
<b>H</b>	Shareholder's number of shares Beginning of tax year . . . . . <b>1,240,000</b> End of tax year . . . . . <b>1,240,000</b>
<b>I</b>	Loans from shareholder Beginning of tax year . . . . . \$ <b>27,451,410</b> End of tax year . . . . . \$ <b>11,598,157</b>

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III**Shareholder's Share of Current Year Income,  
Deductions, Credits, and Other Items

<b>1</b>	Ordinary business income (loss) <b>(110,803)</b>	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>
<b>6</b>	Royalties	<b>15</b>	Alternative minimum tax (AMT) items
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)	<b>16</b>	Items affecting shareholder basis <b>E 15,853,253</b>
<b>10</b>	Other income (loss)		
		<b>17</b>	Other information <b>AC 12,943,852</b>
<b>11</b>	Section 179 deduction		
<b>12</b>	Other deductions	<b>V*</b>	<b>STMT</b>
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.

# Loans from Shareholder Statement

(Keep for your records)

**2021**

Name(s) as shown on return

Tax ID Number

**JACKSON KAYAK INC**

**06-1712162**

Shareholder's name

Tax ID Number

**ANTHONY LUNT**

Evidenced by  
separate written  
instrument?  
(Yes/No)

No.	Loan balance, BOY	Advances	Repayments of principal	Loan balance, EOY		Loan description
Line Ref	(Sch K-1, item H)		(Sch K-1, Ln 16, code E)	(Sch K-1, item H)		
<b>1</b>	<b>27,451,410</b>		<b>15,853,253</b>	<b>11,598,157</b>	<b>Yes</b>	<b>Anthony Lunt</b>
<b>Total</b>	<b>27,451,410</b>		<b>15,853,253</b>	<b>11,598,157</b>		

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

ANTHONY LUNT

Name of S Corporation

JACKSON KAYAK INC

Shareholder's ID Number

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		1240000.00000	2560000.00000		365	
04-01-2021	1240000.00000000	.00000	2560000.00000	91	365	012.07620
12-31-2021	1240000.00000		1362640.00000	274	365	068.31220
Total ownership percentage for the tax year:						080.38840

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$





Final K-1



Amended K-1

OMB No. 1545-0123

**Schedule K-1  
(Form 1120-S)****2021**Department of the Treasury  
Internal Revenue Service

For calendar year 2021, or tax year

beginning 2021 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
<b>A</b> Corporation's employer identification number <b>06-1712162</b>	<b>1</b> Ordinary business income (loss) <b>(4,161)</b>	<b>13</b> Credits	
<b>B</b> Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>	<b>2</b> Net rental real estate income (loss)		
<b>C</b> IRS Center where corporation filed return <b>E-FILE</b>	<b>3</b> Other net rental income (loss)		
<b>D</b> Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>	<b>4</b> Interest income		
	<b>5a</b> Ordinary dividends		
	<b>5b</b> Qualified dividends	<b>14</b> Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>	
	<b>6</b> Royalties	<b>15</b> Alternative minimum tax (AMT) items	
	<b>7</b> Net short-term capital gain (loss)		
	<b>8a</b> Net long-term capital gain (loss)		
	<b>8b</b> Collectibles (28%) gain (loss)		
	<b>8c</b> Unrecaptured section 1250 gain		
	<b>9</b> Net section 1231 gain (loss)	<b>16</b> Items affecting shareholder basis	
<b>E</b> Shareholder's identifying number	<b>10</b> Other income (loss)		
<b>F</b> Shareholder's name, address, city, state, and ZIP code <b>DAVID L OLSON</b>  <b>3939 TARRANT TRACE CIRCLE</b> <b>High Point NC 27265</b>		<b>17</b> Other information <b>AC 486,117</b>	
<b>G</b> Current year allocation percentage . . . . . <b>3.01905 %</b>	<b>11</b> Section 179 deduction	<b>V*</b> <b>STMT</b>	
<b>H</b> Shareholder's number of shares Beginning of tax year . . . . . <b>310,000</b> End of tax year . . . . .	<b>12</b> Other deductions		
<b>I</b> Loans from shareholder Beginning of tax year . . . . . \$ End of tax year . . . . . \$			
For IRS Use Only	<b>18</b> <input type="checkbox"/> More than one activity for at-risk purposes*		
	<b>19</b> <input type="checkbox"/> More than one activity for passive activity purposes*		
	* See attached statement for additional information.		

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

DAVID L OLSON

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		310000.00000	2560000.00000		365	
04-01-2021	310000.00000	-310000.00000	2560000.00000	91	365	003.01905
12-31-2021	000.00000		1362640.00000	274	365	000.00000
Total ownership percentage for the tax year:						003.01905

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$

Schedule K-1  
(Form 1120-S)Department of the Treasury  
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning 2021 ending

Shareholder's Share of Income, Deductions,  
Credits, etc.

▶ See separate instructions.

**Part I** Information About the Corporation**A** Corporation's employer identification number  
**06-1712162****B** Corporation's name, address, city, state, and ZIP code  
**JACKSON KAYAK INC****3300 McMinnville Hwy****Sparta****TN 38583-2466****C** IRS Center where corporation filed return  
**E-FILE****D** Corporation's total number of shares  
Beginning of tax year . . . . . **2,560,000**  
End of tax year . . . . . **1,362,640****Part II** Information About the Shareholder**E** Shareholder's identifying number**F** Shareholder's name, address, city, state, and ZIP code  
**DAVID KNIGHT****PO BOX 63****Lost City****WV 26810****G** Current year allocation percentage . . . . . **3.03121 %****H** Shareholder's number of shares  
Beginning of tax year . . . . . **80,000**  
End of tax year . . . . . **40,880****I** Loans from shareholder  
Beginning of tax year . . . . . \$  
End of tax year . . . . . \$

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III**Shareholder's Share of Current Year Income,  
Deductions, Credits, and Other Items

<b>1</b>	Ordinary business income (loss) <b>(4,178)</b>	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>
<b>6</b>	Royalties	<b>15</b>	Alternative minimum tax (AMT) items
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)	<b>16</b>	Items affecting shareholder basis
<b>10</b>	Other income (loss)		
		<b>17</b>	Other information
		<b>AC</b>	<b>488,074</b>
<b>11</b>	Section 179 deduction		
<b>12</b>	Other deductions	<b>V*</b>	<b>STMT</b>
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

DAVID KNIGHT

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		80000.00000	2560000.00000		365	
04-01-2021	80000.00000	-39120.00000	2560000.00000	91	365	000.77911
12-31-2021	40880.00000		1362640.00000	274	365	002.25210
Total ownership percentage for the tax year:						003.03121

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$



Final K-1



Amended K-1

OMB No. 1545-0123

**Schedule K-1  
(Form 1120-S)****2021**Department of the Treasury  
Internal Revenue Service

For calendar year 2021, or tax year

beginning 2021 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

<b>Part I Information About the Corporation</b>		<b>Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items</b>	
<b>A</b> Corporation's employer identification number <b>06-1712162</b>	<b>1</b> Ordinary business income (loss) <b>(2,081)</b>	<b>13</b> Credits	
<b>B</b> Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>	<b>2</b> Net rental real estate income (loss)		
<b>C</b> IRS Center where corporation filed return <b>E-FILE</b>	<b>3</b> Other net rental income (loss)		
<b>D</b> Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>	<b>4</b> Interest income		
	<b>5a</b> Ordinary dividends		
	<b>5b</b> Qualified dividends	<b>14</b> Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>	
	<b>6</b> Royalties	<b>15</b> Alternative minimum tax (AMT) items	
	<b>7</b> Net short-term capital gain (loss)		
	<b>8a</b> Net long-term capital gain (loss)		
	<b>8b</b> Collectibles (28%) gain (loss)		
	<b>8c</b> Unrecaptured section 1250 gain		
<b>Part II Information About the Shareholder</b>	<b>9</b> Net section 1231 gain (loss)	<b>16</b> Items affecting shareholder basis	
<b>E</b> Shareholder's identifying number	<b>10</b> Other income (loss)		
<b>F</b> Shareholder's name, address, city, state, and ZIP code <b>JOSEPH PULLIAM</b>  <b>509 B TOWNES STREET</b> <b>Greenville SC 29601</b>			
<b>G</b> Current year allocation percentage . . . . . <b>1.50952 %</b>	<b>11</b> Section 179 deduction	<b>17</b> Other information <b>AC 243,058</b>	
<b>H</b> Shareholder's number of shares Beginning of tax year . . . . . <b>155,000</b> End of tax year . . . . .	<b>12</b> Other deductions	<b>V*</b> <b>STMT</b>	
<b>I</b> Loans from shareholder Beginning of tax year . . . . . \$ End of tax year . . . . . \$			
For IRS Use Only	<b>18</b> <input type="checkbox"/> More than one activity for at-risk purposes*		
	<b>19</b> <input type="checkbox"/> More than one activity for passive activity purposes*		
	* See attached statement for additional information.		

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

JOSEPH PULLIAM

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		155000.00000	2560000.00000		365	
04-01-2021	155000.00000	-155000.00000	2560000.00000	91	365	001.50952
12-31-2021	000.00000		1362640.00000	274	365	000.00000
Total ownership percentage for the tax year:						001.50952

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$



Final K-1



Amended K-1

OMB No. 1545-0123

**Schedule K-1  
(Form 1120-S)****2021**Department of the Treasury  
Internal Revenue Service

For calendar year 2021, or tax year

beginning 2021 ending \_\_\_\_\_**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

<b>Part I Information About the Corporation</b>		<b>Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items</b>	
<b>A</b> Corporation's employer identification number <b>06-1712162</b>	<b>1</b> Ordinary business income (loss) <b>(2,081)</b>	<b>13</b> Credits	
<b>B</b> Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>	<b>2</b> Net rental real estate income (loss)		
<b>C</b> IRS Center where corporation filed return <b>E-FILE</b>	<b>3</b> Other net rental income (loss)		
<b>D</b> Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>	<b>4</b> Interest income		
	<b>5a</b> Ordinary dividends		
	<b>5b</b> Qualified dividends	<b>14</b> Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>	
	<b>6</b> Royalties	<b>15</b> Alternative minimum tax (AMT) items	
	<b>7</b> Net short-term capital gain (loss)		
	<b>8a</b> Net long-term capital gain (loss)		
	<b>8b</b> Collectibles (28%) gain (loss)		
	<b>8c</b> Unrecaptured section 1250 gain		
<b>Part II Information About the Shareholder</b>	<b>9</b> Net section 1231 gain (loss)	<b>16</b> Items affecting shareholder basis	
<b>E</b> Shareholder's identifying number	<b>10</b> Other income (loss)		
<b>F</b> Shareholder's name, address, city, state, and ZIP code <b>JOHN A SHEPPARD</b>  <b>3207 BROOKMEADE CT</b> <b>Cookeville TN 38506</b>			
<b>G</b> Current year allocation percentage . . . . . <b>1.50952 %</b>	<b>11</b> Section 179 deduction	<b>17 AC</b> Other information <b>243,058</b>	
<b>H</b> Shareholder's number of shares Beginning of tax year . . . . . <b>155,000</b> End of tax year . . . . .	<b>12</b> Other deductions	<b>V*</b> <b>STMT</b>	
<b>I</b> Loans from shareholder Beginning of tax year . . . . . \$ End of tax year . . . . . \$			
For IRS Use Only	<b>18</b> <input type="checkbox"/> More than one activity for at-risk purposes*		
	<b>19</b> <input type="checkbox"/> More than one activity for passive activity purposes*		
	* See attached statement for additional information.		

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

JOHN A SHEPPARD

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		155000.00000	2560000.00000		365	
04-01-2021	155000.00000	-155000.00000	2560000.00000	91	365	001.50952
12-31-2021	000.00000		1362640.00000	274	365	000.00000
Total ownership percentage for the tax year:						001.50952

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$



**Schedule K-1**  
**(Form 1120-S)**

 Department of the Treasury  
 Internal Revenue Service

**2021**

For calendar year 2021, or tax year

beginning 2021 ending \_\_\_\_\_
**Shareholder's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

<div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">Part I</div> <b>Information About the Corporation</b>		<div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">Part III</div> <b>Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items</b>	
<b>A</b> Corporation's employer identification number <b>06-1712162</b>	<b>1</b> Ordinary business income (loss) <div style="text-align: right;"><b>(3,104)</b></div>	<b>13</b>	Credits
<b>B</b> Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>	<b>2</b> Net rental real estate income (loss)  <b>3</b> Other net rental income (loss)  <b>4</b> Interest income		
<b>C</b> IRS Center where corporation filed return <b>E-FILE</b>	<b>5a</b> Ordinary dividends		
<b>D</b> Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>	<b>5b</b> Qualified dividends  <b>6</b> Royalties  <b>7</b> Net short-term capital gain (loss)	<b>14</b>	Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>
	<b>8a</b> Net long-term capital gain (loss)  <b>8b</b> Collectibles (28%) gain (loss)  <b>8c</b> Unrecaptured section 1250 gain	<b>15</b>	Alternative minimum tax (AMT) items
<div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">Part II</div> <b>Information About the Shareholder</b>			
<b>E</b> Shareholder's identifying number	<b>9</b> Net section 1231 gain (loss)  <b>10</b> Other income (loss)	<b>16</b>	Items affecting shareholder basis
<b>F</b> Shareholder's name, address, city, state, and ZIP code <b>EMILY JACKSON</b>  <b>816 POWERHOUSE RD</b> <b>Walling TN 38587</b>			
<b>G</b> Current year allocation percentage . . . . . <b>2.25210</b> %	<b>11</b> Section 179 deduction	<b>17</b>	Other information
<b>H</b> Shareholder's number of shares Beginning of tax year . . . . . End of tax year . . . . . <b>40,880</b>	<b>12</b> Other deductions	<b>AC</b>	<b>362,625</b>
<b>I</b> Loans from shareholder Beginning of tax year . . . . . \$ End of tax year . . . . . \$		<b>V*</b>	<b>STMT</b>
<div style="writing-mode: vertical-rl; transform: rotate(180deg);">For IRS Use Only</div>		<div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">18</div> More than one activity for at-risk purposes* <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">19</div> More than one activity for passive activity purposes*	
* See attached statement for additional information.			

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

EMILY JACKSON

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		000.00000	2560000.00000		365	
04-01-2021	000.00000	40880.00000	2560000.00000	91	365	000.00000
12-31-2021	40880.00000		1362640.00000	274	365	002.25210
Total ownership percentage for the tax year:						002.25210

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$

Schedule K-1  
(Form 1120-S)Department of the Treasury  
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning 2021 ending

Shareholder's Share of Income, Deductions,  
Credits, etc.

▶ See separate instructions.

**Part I** Information About the Corporation

<b>A</b>	Corporation's employer identification number <b>06-1712162</b>
<b>B</b>	Corporation's name, address, city, state, and ZIP code <b>JACKSON KAYAK INC</b>  <b>3300 McMinnville Hwy</b>  <b>Sparta TN 38583-2466</b>
<b>C</b>	IRS Center where corporation filed return <b>E-FILE</b>
<b>D</b>	Corporation's total number of shares Beginning of tax year . . . . . <b>2,560,000</b> End of tax year . . . . . <b>1,362,640</b>

**Part II** Information About the Shareholder

<b>E</b>	Shareholder's identifying number
<b>F</b>	Shareholder's name, address, city, state, and ZIP code <b>DANE JACKSON</b>  <b>888 POWERHOUSE RD</b> <b>Walling TN 38587</b>
<b>G</b>	Current year allocation percentage . . . . . <b>2.25210</b> %
<b>H</b>	Shareholder's number of shares Beginning of tax year . . . . . End of tax year . . . . . <b>40,880</b>
<b>I</b>	Loans from shareholder Beginning of tax year . . . . . \$ End of tax year . . . . . \$

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Part III**Shareholder's Share of Current Year Income,  
Deductions, Credits, and Other Items

<b>1</b>	Ordinary business income (loss) <b>(3,103)</b>	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Schedule K-3 is attached if checked . . . . . <input type="checkbox"/>
<b>6</b>	Royalties	<b>15</b>	Alternative minimum tax (AMT) items
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)	<b>16</b>	Items affecting shareholder basis
<b>10</b>	Other income (loss)		
		<b>17</b>	Other information
		<b>AC</b>	<b>362,625</b>
<b>11</b>	Section 179 deduction		
<b>12</b>	Other deductions	<b>V*</b>	<b>STMT</b>
<b>18</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>19</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\* See attached statement for additional information.

## Changes in Ownership

(This page is not filed with the return. It is for your records only.)

**2021**

Shareholder's name

DANE JACKSON

Shareholder's ID Number

Name of S Corporation

JACKSON KAYAK INC

S Corporation's EIN

06-1712162

Date of Change	Shares Held Prior to Change	Change in Shares on Date	Total Number of Shares Held	Number of Days Held Prior to Change	Total number of days in the tax year	Ownership % for period
01-01-2021		000.00000	2560000.00000		365	
04-01-2021	000.00000	40880.00000	2560000.00000	91	365	000.00000
12-31-2021	40880.00000		1362640.00000	274	365	<u>002.25210</u>
Total ownership percentage for the tax year:						<u><u>002.25210</u></u>

Ownership % for period =  $\frac{\text{Change in Shares on Date}}{\text{Total Shares Held}} \times \frac{\text{No. of Days Held Prior to Change}}{\text{Total No. of Days in the Tax Year}}$

For calendar year 2022 or tax year beginning , 2022, ending , 20

<b>A</b> S election effective date  <b>10-24-2003</b>	<b>TYPE OR PRINT</b>	Name <b>JACKSON KAYAK INC</b>	<b>D</b> Employer identification number  <b>06-1712162</b>
<b>B</b> Business activity code number (see instructions)  <b>336610</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>3300 McMinnville Hwy</b>	<b>E</b> Date incorporated  <b>10-24-2003</b>
<b>C</b> Check if Sch. M-3 attached <input checked="" type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code <b>Sparta TN 38583-2466</b>	<b>F</b> Total assets (see instructions)  \$ <b>10,316,051</b>

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year . . . . . **4**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1 a</b> Gross receipts or sales . . . . .	<b>1a</b>	<b>13,801,730</b>	
	<b>b</b> Returns and allowances . . . . .	<b>1b</b>		
	<b>c</b> Balance. Subtract line 1b from line 1a . . . . .	<b>1c</b>	<b>13,801,730</b>	
	<b>2</b> Cost of goods sold (attach Form 1125-A) . . . . .	<b>2</b>	<b>9,620,549</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>	<b>4,181,181</b>	
	<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . .	<b>4</b>	<b>55,684</b>	
<b>5</b> Other income (loss) (see instructions - attach statement) . . . . .	<b>5</b>	<b>2,181</b>		
<b>6</b> <b>Total income (loss).</b> Add lines 3 through 5 . . . . .	<b>6</b>	<b>4,239,046</b>		
<b>Deductions (see instructions for limitations)</b>	<b>7</b> Compensation of officers (see instructions - attach Form 1125-E) . . . . .	<b>7</b>		
	<b>8</b> Salaries and wages (less employment credits) . . . . .	<b>8</b>	<b>1,625,652</b>	
	<b>9</b> Repairs and maintenance . . . . .	<b>9</b>		
	<b>10</b> Bad debts . . . . .	<b>10</b>	<b>4,798</b>	
	<b>11</b> Rents . . . . .	<b>11</b>		
	<b>12</b> Taxes and licenses . . . . .	<b>12</b>	<b>128,056</b>	
	<b>13</b> Interest (see instructions) . . . . .	<b>13</b>	<b>69,836</b>	
	<b>14</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .	<b>14</b>	<b>710,603</b>	
	<b>15</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . .	<b>15</b>		
	<b>16</b> Advertising . . . . .	<b>16</b>	<b>223,465</b>	
	<b>17</b> Pension, profit-sharing, etc., plans . . . . .	<b>17</b>		
	<b>18</b> Employee benefit programs . . . . .	<b>18</b>		
	<b>19</b> Other deductions (attach statement) . . . . .	<b>19</b>	<b>2,905,605</b>	
	<b>20</b> <b>Total deductions.</b> Add lines 7 through 19 . . . . .	<b>20</b>	<b>5,668,015</b>	
	<b>21</b> <b>Ordinary business income (loss).</b> Subtract line 20 from line 6. . . . .	<b>21</b>	<b>(1,428,969)</b>	
<b>Tax and Payments</b>	<b>22 a</b> Excess net passive income or LIFO recapture tax (see instructions) . . . . .	<b>22a</b>		
	<b>b</b> Tax from Schedule D (Form 1120-S) . . . . .	<b>22b</b>		
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes) . . . . .	<b>22c</b>		
	<b>23 a</b> 2022 estimated tax payments and 2021 overpayment credited to 2022 . . . . .	<b>23a</b>		
	<b>b</b> Tax deposited with Form 7004 . . . . .	<b>23b</b>		
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136) . . . . .	<b>23c</b>		
	<b>d</b> Add lines 23a through 23c . . . . .	<b>23d</b>		
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . <input type="checkbox"/>	<b>24</b>		
	<b>25</b> <b>Amount owed.</b> If line 23d is smaller than the total of lines 22c and 24, enter amount owed . . . . .	<b>25</b>		
	<b>26</b> <b>Overpayment.</b> If line 23d is larger than the total of lines 22c and 24, enter amount overpaid. . . . .	<b>26</b>		
<b>27</b> Enter amount from line 26: <b>Credited to 2023 estimated tax</b> <b>Refunded</b> . . . . .	<b>27</b>			

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	<b>BILL CAVE</b> Signature of officer	Date	<b>CFO</b> Title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Jennifer Phipps</b>	Preparer's signature	Date <b>02-14-2023</b>	Check <input checked="" type="checkbox"/> if self-employed PTIN <b>P12345678</b>
	Firm's name <b>PHIPPS CPA PLLC</b>	Firm's EIN <b>47-5386676</b>		
	Firm's address <b>335 NEWMAN DRIVE SUITE A COOKEVILLE TN 38501</b>	Phone no. <b>(931) 854-1747</b>		



Schedule B Other Information (see instructions) (continued)		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . . If "Yes," enter the amount of principal reduction . . . . . \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . . . .		X
14 a	Did the corporation make any payments in 2022 that would require it to file Form(s) 1099? . . . . .	X	
b	If "Yes," did or will the corporation file required Form(s) 1099? . . . . .	X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . . If "Yes," enter the amount from Form 8996, line 15 . . . . . \$		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21) . . . . .	1	(1,428,969)
	2 Net rental real estate income (loss) (attach Form 8825) . . . . .	2	
	3a Other gross rental income (loss) . . . . . 3a		
	b Expenses from other rental activities (attach statement) . . . . . 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a . . . . . 3c		
	4 Interest income . . . . . 4		
	5 Dividends: a Ordinary dividends . . . . . 5a b Qualified dividends . . . . . 5b		
	6 Royalties . . . . . 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . 7		
	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . 8a		
b Collectibles (28%) gain (loss) . . . . . 8b			
c Unrecaptured section 1250 gain (attach statement) . . . . . 8c			
9 Net section 1231 gain (loss) (attach Form 4797) . . . . . 9			
10 Other income (loss) (see instructions) . . . . . Type: 10			
Deductions	11 Section 179 deduction (attach Form 4562) . . . . . 11		
	12a Charitable contributions . . . . . 12a		
	b Investment interest expense . . . . . 12b		
	c Section 59(e)(2) expenditures . . . . . Type: 12c		
d Other deductions (see instructions) . . . . . Type: 12d			
Credits	13a Low-income housing credit (section 42(j)(5)) . . . . . 13a		
	b Low-income housing credit (other) . . . . . 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable). . . . . 13c		
	d Other rental real estate credits (see instructions) . . . . . Type: 13d		
	e Other rental credits (see instructions) . . . . . Type: 13e		
	f Biofuel producer credit (attach Form 6478) . . . . . 13f		
	g Other credits (see instructions) . . . . . Type: 13g		
Inter-national	Qualified for exception to filing Schedule K-2		
	14 Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items - International, and check this box to indicate you are reporting items of international tax relevance . . . . . <input type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment . . . . . 15a		
	b Adjusted gain or loss . . . . . 15b		(1)
	c Depletion (other than oil and gas) . . . . . 15c		
	d Oil, gas, and geothermal properties - gross income . . . . . 15d		
	e Oil, gas, and geothermal properties - deductions . . . . . 15e		
	f Other AMT items (attach statement) . . . . . 15f		
Items Affecting Shareholder Basis	16a Tax-exempt interest income . . . . . 16a		
	b Other tax-exempt income . . . . . 16b		
	c Nondeductible expenses . . . . . 16c		
	d Distributions (attach statement if required) (see instructions) . . . . . 16d		
	e Repayment of loans from shareholders . . . . . 16e		457,000
	f Foreign taxes paid or accrued . . . . . 16f		

<b>Schedule K</b>		<b>Shareholders' Pro Rata Share Items</b> (continued)	<b>Total amount</b>		
<b>Other Information</b>	<b>17a</b>	Investment income . . . . .	<b>17a</b>		
	<b>b</b>	Investment expenses . . . . .	<b>17b</b>		
	<b>c</b>	Dividend distributions paid from accumulated earnings and profits . . . . .	<b>17c</b>		
	<b>d</b>	Other items and amounts (attach statement) <b>Statement #18</b>			
<b>Reconciliation</b>	<b>18</b>	<b>Income (loss) reconciliation.</b> Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f . . . . .		<b>18</b>	<b>(1,428,969)</b>

<b>Schedule L</b>		<b>Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
<b>Assets</b>		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>		
<b>1</b>	Cash . . . . .		3,264,679		1,496,917		
<b>2a</b>	Trade notes and accounts receivable . . . . .	850,471		1,191,329			
<b>b</b>	Less allowance for bad debts . . . . .	( 207,428 )	643,043	( 215,573 )	975,756		
<b>3</b>	Inventories . . . . .		1,912,071		2,656,490		
<b>4</b>	U.S. government obligations . . . . .						
<b>5</b>	Tax-exempt securities (see instructions) . . . . .						
<b>6</b>	Other current assets (attach statement) . . . . .	<b>Statement #19</b>	745,746	<b>Statement #19</b>	282,083		
<b>7</b>	Loans to shareholders . . . . .						
<b>8</b>	Mortgage and real estate loans . . . . .						
<b>9</b>	Other investments (attach statement) . . . . .	<b>Statement #20</b>	25,000	<b>Statement #20</b>	25,000		
<b>10a</b>	Buildings and other depreciable assets . . . . .	17,248,251		17,417,031			
<b>b</b>	Less accumulated depreciation . . . . .	( 12,266,867 )	4,981,384	( 12,730,088 )	4,686,943		
<b>11a</b>	Depletable assets . . . . .						
<b>b</b>	Less accumulated depletion . . . . .	( )		( )			
<b>12</b>	Land (net of any amortization) . . . . .						
<b>13a</b>	Intangible assets (amortizable only) . . . . .	157,920		157,920			
<b>b</b>	Less accumulated amortization . . . . .	( 43,467 )	114,453	( 52,727 )	105,193		
<b>14</b>	Other assets (attach statement) . . . . .	<b>Statement #21</b>	48,292	<b>Statement #21</b>	87,669		
<b>15</b>	Total assets . . . . .		11,734,668		10,316,051		
<b>Liabilities and Shareholders' Equity</b>							
<b>16</b>	Accounts payable . . . . .		543,108		530,848		
<b>17</b>	Mortgages, notes, bonds payable in less than 1 year . . . . .		505,765		1,296,254		
<b>18</b>	Other current liabilities (attach statement) . . . . .	<b>Statement #22</b>	1,615,251	<b>Statement #22</b>	1,957,132		
<b>19</b>	Loans from shareholders . . . . .		11,598,157		11,141,157		
<b>20</b>	Mortgages, notes, bonds payable in 1 year or more . . . . .		1,675,552		1,401,298		
<b>21</b>	Other liabilities (attach statement) . . . . .	<b>Statement #23</b>	60,411	<b>Statement #23</b>	0		
<b>22</b>	Capital stock . . . . .		13,020		13,020		
<b>23</b>	Additional paid-in capital . . . . .		23,200,000		23,200,000		
<b>24</b>	Retained earnings . . . . .		( 27,476,596 )		( 29,223,658 )		
<b>25</b>	Adjustments to shareholders' equity (attach statement) . . . . .						
<b>26</b>	Less cost of treasury stock . . . . .		( )		( )		
<b>27</b>	Total liabilities and shareholders' equity . . . . .		11,734,668		10,316,051		



# Summary of Stock Ownership

2022

(This page is not filed with the return. It is for your records only.)

CORPORATION NAME

JACKSON KAYAK INC

EIN

06-1712162

## Shareholder Information

## Shares

## % Ownership

Name	EIN/SSN	Type	Beginning	Ending	Beginning	Ending
ANTHONY LUNT	522-17-0116		1,240,000	1,240,000	90.99982	90.99982
DAVID KNIGHT	231-82-5666		40,880	40,880	3.00006	3.00006
EMILY JACKSON	220-27-4249		40,880	40,880	3.00006	3.00006
DANE JACKSON	216-39-7486		40,880	40,880	3.00006	3.00006
Total			<u>1,362,640</u>	<u>1,362,640</u>		

# Qualified Business Income Information

Summary of Statement A - QBI PTE Reporting  
(Keep for your records)

**2022**

Name(s) as shown on return

**JACKSON KAYAK INC**

Tax ID Number

**06-1712162**

Line No.	Description of Trade or Business	Taxpayer Identification Number	PTP	Aggregated	SSTB
1	JACKSON KAYAK INC	06-1712162			No

LINE NUMBER	NO. 1	NO. ____	NO. ____	NO. ____	NO. ____	NO. ____
Ordinary Business Income (Loss)	(1,428,969)					
Rental Income (Loss)						
Royalty Income (Loss)						
Section 1231 Gain (Loss)						
Other Income (Loss)						
Section 179						
Other Deductions						
W-2 Wages	1,625,652					
Unadjusted Basis Immediately After Acquisition	12,277,695					
Section 199A Dividends						

**K-K1 Comparison Worksheet****2022**

(This page is not filed with the return. It is for your records only.)

S CORPORATION NAME

EIN

JACKSON KAYAK INC

06-1712162

Description	Schedule K	K-1 Totals	Difference
1 Ordinary business income (loss) . . . . .	<u>(1,428,969)</u>	<u>(1,428,969)</u>	
15 B Adjustment gain or loss . . . . .	<u>(1)</u>	<u>(1)</u>	
16 E Repayment of loans from shareholders . . . .	<u>457,000</u>	<u>457,000</u>	
17 AC Gross receipts for sec. 448(c) . . . . .	<u>13,801,730</u>	<u>13,801,730</u>	

# HIGHLANDS CABINETS JASON BEATY AND JUSTIN HILL

Upper Cumberland Development District

Loan Proposal- June 21, 2023

# HIGHLANDS CABINETS

Cabinetry and specialty wood production  
and finishing facility, located in Cookeville

Focus is primarily on residential homes and  
marine interiors

Offerings include customer cabinets, other  
cabinet lines, countertops, custom marine  
interior products



## PROPOSED PROJECT

SEEKING A LOAN IN THE AMOUNT OF \$400,000 TO FUND CURRENT  
AND FUTURE GROWTH

- Total Project Cost: \$550,000
- Current UCDD Loan Request: \$400,000
- Proposed Rate: 7.5%
- Term: 10 Years
- Estimated monthly payment: \$4,748
- Possible future loan opportunities as revenue increases

## USE OF FUNDS

Use	Amount
Marketing	\$25,000
Showroom	\$50,000
Manuf./Custom Cabinet Line & Marine Products	\$325,000
Working Capital	\$150,000
<b>Total:</b>	<b>\$550,000</b>

## SOURCES OF FUNDS

Source	Amount	Rate	Term
Upper Cumberland Development District	\$400,000	7.5%	10 Years
Borrower Contribution	\$150,000	-	-
<b>Total</b>	<b>\$550,000</b>		



## COLLATERAL

Description	Market Value	Lien	Equity	Discounted Value	Position
Building and additional land- 1975 Browns Mill Rd	\$1,295,000	\$958,000	\$337,000	\$269,600	2nd
New equipment	\$193,200	\$0	\$193,200	\$144,900	1st
Existing Equipment	\$293,220	\$123,242	\$169,978	\$127,484	2nd
Personal Guarantees- Jason Beaty and Justin Hill					
<b>Total Collateral Value</b>				<b>\$541,984</b>	

Loan Application Overview

BORROWER INFORMATION

Company Name:	Highlands Cabinets	Current # of Jobs:	9
Owners:	Jason Beaty/ Justin Hill	# of Jobs Created:	5
Address:	1975 Browns Mill Rd, Cookeville, TN 38506	Comm. Mtg. Date	6/13/2023
		Board Mtg. Date	6/21/2023
TAX ID:	84-4740723		

COMPANY SUMMARY

Highlands Cabinets, Co. (HC) is a cabinetry and specialty wood production and finishing facility located in Putnam County that works primarily in the residential homes and marine interiors business sectors. HC offers custom built cabinets and other cabinet lines to offer clients alternative price points. HC also offers countertops and has added custom wood parts for marine interiors to the product offering.

PROJECT SUMMARY

HC will be using the requested loan funds to handle the growth they have experienced as well as future growth. They will need to upgrade each area of production to meet existing demand while maintaining and increasing quality.This will be done by purchasing larger, more advanced equipment such as a CNC router and CNC edgebenber. These will need to be supported with increased inventory, operating cash, and upgrades to our dust collection system and electrical system.

SOURCES & USES OF FUNDS						
Uses of Funds					Sources of Funds	
1	Manuf; Custom Cabinet line; Marine products		\$325,000		1	CAIC/UCDD \$400,000
2	Marketing; Showroom reno; Remodeling division		\$175,000		2	Owner Contribution \$150,000
3	Working capital		\$150,000		3	
TOTAL			\$650,000		TOTAL \$550,000	

COLLATERAL DETAIL						
Type/Description		Value	Lien	Equity	Discounted Value	Position
1	Additional Land-Browns Mill Rd	\$175,000		\$175,000	\$140,000	2nd
2	Building 1975 Browns Mill	\$1,120,000	\$958,000	\$162,000	\$129,600	2nd
3	New equipment	\$193,200	\$0	\$193,200	\$144,900	1st
4	Existing equipment	\$293,220	\$123,242	\$169,978	\$127,484	2nd
5	Personal Guarantees-Jason Beaty and Justin Hill					
TOTAL				\$541,984		

Loan to Value (<90 desired)

74%

Discount %	
Land & Building	80%
Machinery & Equip	75%
Technology	50%
Inventory	60%
Receivables	60%

PRE-UCDD LOAN DEBT LEVEL

Owner 1 Credit Info - Jason Beaty

Monthly				
Company	Type	Payment Amt.	Balance	Past Due
WFDS	Auto	\$ 481	\$ 16,452	\$ -
AES/Goal Financial	Education	\$ 317	\$ 5,198	\$ -
OneBank	1/2 of the facility	\$ 2,964	\$ 479,000	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL		\$ 3,762.00	\$ 500,650.00	\$ -

Owner 2 Credit Info Oliver (Justin) Hill

Monthly				
Company	Type	Payment Amt.	Balance	Past Due
American B&T	LOC	\$500	\$40,000	
Citizens	Mortgage	\$2,259	\$258,172	
1st National Bank TN	Rev Business Ln	\$1,000	\$188,144	
Amex	Credit Card	\$181	\$34,500	
OneBank	1/2 of the facility	\$2,964	\$479,000	
TOTAL		\$ 6,904.00	\$ 999,816.00	\$ -

Combined Pre-UCDD Loan Debt Level

Total Monthly				
	Total Lines of Credit	Payments	Total Balance	Total Past Due
TOTAL	8	\$ 10,666.00	\$ 1,500,466	\$ -

PERSONAL FINANCIAL INFORMATION	
Owner 1:	Jason Beaty
Financial information For:	Jason Beaty

Credit Scores
703
690
662

Income / Capital / Assets	
Gross Individual Monthly Income	\$ 15,000.00
Annual Gross Household Income	\$ 180,000
Assets	\$ 2,990,570
Networth	\$ 2,489,920

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 3,762
UCDD monthly Debt PMT	\$ 4,748.00
Total of all Monthly Debt Payments	\$ 8,510.00
Liabilities	\$ 500,650

Tax Returns	2020	2021	2022
Adjusted Gross Income	(\$48,957)	(\$67,475)	
Additional Gain/Loss from other businesses		\$0	\$0

Additional Owner Section (If Needed)

Owner 2:

Oliver Justin Hill

Financial information For:

Oliver Justin Hill

Credit Scores	Income / Capital / Assets	Debt / Liabilities
800	Gross Individual Monthly Income\$ 9,917.00	Total Monthly Debt PMTs, not\$ 6,904.00
795	Annual Gross Household Income\$ 119,000.00	UCDD monthly Debt PMT\$ -
787	Assets\$ 4,390,000.00	Total of all Monthly Debt Payments\$ 6,904.00
	Networth\$ 3,390,184.00	Liabilities\$ 999,816.00

Tax Returns	2020	2021	2022
Adjusted Gross Income		\$273,839	
Additional Gain/Loss from other businesses			

Tax Returns	2020	2021	2022
Adjusted Gross Income		\$273,839	
Additional Gain/Loss from other businesses		\$0	\$0

Total Financial Information of Owner(s)

Avg Credit Score
739.5

Income / Capital / Assets	
Total Gross Individual Monthly Income	\$ 24,917
Total Annual Gross Household Income	\$ 299,000
Total Assets	\$ 7,380,570
Total Networth	\$ 5,880,104

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 10,666
UCDD monthly Debt PMT	\$ 4,748
Total of all Monthly Debt Payments	\$ 15,414
Total Liabilities	\$ 1,500,466

Tax Returns	2020	2021	2022
Adjusted Gross Income	(\$48,957)	\$206,364	\$0
Additional Gain/Loss from other businesses	\$0	\$0	\$0

**BUSINESS FINANCIAL INFORMATION**

			2020A	2021A
				2023 1st Q

Income Statement Info		
Revenue	\$ 761,412	\$ 1,168,926
COGS	\$ 360,827	\$ 718,445
Gross Profit	\$ 400,585	\$ 450,481
Operating Expenses	\$ 290,673	\$ 409,786
EBITDA	\$ 109,912	\$ 40,695
Depreciation	\$ 16,689	\$ 61,783
Interest Expense	\$ 15,049	\$ 27,386
Taxes Paid	\$ -	\$ -
Net Income	\$ 78,174	\$ (48,474)

Income Statement Info	
Revenue	\$ 543,959
COGS	\$ 334,068
Gross Profit	\$ 209,891
SG&A	\$ 103,772
EBITDA	\$ 106,119
Owner's draw	\$ 26,600
Other	\$ 4,185
Inventory	\$ 27,958
Net Income	\$ 47,376

Balance Sheet as of 6-9-2023	
Cash	\$ 16,871.00
Receivables	\$ 468,008.00
Other Current Assets	\$ 250.00
Total Current Assets	\$ 485,129.00
Fixed Assets	\$ 255,756.35
Long-Term Assets	\$ 255,756.35
Total Assets	\$ 740,885.35
Current Liabilities	\$ 386,731.54
Net Income	\$ 191,827.88
Stockholder's Equity	\$ 162,325.93
Total Liabilities & Equity	\$ 740,885.35

Balance Sheet Check      Balanced



PROPOSED LOAN DETAILS

Loan Amount	\$400,000.00
Project Amount	\$650,000.00
% of Project	62%
Interest Rate	7.50%
Term	10 Years
Expected Payment	\$4,748.00

Memo to the file:

At the 6/13/23 Loan Committee meeting, the members reviewed the full loan request of \$500,000 and made the decision to recommend a lower loan amount of \$400,000. The borrowers chose to accept and proceed at the lower amount.

Per the borrower, they plan to postpone the creating of the remodeling division and hiring of a project manager until a later date. They are aware they can provide updated financials showing the revenue growth and do an additional loan request at a future date.

Mindy Tramel

Loan Officer

# ECONOMIC DEVELOPMENT ADMINISTRATION LOAN PROGRAM or USDA INTERMEDIARY RELENDING PROGRAM LOAN APPLICATION

## I. General Applicant Information

Name of Business: Highlands Cabinets Co, Llc

Business Description: Cabinet manufacturing and installing

Address: 1975 Browns Mill Rd. Cookeville, TN 38506

Address of Project: \_\_\_\_\_

Contact Person & Title: Jason Beaty, owner

Work Phone: 931.526.9836

Cell Phone: 931.319.6444

Business Type: \_\_\_\_\_

Product/Service: \_\_\_\_\_

Date Established: Feb 2020

Employer ID Number: 84-4740723

DUNS Number: \_\_\_\_\_

NAICS Number: 2434

Bank References: OneBank. Matt Means

Principal Stockholders:

Name	Address	US Citizen (Y/N)	Race	Gender (M/F)	% Ownership
Jason Beaty	Browns Mill Rd	y	w	m	60 %
Justin Hill	1552 Barnes Dr	y	w	m	40 %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %

## II. Project Information

A. Project Description [describe the project in full including owner participation and use of requested loan funds]:

HC will be using the requested loan funds to handle the growth we have experienced as well as future growth. This will be done by purchasing larger, more advanced equipment such as a CNC router and CNC edgebander. These will need to be supported with increased inventory operating cash, and upgrades to our dust collection system and electrical system.

B. Total Project Cost [including business and outside funding sources]:

\$ 650,000.00

C. Total Loan Amount requested from CAIC and/or UCDD:

\$ 500,000.00

D. Employee Data:

Current # of Employees (including yourself)

Expected # of New Employees

Sex	Total	# Economically Disadvantaged
F	2	
M	7	
Total	9	0

Sex	Total	# Economically Disadvantaged
F	<u>2</u>	<u>          </u>
M	<u>3</u>	<u>          </u>
Total	<u>5</u>	<u>0</u>

### III. Project Financing

A. Use of all project funds from all sources [check items UCDD/CAIC funds will be used for]:

	Estimated cost	Description	✓
Land Acquisition	\$ _____	_____	_____
Site Preparation	\$ _____	_____	_____
Building Purchase	\$ _____	_____	_____
New Construction/ Renovation	\$ _____	_____	_____
Machinery & Equip.	\$ 325,000.00	See: areas of investment & upgrades	✓
Furniture & Fixtures	\$ _____	_____	_____
Inventory Purchase	\$ _____	_____	_____
Working Capital	\$ 150,000.00	_____	_____
Other _____	\$ 175,000.00	See: areas of investment & upgrades	✓
<b>Total</b>	<b>\$ 650,000.00</b>	** total use of funds must equal total project cost in section 2B	

B. Sources of Funds (please list all sources of funds for the total project, i.e. owner, bank, investor, etc.)

Source	Amount	Term	Rate	Collateral securing funds
	\$		%	
	\$		%	
	\$		%	
	\$		%	
<b>Total</b>	\$ 0.00			

\*\* total source of funds must equal total

C. Summary of Collateral pledged to UCDD/CAIC Loan:

	Description	Market Value	Lien Balance
Land	<u>Browns Mill Rd</u>	<u>\$ 60,000.00</u>	<u>\$</u>
Building	<u>1975 Browns Mill Rd</u>	<u>\$ 1,350,000.00</u>	<u>\$ 958,000.00</u>
Mach. & Equip.	<u>Existing equipment</u>	<u>\$ 293,220.00</u>	<u>\$ 123,242.00</u>
Furniture & Fix.	<u></u>	<u>\$</u>	<u>\$</u>
Other Collateral	<u></u>	<u>\$</u>	<u>\$</u>
Total		<u>\$ 1,703,220.00</u>	<u>\$ 1,081,242.00</u>

IV. Exhibits (submit exhibits as detailed on the included checklist).

All information in this application and the Exhibits are true and complete to the best of my/our knowledge and are submitted to review by the *Cumberland Area Investment Corporation (CAIC) / Upper Cumberland Development District (UCDD)* so that it may decide whether to grant a loan or participate with a lending institution in a loan to me/us. I/We agree to pay for or reimburse the *CAIC/UCDD* for the cost of any surveys, title or mortgage examinations, appraisals, etc. performed, and all legal fees associated with the loan requested. *CAIC/UCDD* is authorized to make all inquiries necessary to verify the accuracy of information in any statements or schedules and to determine my/our creditworthiness for this requested loan. If the loan is not approved, the *CAIC/UCDD* shall have no liability for actions taken by me/us in anticipation of loan approval. I am aware that the *CAIC/UCDD* is subject to the Freedom of Information Act.

  
\_\_\_\_\_  
Signature  
**Jason Beaty**  
\_\_\_\_\_  
Printed Name  
**President**  
\_\_\_\_\_  
Title  
**5/19/2023**  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date



# HIGHLANDS

C A B I N E T S

**2023 Market Strategy**  
**Highlands Cabinets, Co.**



## 2023 Market Strategy Executive Summary Highlands Cabinets, Co.

### Business description

Highlands Cabinets, Co. (HC) is a cabinetry and specialty wood production and finishing facility that works primarily in the residential homes and marine interiors business sectors. Our 400% growth in sales over the past four years has not happened by organic growth of our custom cabinet line alone, we have also started selling other cabinet lines to offer our clients alternative price points along with growing our countertop sales. In addition, we have taken on a few kitchen and bath remodels as it often seems to come with the request for proposals. The newest addition to our product offering is our custom wood parts for marine interiors which are steady factory style production products for companies such as Sea Ray.

### Growth

It is now necessary to upgrade each area of production to meet our existing demand while maintaining and even increasing quality. Along with production increases it is also time to introduce HC to the public. I want to make a marketing push along with conducting a showroom makeover and obtaining new trucks for the delivery and install teams all with a unified message and graphics. With no marketing budget or any outreach other than word of mouth, we are starting 2023 with the largest number of open orders to date. We look to bolster our strong team and automate our existing manufacturing processes. By simplifying the process it will open up the available workforce needed to produce our product.

### Areas of investment and upgrades

- *Marketing* – We have identified a marketing firm that is excited to work with us on our brand for the website, social media and traditional strategies.
- *Showroom* – We built a new facility in 2022 and are ready to complete a showroom to display all of our product offerings.
- *Custom cabinet line*
  - Fabrication – New CNCs, edge banders, vacuum assisted lifting, etc
  - Finishing – New sprayers, vertical spray line, dryers, mixing areas, etc.
  - Assembly – Storage, material handling equipment
  - Delivery & Install – New trucks, material handling equipment, storage, signage
- *Marine* – 2023 will be our first full year of production for this division. Our production upgrades for cabinet manufacturing will carry over to this segment allowing us to grow our product offerings and customer base.
- *Remodeling division* – This is an area we would like to properly tool and staff to fill a need that we see everyday. Our clients are wanting a contractor to properly and fairly manage their job.

### Final thoughts

With additional manpower along with the capital investments mentioned, we look to grow HC's sales from this year's target of just over \$2 million to \$4 million in the next 2 years. We will do this by building on our already proven products and methods. For more information read our [2023 market strategy](#).



# HIGHLANDS

C A B I N E T S

## 2023 Market Strategy Highlands Cabinets, Co.

### *Index*

- Company Description
  - Mission Statement
  - Principle Members & Legal Structure
  - Business Description
  - Custom Cabinet Examples
  - Marine Product Examples
  - 2023 Sales Goal
- Areas of Investment
  - Marketing
  - Showroom
  - Remodeling
  - Manufacturing
- Final Thoughts





## Company description

### **Mission Statement**

To provide our clients with custom cabinets and specialty wood products that meet or exceed their expectations as a result of systematic planning and execution while implementing a culture of continuous improvement.

### **Principal Members & Legal Structure**

Jason Beaty - Owner

Justin Hill – Owner

Leah Gunnels – Designer

Brenda Provost – Office Manager

John Webb – Marine Products Manager

Highlands Cabinet Co., LLC is a member managed Tennessee Domestic Limited Liability Company established February 12, 2020. It is a partnership owned by Jason Beaty and Justin Hill. Jason is a Mechanical Engineering graduate from TTU with 17 years of experience in the aerospace industry prior to starting Highlands Cabinets. Justin is a graduate from the University of Tennessee with an MBA from TTU and comes from a background in the construction industry.

### **Business description**

Highlands Cabinets, Co. (HC) is a cabinetry and specialty wood production and finishing facility that works primarily in the residential homes and marine interiors business sectors. From 2019 to present we have been able to grow our sales over 400%. In the beginning it was all custom cabinet manufacturing. Since then, we have added other cabinet lines that complement our custom products.

These include Procraft, Showplace and Kitchen Cabinet

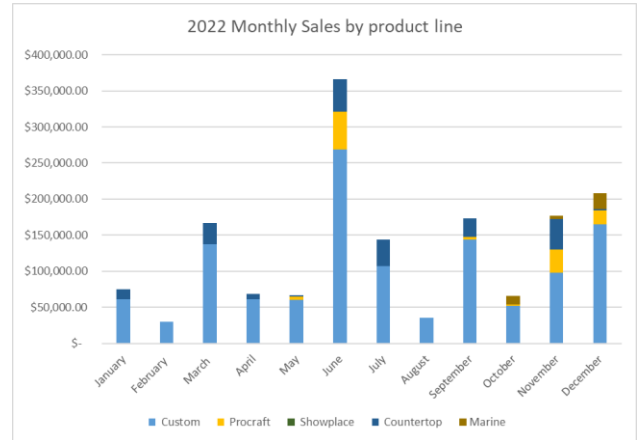
Distributors. To better serve our customers we now offer several lines of countertops including the best the industry has to offer. In the fourth of 2022, we started a new division selling custom wood products to the marine industry including clients such as Sea Ray, Harris Pontoon, and Front Runner. The marine prototyping and first piece approvals began in August and September of 2022. The initial effort was a strain on our resources and can be seen in the sales during that period.





From starting 2022 with 100% of our sales coming from custom cabinet production we ended 2022 with the following distribution:

Custom: \$1,221,000  
 Procraft: \$115,000  
 Showplace: \$35,000  
 Countertop: \$203,000  
 Marine: \$79,000



**Custom product examples:**

Cabinets, hoods, shelving, wood tops, doors, countertops:



**Marine product examples:**

Tables, door casings, teak steps, cabinets, trim:





## 2023 Sales Goal

Given the value of our booked sales to date we set our 2023 goal \$2,065,000. Along with a sales goal, we are setting and tracking gross margin goals per product line. Those targets are listed below.

	<u>Custom</u>	<u>Procraft</u>	<u>Showplace</u>	<u>Countertops</u>	<u>Marine</u>	<u>Total</u>
<u>2023 Sales goal</u>	\$1,350,000	\$100,000	\$100,000	\$225,000	\$240,000	\$2,065,000
<u>Gross Profit margin</u>	45%	35%	35%	15%	35%	
<u>YTD Annualized Performance</u>	\$843,541	\$198,805	\$249,404	\$146,370	\$609,492	\$2,047,619



To help achieve these goals, we made the following purchases in Q3 and Q4 of 2022.

<p><b><u>Fabrication:</u></b></p> <ul style="list-style-type: none"> <li>• Mattison 202 rip saw</li> <li>• Dust collection</li> <li>• Racks</li> <li>• Profimat 22N mold machine</li> <li>• GmbH Grinder</li> <li>• 2 Extrema pro series shaper tables</li> <li>• Tannewitz bandsaw</li> <li>• Woodmaster 25" planer</li> <li>• Sea Ray jam &amp; step mfg stations/processes</li> <li>• Brush sander</li> <li>• Inverted router table</li> <li>• Assembly tables</li> <li>• 25 hp compressor / dryer</li> </ul>	<p><b><u>Assembly:</u></b></p> <ul style="list-style-type: none"> <li>• Dedicated area with table</li> <li>• Air compressor</li> <li>• Drills, jigsaw, hand tools etc.</li> <li>• Omal hinge drill/insert machine</li> </ul> <p><b><u>Delivery &amp; Install:</u></b></p> <ul style="list-style-type: none"> <li>• 3 complete sets of install tools <ul style="list-style-type: none"> <li>○ Miter saw</li> <li>○ Drill, jigsaw, hand planer, etc</li> <li>○ Oscillating saw</li> <li>○ Drill bit and hole saw set</li> <li>○ Level and square</li> <li>○ Fasteners, anchors, tape, etc</li> <li>○ Hand tools</li> <li>○ Ladders</li> </ul> </li> <li>• 20' box trailer</li> </ul>
--	--



<b><u>Finishing:</u></b> <ul style="list-style-type: none"><li>• 2 infrared heater sets</li><li>• CA Technologies pump &amp; gun</li><li>• 2 new Finishing C.A. Tech cup guns</li><li>• Water based stain system</li><li>• Exterior finishing system</li><li>• Drying racks</li><li>• 2 chemical storage cabinets</li><li>• 30 hp compressor / dryer</li></ul>	<b><u>Showroom:</u></b> <ul style="list-style-type: none"><li>• Showplace display</li><li>• Procraft display</li><li>• Cambria display</li><li>• Silestone display</li><li>• Dekton display</li><li>• Part of Highlands Cabinets displays</li></ul>
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### **Areas of investment and upgrades**

It is now necessary to upgrade each area of production to meet our existing demand while maintaining and increasing quality. Along with production increases it is also time to introduce HC to the public. HC will make a marketing push along with conducting a showroom makeover and obtaining trucks for the delivery and install teams all with a unified message and graphics. With no marketing budget or any outreach other than word of mouth, we are starting 2023 with the largest number of open orders to date. We look to bolster our already strong team and automate our existing manufacturing processes. By increasing technology and simplifying each process, more members of the workforce would be qualified to work with us, decreasing our reliance on experienced craftsmen.



#### **Marketing: \$25,000**

- We have identified a marketing firm that is a good fit for our company to provide a holistic approach to our branding needs. From introduction to the local area to a nationwide presence in the marine industry.
- Onboarding
- Content creation
- Website and social media
- Branding on vehicles, clothing, billboards, etc.
- Promote new marine and remodeling divisions

#### **Showroom: \$50,000**

- Complete HC cabinet displays
  - Complete kitchen
  - Frameless displays
  - Design area
  - Center wall with pulls and additional cabinet displays
- Complete coffee bar
- Vanities
- Develop H.C. color standards and samples
- Exterior signage and entrance

#### **Remodeling division: \$100,000**

- Project manager: experienced manager in the construction field.
- Office
- Truck and tools
- Job staging storage: location to store all construction materials, appliances and cabinets before remodeling begins

#### **Manufacturing / custom cabinet line & marine products: \$325,000**

<b><u>Hire operations manager:</u></b> <ul style="list-style-type: none"><li>• Experienced ops manager with wood product manufacturing background. We have identified an individual in the \$90k salary range.</li><li>• Continued focus on design standards and pushing those standards to every area of the build process</li><li>• Continued implementation and training to our global manufacturing methodology</li></ul>	<b><u>Finishing:</u></b> <ul style="list-style-type: none"><li>• Backdraft damper/wall shutter</li><li>• Finish room operations manual</li><li>• Identify better handling and drying system for that space</li><li>• Optimize exhaust and filtering</li></ul> <b><u>Assembly:</u></b> <ul style="list-style-type: none"><li>• Storage containers for sprayed sets awaiting assembly</li><li>• Component assembly line system</li><li>• Standardized hardware in hinge install area</li><li>• Standardized guides &amp; clips</li><li>• Assembly guide for all types of construction</li></ul>
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**Fabrication:**

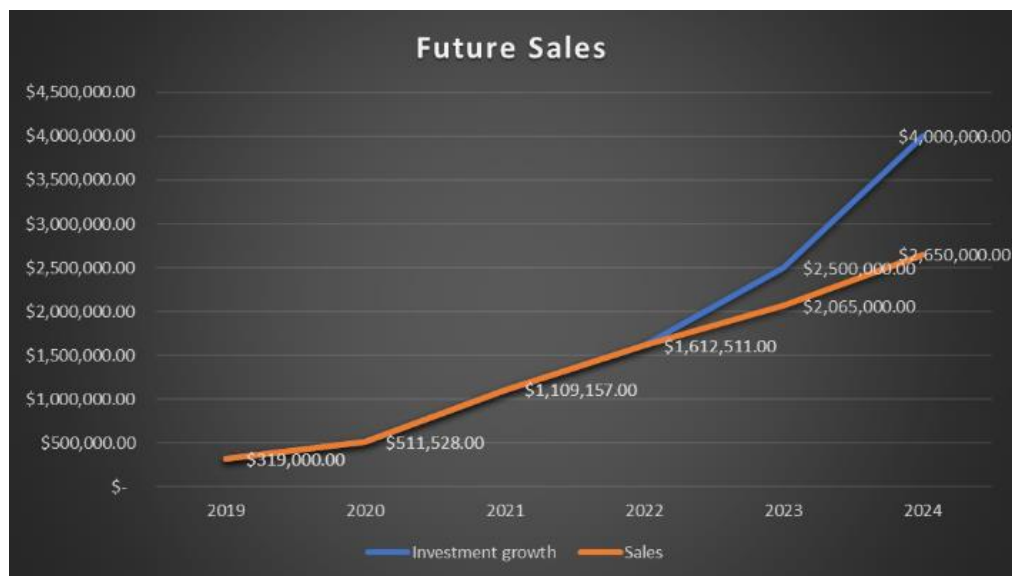
- New dust collection building
- Install electric to run new equipment
- Purchase CNC
- Automatic edge bander
- Individual table hand tools and repetitive layouts throughout
- Fabrication guide with standard production methods, cabinet details, and special items

**Delivery & Install:**

- Delivery truck w/ marketing logo with easy loading
- Better delivery system for installer tool kits
- Add marketing logo to 20' trailer
- Installation guide and standards

**Final thoughts**

With additional manpower along with the capital investments mentioned, we look to grow HC's sales from this year's target of just over \$2 million to \$4 million in the next 2 years at our gross margin targets. We will do this by building on our already proven products and methods.



# Highlands Cabinets Co., LLC

## Balance Sheet

As of June 9, 2023

Jun 9, 23

### ASSETS

#### Current Assets

##### Checking/Savings

One Bank of Tennessee 16,871.00

Total Checking/Savings 16,871.00

##### Accounts Receivable

11000 · Accounts Receivable 468,008.00

Total Accounts Receivable 468,008.00

##### Other Current Assets

11001 · Contra A/R 0.00

2120 · Payroll Asset 250.00

Total Other Current Assets 250.00

Total Current Assets 485,129.00

#### Fixed Assets

15000 · Furniture and Equipment 23,247.78

150001 · Shop Equipment 153,672.34

15200 · Vehicles 78,836.23

Total Fixed Assets 255,756.35

**TOTAL ASSETS 740,885.35**

### LIABILITIES & EQUITY

#### Liabilities

##### Current Liabilities

##### Accounts Payable

20000 · Accounts Payable 257,907.35

Total Accounts Payable 257,907.35

##### Other Current Liabilities

Line of Credit x1900 98,000.00

N/P - Dodge Truck 29,069.71

2110 · Direct Deposit Liabilities 657.15

24000 · Payroll Liabilities 1,097.33

Total Other Current Liabilities 128,824.19

Total Current Liabilities 386,731.54

Total Liabilities 386,731.54

#### Equity

32000 · Owners Equity 162,325.93

Net Income 191,827.88

Total Equity 354,153.81

**TOTAL LIABILITIES & EQUITY 740,885.35**

Highlands Cabinets Co., LLC  
2nd Quarter P and L

Job name	Date Sent	Act. Cost	Act Revenue	Differnce	%
<u>January</u>					
	1/10/2023	9,394.77	12,653.00	3,258.23	25.75%
	1/10/2023	2,243.35	3,908.10	1,664.75	42.60%
	1/10/2023	12,201.68	13,972.00	1,770.32	12.67%
	1/12/2023	1,695.31	3,129.30	1,433.99	45.82%
	1/13/2023	32,147.26	41,567.40	9,420.14	22.66%
	1/18/2023	11,157.52	15,413.40	4,255.88	27.61%
	1/23/2023	2,711.19	4,951.10	2,239.91	45.24%
	1/23/2023	21,711.50	35,736.30	14,024.80	39.25%
	1/24/2023	26,864.68	47,250.00	20,385.32	43.14%
	1/24/2023	255.72	237.00	-18.72	-7.90%
Sea Ray	January	13,997.59	25,067.97	11,070.38	44.16%
	1/31/2023	10,910.35	21,318.30	10,407.95	48.82%
	1/31/2023	622.08	1,212.50	590.42	48.69%
		145,913.00	226,416.37	80,503.37	35.56%
<u>February</u>					
	2/14/2023	1,212.26	2,368.70	1,156.44	48.82%
	2/20/2023	2,412.39	3,970.70	1,558.31	39.25%
Frontrunner 47	2/20/2023	6,634.64	10,449.50	3,814.86	36.51%
	2/24/2023	9,467.69	28,089.90	18,622.21	66.30%
	2/28/2023	3,671.15	4,155.00	483.85	11.65%
Pontoon	February	1,615.43	784.50	-830.93	-105.92%
Sea Ray	February	45,206.17	63,076.84	17,870.67	28.33%
		70,219.73	112,895.14	42,675.41	37.80%
<u>March</u>					
	3/6/2023	1,750.62	3,237.00	1,486.38	45.92%
	3/6/2023	2,738.24	4,287.20	1,548.96	36.13%
	3/6/2023	2,853.99	5,250.00	2,396.01	45.64%
	3/7/2023	4,569.76	9,877.00	5,307.24	53.73%
	3/16/2023	2,942.22	4,540.00	1,597.78	35.19%
	3/23/2023	80.74	750.40	669.66	89.24%
	3/23/2023	8.17	57.03	48.86	85.67%
	3/24/2023	3,615.75	4,872.60	1,256.85	25.79%
	3/24/2023	19,096.80	28,310.00	9,213.20	32.54%
	3/27/2023	5,060.99	12,446.00	7,385.01	59.34%
Pontoon	March	1,492.05	5,623.78	4,131.73	73.47%
	3/28/2023	33,750.00	38,085.00	4,335.00	11.38%
	3/28/2023	11,400.00	13,265.00	1,865.00	14.06%
	3/30/2023	1,239.72	3,572.60	2,332.88	65.30%
	3/30/2023	1,051.97	3,121.10	2,069.13	66.29%
	March	476.62	2,761.25	2,284.63	82.74%
Sea Ray	March	25,807.64	64,591.35	38,783.71	60.04%
		117,935.28	204,647.31	86,712.03	42.37%



Highlands Cabinets Co., LLC  
2nd Quarter P and L

1st QTR Totals	334,068.01	543,958.82	209,890.81	38.59%
Owners Draw			26,600.00	
SG&A			103,772.22	
Other			4,184.82	
Inventory			27,957.58	
<b>PROFIT</b>			<b>47,376.19</b>	
<i>Gross profit by product line</i>				
Custom	69,967.62	138,135.10	68,167.48	49.35%
Procraft	15,339.46	23,526.00	8,186.54	34.80%
Custom and Procraft	60,195.24	89,669.20	29,473.96	32.87%
Showplace	32,147.26	41,567.40	9,420.14	22.66%
Marine	88,118.88	170,401.37	82,282.49	48.29%
Counterops	66,945.13	76,449.00	9,503.87	12.43%
Other	1,354.42	4,210.75	2,856.33	67.83%
	334,068.01	543,958.82	209,890.81	38.59%



## ***APPRAISAL REPORT***

***OF***

### ***Light Manufacturing Facility***

1975 Browns Mill Road  
Map-Parcel 082-002.14  
Cookeville, TN 38506

### ***PREPARED FOR***

One Bank of Tennessee  
Attn: Bradley Bynum  
140 South Jefferson Avenue  
Cookeville, TN 38501

### ***AS OF***

December 28, 2021

### ***PREPARED BY***

David M. Mainord, MAI, AI-GRS  
Mainord & Associates  
167 West Main Street  
Cookeville, TN 38506-5336



December 29, 2021

One Bank of Tennessee  
Attn: Bradley Bynum  
140 South Jefferson Avenue  
Cookeville, TN 38501

Dear Mr. Bynum:

As you requested, I have inspected and prepared an appraisal report of the real property with improvements located at:

***Light Manufacturing Facility***

1975 Browns Mill Road  
Map-Parcel 082-002.14  
Cookeville, TN 38506

The purpose of this appraisal is to develop an opinion of the market value of the property described in the body of the appraisal report.

Enclosed is the appraisal report, which describes certain general and specific data, obtained and analyzed during my investigation of the property and market area. The methods of approach and reasoning in the valuation of the various physical, economic, and/or other features of the property are discussed at length in the body of the report. It is vital that the client, intended user, or any reader of this report, read the report in its entirety to gain full awareness of the subject, its market environment, and the basis of the appraisal prior to using the value opinion in a business, investment or underwriting decision. The value opinions expressed in this report is for the sole benefit of the above named client and the undersigned shall not be responsible to any other party relying on it. I intend no other uses or user. See COVID-19 statement on page 3.

As a result of this analysis, and the factors, which became pertinent, which include valuation trends and an analysis of the community and neighborhood data, leads me to an opinion of the **Market Value** of the property, in **Fee Simple**, in an "**As Is**" condition as of **December 28, 2021** to be:

**\$1,120,000 – As Is**  
**\$175,000. - Excess Land**

*Please note.* The opinions expressed in this report are contingent upon the Limiting Conditions and Appraiser's Certifications contained within the report. Any unusual features, factors, or conditions have been discussed in detail in the accompanying addenda.

Again, it has been my pleasure to assist you. If you have questions, or I may be of further assistance, please, call me. Thank you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jonathan Byrne".

**Jonathan Byrne**  
TN Certified General Appraiser  
CG: 5442



A handwritten signature in blue ink, appearing to read "David M. Mainord".

**David M. Mainord, MAI, AI-GRS**  
TN Certified General Appraiser  
CG: 1393



## Overview

### Salient Information

<i>Real Estate Appraised</i>	1975 Browns Mill Road, Cookeville, TN 38506 Map-Parcel 082-002.14
<i>County</i>	Putnam
<i>Estate Valued</i>	100% of the Fee Simple Estate
<i>Client</i>	One Bank of Tennessee – Bradley Bynum
<i>Client File Number</i>	None
<i>Most Likely Buyer</i>	Light Manufacturing Investor
<i>Borrower(s)</i>	Jason Beaty and Justin Hill
<i>Effective Value Date</i>	December 28, 2021
<i>Report Preparation Date</i>	December 28-29, 2021

<i>Value Indications</i>	Site Value	\$ 90,000.
	Excess Land	\$ 175,000.
	Cost Approach	\$ 1,140,000.
	Sales Comparison	\$ 1,100,000.
	Income Approach	\$ 1,050,000.

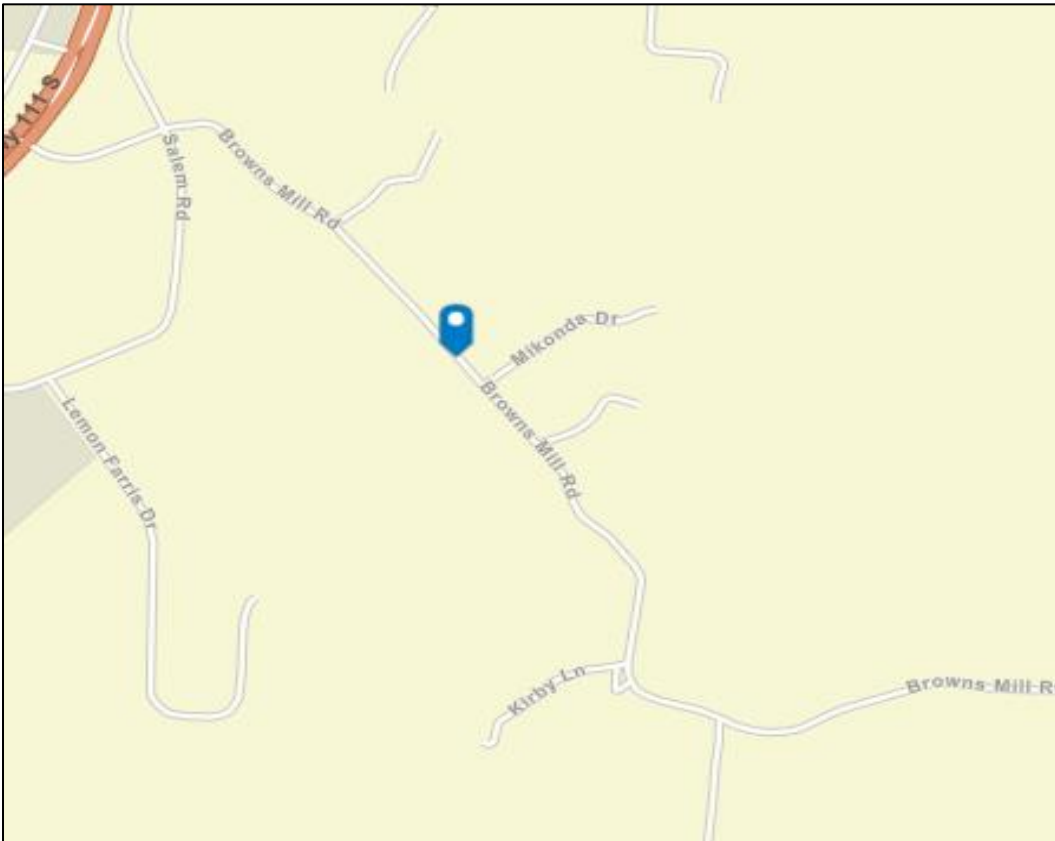
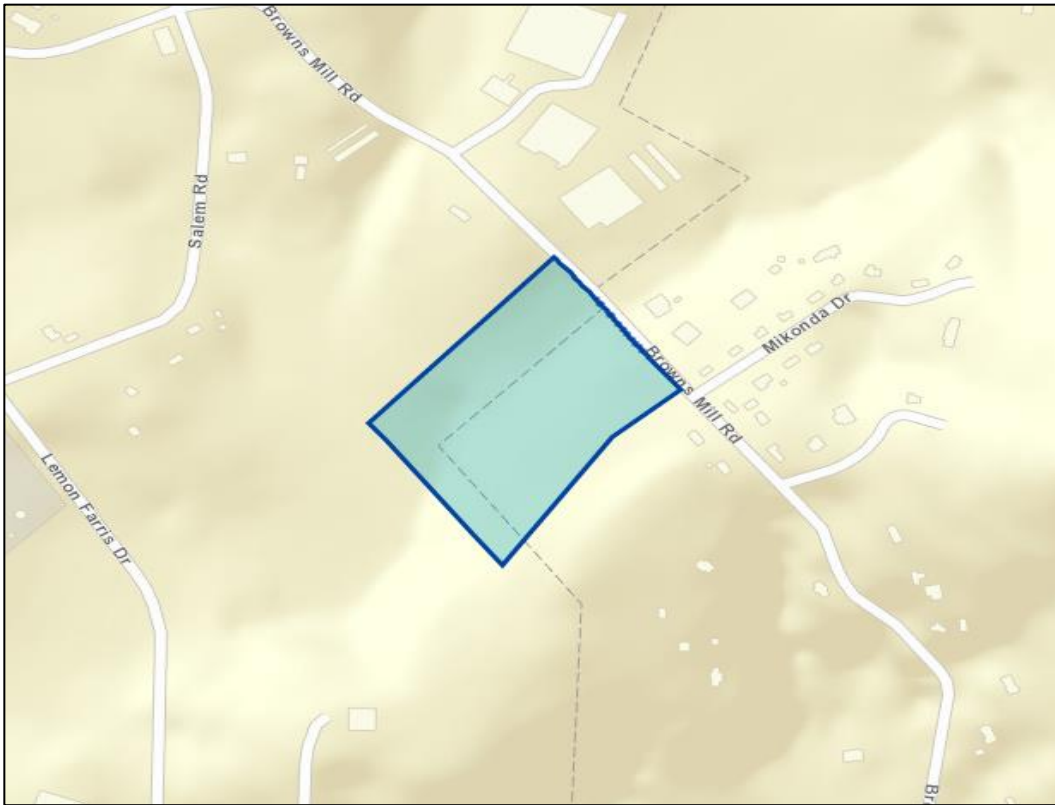
<b><i>Market Value</i></b>	<b>\$ 1,120,000.</b>	<b>As Is</b>
<b><i>Conclusions(s)</i></b>	<b>\$ 175,000.</b>	<b>Excess Land</b>

*The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.*

**Light Manufacturing Facility**

1975 Browns Mill Road

December 28, 2021







**Front and South Elevation**



**Front and North Elevation**



**Rear and North Elevation**



**Browns Mill Road Viewing Southeast**



**Browns Mill Road Viewing Northwest**



**Site**



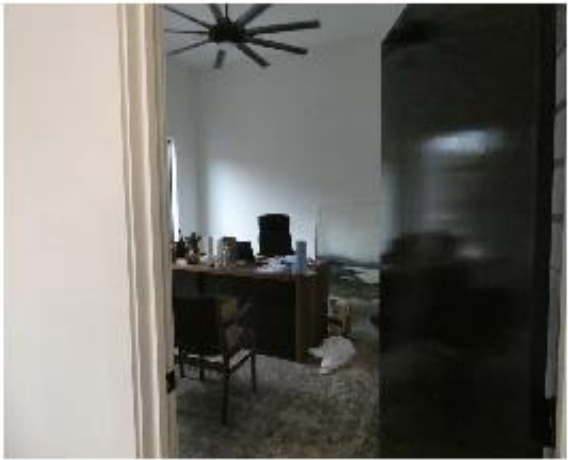
**Site**



**Lobby / Administrative**



**Lobby / Administrative**



**Office**



**Breakroom**

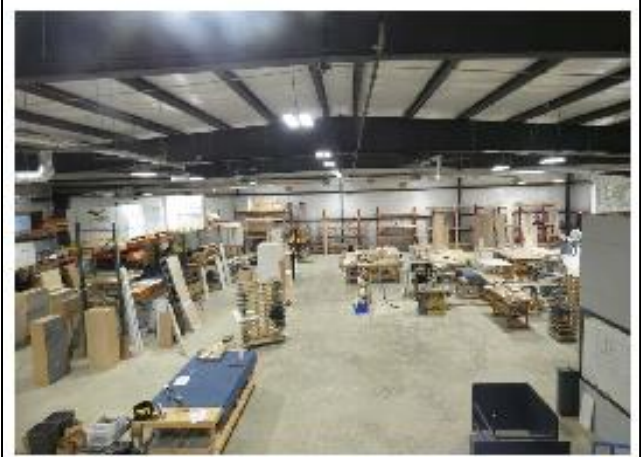


**Electrical Panel**





**Warehouse Area**



**Warehouse Area**



**Assembly**





## **Morbidelli N100 15 CR+ CNC Machining Center**

## Price

Machine Price	\$ 145,900.00
Special Machine Price (Delivered & Installed):	\$ 139,900.00
Tooling:	Nesting CNC Testing Kit Included (See Below)

## Terms of Payment

Terms of payment offered, or any terms agreed upon, are subject to credit approval. This offer is subject to SCM NORTH AMERICA General Terms and Conditions of Sale. Offer is subject to prior sale of the equipment. Quote expires in 30 days. Price quoted is for the machine as described above and is subject to change if the specifications for the machine are changed at the request of the buyer.

## Shipment

Shipment is subject to delay should changes be made to meet the requirements of purchaser from manufacturer's design specifications stated herein.

## Technician's Tool Kit for Machine Testing

The following complimentary tool kit is included with the machine purchase and is supplied for the SCM factory technician to utilize during testing of the equipment. This kit is specifically chosen for this CNC machine based on the essential tools required by the technician to safely equip, test, and calibrate the various working groups of the machine. This tool kit does not represent a complete tooling solution designed to fully occupy the machine's capacity nor is it intended to satisfy any customer's need for a tooling solution for a particular product application. SCM is proud to partner with *Guhdo* for our tooling needs. Please direct any questions to your SCM sales representative. (SCM Part No. 00F0903190B)

Qty	Gudho Part No.	Description of Item
1	6355.630.01	Tool Setup Fixture (Basic)
1	6367.200.00	HSK 63 Tool holder nut wrench
1	6367.032.00	ER 32 Collet Key for Torque Wrench
2	6375.632.10	HSK-63F ER32 A=70mm Tool holder
1	6363.190.00	3/4" ER32 Collet
1	6363.130.00	1/2" ER32 Collet
1	6246.800.34	80 X 12 X 3/4 " Z3 Spoilboard Fly Cutter
1	6229.500.16	1/2 X 1-1/4 X 3 X 3/16 Compression bit
5	6024.050.10	5mm X 70 RH Brad Point Bit
5	6024.050.11	5mm X 70 LH Brad Point Bit
1	6024.080.10	8mm X 70 RH Brad Point Bit
1	6024.080.11	8mm X 70 LH Brad Point Bit

J & G MACHINERY  
2127 BOONE TRAIL RD  
SANFORD, NC 27330  
USA

Telephone: 919-776-8341

# Sales Order

Sales Order No.	109107-A
Customer No.	HCA131

## Bill To

HIGHLANDS CABINETS COMPANY, LLC  
1975 Browns Mill Rd  
Cookeville, TN 38506  
US

Contact: Jason Beaty

E-mail: [jbeaty@highlandscabinets.com](mailto:jbeaty@highlandscabinets.com)

## Ship To

HIGHLANDS CABINETS COMPANY, LLC  
1975 Browns Mill Rd  
Cookeville, TN 38506  
US

Contact: Jason Beaty

Telephone: 931-526-9836

Order Date	Ship Via		F.O.B.	Customer PO Number	Payment Method	
04/21/23	BEST WAY		ORIGIN	JASON BEATY	SEE BELOW	
Entered By		Salesperson		Ordered By	Tax Exemption Number	
Carol Cockman		STEVE MCGHEE		JASON BEATY		
Order Quantity	Open Quantity	Ship Qty	Item Number / Description		Unit Price	Extended Price
1	1		SCM-N10015CR+~ U of M : EACH *		138,900.00	138,900.00
			NEW SCM MORBIDELLI N100 15 CR+ CNC ROUTER			
			S/N: AH00004717 (R085301)			
			SPECIFICATIONS AS PER QUOTE DATED 10/25/22			
			WIRED: 208/230/460 V 3-Phase (Multi-Tap Transformer)			
1	1		SCM-K230TE-EVO U of M : EACH *		43,400.00	43,400.00
			NEW SCM OLIMPIC K230TE EVO EDGEBANDER			
			S/N: AB00026535 (R045901)			
			SPECIFICATIONS AS PER QUOTE DATED 10/25/22			
			WIRED: 230 V SINGLE PHASE			
1	1		SMIJOWAT280.30 U of M : EACH		251.00	0.00
			JOWATHERM 280.30 GLUE, NATURAL 44 LB BAG, PELLETIZED		<100.00 %>	
1	1		NED-S1000 U of M : EACH		10,030.00	10,030.00
			NEW NEDERMAN S-1000 DUST COLLECTOR			
			SPECIFICATIONS AS PER QUOTE DATED 10/25/22			
			VOLTAGE: 208-230/460V 3-PHASE			
			STARTER NOT INCLUDED - A STARTER MUST BE ORDERED ACCORDING TO YOUR VOLTAGE.			
1	1		NED-89115521 U of M : EACH		870.00	870.00
			NEW NEDERMAN 10HP 3PH 208-230V PB STARTER			
1	1		INSTALLATION U of M : EACH		0.00	0.00
			INSTALLATION CHARGE			
			(INCLUDED IN SALE OF SCM MACHINES ONLY)			
1	1		SHIPMACHINES U of M : EACH		0.00	0.00
			FREIGHT (INCLUDED IN SALE)			

Print Date	04/21/23
Print Time	09:53:37 AM
Page No.	1

Printed By: Carol Cockman

Continued on Next Page



A Division of Würth Baer Supply Company

J & G MACHINERY

2127 BOONE TRAIL RD

SANFORD, NC 27330

USA

Telephone: 919-776-8341

## Sales Order

Sales Order No.	109107-A
Customer No.	HCA131

<b>Bill To</b>
----------------

HIGHLANDS CABINETS COMPANY, LLC  
1975 Browns Mill Rd  
Cookeville, TN 38506  
US

Contact: Jason Beaty

E-mail: jbeaty@highlandscabinets.com

<b>Ship To</b>
----------------

HIGHLANDS CABINETS COMPANY, LLC  
1975 Browns Mill Rd  
Cookeville, TN 38506  
US

Contact: Jason Beaty

Telephone: 931-526-9836

Order Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
04/21/23	BEST WAY	ORIGIN	JASON BEATY	SEE BELOW	
Entered By		Salesperson	Ordered By	Tax Exemption Number	
Carol Cockman		STEVE MCGHEE	JASON BEATY		
Order Quantity	Open Quantity	Ship Qty	Item Number / Description	Unit Price	Extended Price
			<div>ORDERCONFIRM</div> <div>U of M : EACH</div> <div>Thank you for your order!</div> <div>Please review this sales order and sign to verify that the address, items, quantities, voltage and pricing are correct. Your signature confirms your acceptance of this sales order and is required to complete your order.</div> <div>*Return by fax to 919-775-3667 or by e-mail*</div> <div>*****Authorized Signature*****</div> <div>TERMS:</div> <div>90% DUE WITH ORDER - DUE NOW @ \$ 190,833.30</div> <div>10% DUE UPON INSTALLATION @ \$ 21,203.70</div>		

Print Date	04/21/23
Print Time	09:53:37 AM
Page No.	2

Amount Shipped	0.00
Open Order	193,200.00

Subtotal	193,200.00
Sales Tax	18,837.00
Order Total	212,037.00

Printed By: Carol Cockman

## U.S. Return of Partnership Income

Department of the Treasury  
Internal Revenue ServiceFor calendar year 2020, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

2020

<b>A</b> Principal business activity  <b>CABINET SHOP</b>  <b>B</b> Principal product or service  <b>CUSTOM CABINETS</b>  <b>C</b> Business code number <b>238300</b>	Type or Print	Name of partnership <b>HIGHLANDS CABINET LLC</b>  Number, street, and room or suite no. If a P.O. box, see instructions. <b>1805 BURGESS FALLS RD</b>  City or town, state or province, country, and ZIP or foreign postal code <b>COOKEVILLE TN 38506</b>	<b>D</b> Employer identification number <b>**-*****</b>  <b>E</b> Date business started <b>01/01/2020</b>  <b>F</b> Total assets <b>\$ 580,858.</b>
--	---------------------	---	--

**G** Check applicable boxes: (1) ☒ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return  
**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ \_\_\_\_\_  
**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **2**  
**J** Check if Schedules C and M-3 are attached ..... ▶ ☐  
**K** Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

<b>Income</b>	1a Gross receipts or sales .....	1a	761,412.		
	b Returns and allowances .....	1b			
	c Balance. Subtract line 1b from line 1a .....			1c	761,412.
	2 Cost of goods sold (attach Form 1125-A) .....			2	360,827.
	3 Gross profit. Subtract line 2 from line 1c .....			3	400,585.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) .....			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040)) .....			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) .....			6	
<b>Deductions</b> <small>(see instructions for limitations)</small>	7 Other income (loss) (attach statement) .....			7	
	8 <b>Total income (loss).</b> Combine lines 3 through 7 .....			8	400,585.
	9 Salaries and wages (other than to partners) (less employment credits) .....			9	213,958.
	10 Guaranteed payments to partners .....			10	72,000.
	11 Repairs and maintenance .....			11	7,691.
	12 Bad debts .....			12	
	13 Rent .....			13	30,000.
	14 Taxes and licenses .....			14	
	15 Interest (see instructions) .....			15	15,049.
	16a Depreciation (if required, attach Form 4562) .....	16a	16,689.		
	b Less depreciation reported on Form 1125-A and elsewhere on return .....	16b		16c	16,689.
17 Depletion ( <b>Do not deduct oil and gas depletion.</b> ) .....			17		
18 Retirement plans, etc. ....			18		
19 Employee benefit programs .....			19		
20 Other deductions (attach statement) <b>SEE STATEMENT 1</b> .....			20	76,715.	
21 <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20 .....			21	432,102.	
22 <b>Ordinary business income (loss).</b> Subtract line 21 from line 8 .....			22	-31,517.	
<b>Tax and Payments</b>	23 Interest due under the look-back method-completed long-term contracts (attach Form 8697) .....			23	
	24 Interest due under the look-back method-income forecast method (attach Form 8866) .....			24	
	25 BBA AAR imputed underpayment (see instructions) .....			25	
	26 Other taxes (see instructions) .....			26	
	27 <b>Total balance due.</b> Add lines 23 through 26 .....			27	
	28 Payment (see instructions) .....			28	
	29 <b>Amount owed.</b> If line 28 is smaller than line 27, enter amount owed .....			29	
	30 <b>Overpayment.</b> If line 28 is larger than line 27, enter overpayment .....			30	

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.		▶	Date	
	Signature of partner or limited liability company member				

May the IRS discuss this return with the preparer shown below? See instr. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>STEWART D LEFTWICH,</b>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN <b>P00368661</b>
	Firm's name ▶ <b>HUGH E BAILEY &amp; ASSOCIATES, PLLC</b>				Firm's EIN ▶ <b>**-*****</b>
	Firm's address ▶ <b>P.O. BOX 999 COOKEVILLE, TN 38503</b>				Phone no. <b>931-526-9726</b>

**Schedule B Other Information**

<b>1</b>	What type of entity is filing this return? Check the applicable box:	<b>Yes</b>	<b>No</b>
<b>a</b>	<input type="checkbox"/> Domestic general partnership		
<b>b</b>	<input type="checkbox"/> Domestic limited partnership		
<b>c</b>	<input checked="" type="checkbox"/> Domestic limited liability company		
<b>d</b>	<input type="checkbox"/> Domestic limited liability partnership		
<b>e</b>	<input type="checkbox"/> Foreign partnership		
<b>f</b>	<input type="checkbox"/> Other ►		

<b>2</b>	At the end of the tax year:		
<b>a</b>	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership .....		<b>X</b>
<b>b</b>	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership .....	<b>X</b>	

<b>3</b>	At the end of the tax year, did the partnership:		
<b>a</b>	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below .....		<b>X</b>

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

<b>b</b>	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below .....		<b>X</b>
----------	---	--	----------

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

<b>4</b>	Does the partnership satisfy <b>all four</b> of the following conditions?	<b>Yes</b>	<b>No</b>
<b>a</b>	The partnership's total receipts for the tax year were less than \$250,000.		
<b>b</b>	The partnership's total assets at the end of the tax year were less than \$ 1 million.		
<b>c</b>	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
<b>d</b>	The partnership is not filing and is not required to file Schedule M-3 .....		<b>X</b>
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.		

<b>5</b>	Is this partnership a publicly traded partnership, as defined in section 469(k)(2)? .....		<b>X</b>
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<b>6</b>	During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? .....		<b>X</b>
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<b>7</b>	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? .....		<b>X</b>
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<b>8</b>	At any time during calendar year 2020, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ►		<b>X</b>
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<b>9</b>	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions .....		<b>X</b>
----------	--	--	----------

<b>10 a</b>	Is the partnership making, or had it previously made (and not revoked), a section 754 election? .....		<b>X</b>
	See instructions for details regarding a section 754 election.		
<b>b</b>	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions .....		<b>X</b>

**Schedule B Other Information (continued)**

	Yes	No
<b>c</b> Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		<b>X</b>
<b>11</b> Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year)		
<b>12</b> At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		<b>X</b>
<b>13</b> If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions		
<b>14</b> Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership		<b>X</b>
<b>15</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return		
<b>16 a</b> Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions	<b>X</b>	
<b>b</b> If "Yes," did you or will you file required Form(s) 1099?	<b>X</b>	
<b>17</b> Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return		
<b>18</b> Enter the number of partners that are foreign governments under section 892		
<b>19</b> During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		<b>X</b>
<b>20</b> Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938...		<b>X</b>
<b>21</b> Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		<b>X</b>
<b>22</b> During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions		<b>X</b>
If "Yes," enter the total amount of the disallowed deductions		\$
<b>23</b> Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		<b>X</b>
<b>24</b> Does the partnership satisfy one or more of the following? See instructions		<b>X</b>
<b>a</b> The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
<b>b</b> The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest.		
<b>c</b> The partnership is a tax shelter (see instructions) and the partnership has business interest expense.		
If "Yes" to any, complete and attach Form 8990.		
<b>25</b> Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions	<b>X</b>	
If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3		2.
If "No," complete Designation of Partnership Representative below.		

**Designation of Partnership Representative** (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR

U.S. address of PR

U.S. phone  
number of PR

If the PR is an entity, name of the designated individual for the PR

U.S. address of  
designated  
individualU.S. phone  
number of  
designated  
individual

<b>26</b> Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund?		<b>X</b>
If "Yes," enter the amount from Form 8996, line 16		\$
<b>27</b> Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership		
<b>28</b> At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		<b>X</b>
<b>29</b> Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions.		
Percentage:	By Vote	By Value
		<b>X</b>

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-31,517.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments: a Services 4a 72,000. b Capital 4b	4c	72,000.
	c Total. Add lines 4a and 4b	4c	72,000.
	5 Interest income SEE STATEMENT 2	5	81.
	6 Dividends and dividend equivalents: a Ordinary dividends	6a	
	b Qualified dividends 6b c Dividend equivalents 6c		
	7 Royalties	7	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	40,483.
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	400,585.
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Reserved for future use ▶ e Foreign branch category ▶	16e	
	f Passive category ▶ g General category ▶ h Other ▶	16h	
	Deductions allocated and apportioned at partner level		
	i Interest expense ▶ j Other ▶	16j	
	Deductions allocated and apportioned at partnership level to foreign source income		
	k Reserved for future use ▶ l Foreign branch category ▶	16l	
	m Passive category ▶ n General category ▶ o Other ▶	16o	
	p Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16p	
	q Reduction in taxes available for credit (attach statement)	16q	
r Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income SEE STATEMENT 3	18b	35,848.
	c Nondeductible expenses SEE STATEMENT 4	18c	964.
	19a Distributions of cash and marketable securities	19a	10,300.
	b Distributions of other property	19b	
	20a Investment income	20a	81.
b Investment expenses	20b		
c Other items and amounts (attach statement) STMT 5			



**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p						<b>1</b>	<b>40,564.</b>
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners							
b Limited partners		<b>40,564.</b>					

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		-6,569.		5,483.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 6	202,813.		278,790.
7a Loans to partners (or persons related to partners)				
b Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	16,861.		172,109.	
b Less accumulated depreciation	3,801.	13,060.	20,490.	151,619.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				144,966.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		209,304.		580,858.
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable in 1 year or more		226,528.		523,051.
20 Other liabilities (attach statement)				
21 Partners' capital accounts		-17,224.		57,807.
22 Total liabilities and capital		209,304.		580,858.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The partnership may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	3,448.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)	72,000.	STMT 8	35,848.
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		7 Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$	964.	8 Add lines 6 and 7	35,848.
5 Add lines 1 through 4	76,412.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	40,564.

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	-17,224.	6 Distributions: a Cash	10,300.
2 Capital contributed: a Cash	81,883.	b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	3,448.	8 Add lines 6 and 7	10,300.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	57,807.
5 Add lines 1 through 4	68,107.		

**Schedule K-1  
(Form 1065)**Department of the Treasury  
Internal Revenue Service**2020**

For calendar year 2020, or tax year

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

beginning

ending

**Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number  
\*\*-\*\*\*\*\***B** Partnership's name, address, city, state, and ZIP codeHIGHLANDS CABINET LLC  
1805 BURGESS FALLS RD  
COOKEVILLE, TN 38506**C** IRS Center where partnership filed return ▶  
**E-FILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)  
\*\*\*-\*\*-\*\*\*\***F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.JASON BEATY  
536 WINDROWE DRIVE  
COOKEVILLE, TN 38506**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H1** ☒ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN \_\_\_\_\_ Name \_\_\_\_\_

**I1** What type of entity is this partner? **INDIVIDUAL****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	60.0000000%	60.0000000%
Loss	60.0000000%	60.0000000%
Capital	60.0000000%	60.0000000%

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$ 135,917.	\$ 313,831.

☐ Check this box if Item K includes liability amounts from lower tier partnerships.**L Partner's Capital Account Analysis****SEE STATEMENT**

Beginning capital account	\$	-17,224.
Capital contributed during the year	\$	
Current year net income (loss)	\$	2,070.
Other increase (decrease) (attach explanation)	\$	
Withdrawals & distributions	\$	(10,300.)
Ending capital account	\$	-25,454.

**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No If "Yes," attach statement. See instructions.**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$	
Ending	\$	

**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss)	-18,910.	<b>15</b> Credits	
<b>2</b> Net rental real estate income (loss)		<b>16</b> Foreign transactions	
<b>3</b> Other net rental income (loss)			
<b>4a</b> Guaranteed payments for services	36,000.		
<b>4b</b> Guaranteed payments for capital			
<b>4c</b> Total guaranteed payments	36,000.	<b>17</b> Alternative min tax (AMT) items	
<b>5</b> Interest income	49.		
<b>6a</b> Ordinary dividends		<b>18</b> Tax-exempt income and nondeductible expenses	
<b>6b</b> Qualified dividends		<b>B*</b>	21,509.
<b>6c</b> Dividend equivalents		<b>C*</b>	578.
<b>7</b> Royalties		<b>19</b> Distributions	
<b>8</b> Net short-term capital gain (loss)		<b>A</b>	10,300.
<b>9a</b> Net long-term capital gain (loss)		<b>20</b> Other information	
<b>9b</b> Collectibles (28%) gain (loss)		<b>A</b>	49.
<b>9c</b> Unrecaptured section 1250 gain		<b>N*</b>	9,029.
<b>10</b> Net section 1231 gain (loss)		<b>Z*</b>	STMT
<b>11</b> Other income (loss)		<b>AH*</b>	STMT
<b>12</b> Section 179 deduction			
<b>13</b> Other deductions			
<b>14</b> Self-employment earnings (loss)			
<b>A</b>	17,090.		
<b>C</b>	240,351.		
<b>21</b> <input type="checkbox"/> More than one activity for at-risk purposes*			
<b>22</b> <input type="checkbox"/> More than one activity for passive activity purposes*			

\*See attached statement for additional information.

For IRS Use Only

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SCHEDULE K-1 OTHER TAX-EXEMPT INCOME, BOX 18, CODE B

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
PPP LOAN FORGIVEN		21,509.
TOTAL TO SCHEDULE K-1, BOX 18, CODE B		21,509.

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SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	NONDEDUCTIBLE PORTION	578.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		578.

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SCHEDULE K-1 BUSINESS INTEREST EXPENSE, BOX 20, CODE N

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
BUSINESS INTEREST EXPENSE (INCLUDED IN ORDINARY BUSINESS INCOME (LOSS))	SEE PARTNERS INSTRUCTIONS	9,029.
TOTAL TO SCHEDULE K-1, BOX 20, CODE N		9,029.

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SCHEDULE K-1 SECTION 199A INFORMATION, BOX 20, CODE Z

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DESCRIPTION	AMOUNT
TRADE OR BUSINESS - CABINET BUSINESS	
ORDINARY INCOME (LOSS)	-18,910.
SELF-EMPLOYMENT EARNINGS(LOSS)	17,090.
W-2 WAGES	128,373.
UNADJUSTED BASIS OF ASSETS	103,265.

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SCHEDULE K-1 SECTION 199A ADDITIONAL INFORMATION

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THE SECTION 199A AMOUNTS TO BE USED IN THE CALCULATION OF QUALIFIED BUSINESS INCOME DEDUCTION ON YOUR 1040/1041 RETURN ARE REPORTED ON LINE 20, UNDER CODE Z. PLEASE CONSULT YOUR TAX ADVISOR REGARDING THE CALCULATION OF THE QUALIFIED BUSINESS INCOME DEDUCTION, INCLUDING THE POSSIBLE AGGREGATIONS AND LIMITATIONS THAT MAY APPLY AND THE FILING OF THE 1.199A-4(C)(2)(I) ANNUAL DISCLOSURE STATEMENT.

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SCHEDULE K-1 OTHER INFORMATION, BOX 20, CODE AH

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
01-01 ADJUSTED TAX BASIS		118,493.
12-31 ADJUSTED TAX BASIS		288,377.

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SCHEDULE K-1 ITEM L. PARTNER'S CAPITAL ACCOUNT ANALYSIS

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BEGINNING CAPITAL ACCOUNT METHOD USED - TAX BASIS

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SCHEDULE K-1 ELECTION UNDER SECTION 1101(G)(4) OF BBA

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HIGHLANDS CABINET LLC HAS MADE THE ELECTION OUT OF THE CENTRALIZED PARTNERSHIP AUDIT REGIME UNDER SECTION 6221(B) FOR THE YEAR ENDING DECEMBER 31, 2020.

**Schedule K-1  
(Form 1065)**Department of the Treasury  
Internal Revenue Service**2020**

For calendar year 2020, or tax year

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

beginning

ending

**Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number

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**B** Partnership's name, address, city, state, and ZIP codeHIGHLANDS CABINET LLC  
1805 BURGESS FALLS RD  
COOKEVILLE, TN 38506**C** IRS Center where partnership filed return ▶**E-FILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

\*\*\*-\*\*-\*\*\*\*

**F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.

OLIVER J HILL

1552 BARNES DRIVE

COOKEVILLE, TN 38501

**G** ☒ General partner or LLC  
member-manager☐ Limited partner or other LLC  
member**H1** ☒ Domestic partner☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN \_\_\_\_\_ Name \_\_\_\_\_

**I1** What type of entity is this partner? **INDIVIDUAL****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	40.0000000%	40.0000000%
Loss	40.0000000%	40.0000000%
Capital	40.0000000%	40.0000000%

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$ 90,611.	\$ 209,220.

☐ Check this box if Item K includes liability amounts from lower tier partnerships.**L Partner's Capital Account Analysis****SEE STATEMENT**

Beginning capital account	\$	
Capital contributed during the year	\$	81,883.
Current year net income (loss)	\$	1,378.
Other increase (decrease) (attach explanation)	\$	
Withdrawals & distributions	\$(	
Ending capital account	\$	83,261.

**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No If "Yes," attach statement. See instructions.**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$	
Ending	\$	

**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss)	-12,607.	<b>15</b> Credits	
<b>2</b> Net rental real estate income (loss)		<b>16</b> Foreign transactions	
<b>3</b> Other net rental income (loss)			
<b>4a</b> Guaranteed payments for services	36,000.		
<b>4b</b> Guaranteed payments for capital			
<b>4c</b> Total guaranteed payments	36,000.	<b>17</b> Alternative min tax (AMT) items	
<b>5</b> Interest income	32.		
<b>6a</b> Ordinary dividends		<b>18</b> Tax-exempt income and nondeductible expenses	
<b>6b</b> Qualified dividends		<b>B*</b>	14,339.
<b>6c</b> Dividend equivalents		<b>C*</b>	386.
<b>7</b> Royalties		<b>19</b> Distributions	
<b>8</b> Net short-term capital gain (loss)		<b>20</b> Other information	
<b>9a</b> Net long-term capital gain (loss)		<b>A</b>	32.
<b>9b</b> Collectibles (28%) gain (loss)		<b>N*</b>	6,020.
<b>9c</b> Unrecaptured section 1250 gain		<b>Z*</b>	STMT
<b>10</b> Net section 1231 gain (loss)			
<b>11</b> Other income (loss)			
<b>12</b> Section 179 deduction			
<b>13</b> Other deductions			
<b>14</b> Self-employment earnings (loss)			
<b>A</b>	23,393.		
<b>C</b>	160,234.		
<b>21</b> <input type="checkbox"/> More than one activity for at-risk purposes*			
<b>22</b> <input type="checkbox"/> More than one activity for passive activity purposes*			

\*See attached statement for additional information.

For IRS Use Only

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SCHEDULE K-1 OTHER TAX-EXEMPT INCOME, BOX 18, CODE B

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
PPP LOAN FORGIVEN		14,339.
TOTAL TO SCHEDULE K-1, BOX 18, CODE B		14,339.

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SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	NONDEDUCTIBLE PORTION	386.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		386.

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SCHEDULE K-1 BUSINESS INTEREST EXPENSE, BOX 20, CODE N

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
BUSINESS INTEREST EXPENSE (INCLUDED IN ORDINARY BUSINESS INCOME (LOSS))	SEE PARTNERS INSTRUCTIONS	6,020.
TOTAL TO SCHEDULE K-1, BOX 20, CODE N		6,020.

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SCHEDULE K-1 SECTION 199A INFORMATION, BOX 20, CODE Z

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DESCRIPTION	AMOUNT
TRADE OR BUSINESS - CABINET BUSINESS	
ORDINARY INCOME (LOSS)	-12,607.
SELF-EMPLOYMENT EARNINGS(LOSS)	23,393.
W-2 WAGES	85,585.
UNADJUSTED BASIS OF ASSETS	68,844.

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SCHEDULE K-1                      SECTION 199A ADDITIONAL INFORMATION

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THE SECTION 199A AMOUNTS TO BE USED IN THE CALCULATION OF QUALIFIED BUSINESS INCOME DEDUCTION ON YOUR 1040/1041 RETURN ARE REPORTED ON LINE 20, UNDER CODE Z. PLEASE CONSULT YOUR TAX ADVISOR REGARDING THE CALCULATION OF THE QUALIFIED BUSINESS INCOME DEDUCTION, INCLUDING THE POSSIBLE AGGREGATIONS AND LIMITATIONS THAT MAY APPLY AND THE FILING OF THE 1.199A-4(C)(2)(I) ANNUAL DISCLOSURE STATEMENT.

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SCHEDULE K-1                      ITEM L. PARTNER'S CAPITAL ACCOUNT ANALYSIS

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BEGINNING CAPITAL ACCOUNT METHOD USED - TAX BASIS

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SCHEDULE K-1                      ELECTION UNDER SECTION 1101(G)(4) OF BBA

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HIGHLANDS CABINET LLC HAS MADE THE ELECTION OUT OF THE CENTRALIZED PARTNERSHIP AUDIT REGIME UNDER SECTION 6221(B) FOR THE YEAR ENDING DECEMBER 31, 2020.

## U.S. Return of Partnership Income

Department of the Treasury  
Internal Revenue ServiceFor calendar year 2021, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

2021

<b>A</b> Principal business activity <b>CABINET SHOP</b>	<b>Type or Print</b>	Name of partnership <b>HIGHLANDS CABINET LLC</b>	<b>D</b> Employer identification number <b>**-*****</b>
<b>B</b> Principal product or service <b>CUSTOM CABINETS</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>1805 BURGESS FALLS RD</b>	<b>E</b> Date business started <b>01/01/2020</b>
<b>C</b> Business code number <b>238300</b>		City or town, state or province, country, and ZIP or foreign postal code <b>COOKEVILLE TN 38506</b>	<b>F</b> Total assets <b>\$ 852,877.</b>

**G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **2**

**J** Check if Schedules C and M-3 are attached ▶ ☐

**K** Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>	<b>1,168,926.</b>	
	<b>b</b> Returns and allowances	<b>1b</b>		
	<b>c</b> Balance. Subtract line 1b from line 1a			<b>1c 1,168,926.</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>2 718,445.</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3 450,481.</b>
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))			<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>6</b>
<b>7</b> Other income (loss) (attach statement)			<b>7</b>	
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7			<b>8 450,481.</b>	
<b>Deductions</b> (see instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)			<b>9 294,588.</b>
	<b>10</b> Guaranteed payments to partners			<b>10 102,000.</b>
	<b>11</b> Repairs and maintenance			<b>11 5,674.</b>
	<b>12</b> Bad debts			<b>12</b>
	<b>13</b> Rent			<b>13 15,000.</b>
	<b>14</b> Taxes and licenses			<b>14</b>
	<b>15</b> Interest (see instructions)			<b>15 27,386.</b>
	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>	<b>61,783.</b>	
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>		<b>16c 61,783.</b>
	<b>17</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> )			<b>17</b>
	<b>18</b> Retirement plans, etc.			<b>18</b>
<b>19</b> Employee benefit programs			<b>19</b>	
<b>20</b> Other deductions (attach statement) <b>SEE STATEMENT 1</b>			<b>20 115,198.</b>	
<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20			<b>21 621,629.</b>	
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8			<b>22 -171,148.</b>	
<b>Tax and Payments</b>	<b>23</b> Interest due under the look-back method-completed long-term contracts (attach Form 8697)			<b>23</b>
	<b>24</b> Interest due under the look-back method-income forecast method (attach Form 8866)			<b>24</b>
	<b>25</b> BBA AAR imputed underpayment (see instructions)			<b>25</b>
	<b>26</b> Other taxes (see instructions)			<b>26</b>
	<b>27</b> <b>Total balance due.</b> Add lines 23 through 26			<b>27</b>
	<b>28</b> Payment (see instructions)			<b>28</b>
	<b>29</b> <b>Amount owed.</b> If line 28 is smaller than line 27, enter amount owed			<b>29</b>
	<b>30</b> <b>Overpayment.</b> If line 28 is larger than line 27, enter overpayment			<b>30</b>

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.	
	Signature of partner or limited liability company member	Date

May the IRS discuss this return with the preparer shown below? See instr. <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
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<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>GARY D LEFTWICH, CPA</b>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN <b>P00076118</b>
	Firm's name ▶ <b>HUGH E BAILEY &amp; ASSOCIATES, PLLC</b>	Firm's EIN ▶ <b>**-*****</b>			
	Firm's address ▶ <b>COOKEVILLE, TN 38503</b>	Phone no. <b>931-526-9726</b>			



**Schedule B Other Information**

<b>1</b>	What type of entity is filing this return? Check the applicable box:	<b>Yes</b>	<b>No</b>
<b>a</b>	<input type="checkbox"/> Domestic general partnership		
<b>b</b>	<input type="checkbox"/> Domestic limited partnership		
<b>c</b>	<input checked="" type="checkbox"/> Domestic limited liability company		
<b>d</b>	<input type="checkbox"/> Domestic limited liability partnership		
<b>e</b>	<input type="checkbox"/> Foreign partnership		
<b>f</b>	<input type="checkbox"/> Other ▶		
<b>2</b>	At the end of the tax year:		
<b>a</b>	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		<b>X</b>
<b>b</b>	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership	<b>X</b>	
<b>3</b>	At the end of the tax year, did the partnership:		
<b>a</b>	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		<b>X</b>
<b>(i) Name of Corporation</b>		<b>(ii) Employer Identification Number (if any)</b>	<b>(iii) Country of Incorporation</b>
<b>b</b>	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		<b>X</b>
<b>(i) Name of Entity</b>		<b>(ii) Employer Identification Number (if any)</b>	<b>(iii) Type of Entity</b>
<b>4</b>	Does the partnership satisfy <b>all four</b> of the following conditions?	<b>Yes</b>	<b>No</b>
<b>a</b>	The partnership's total receipts for the tax year were less than \$250,000.		
<b>b</b>	The partnership's total assets at the end of the tax year were less than \$ 1 million.		
<b>c</b>	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
<b>d</b>	The partnership is not filing and is not required to file Schedule M-3		<b>X</b>
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.		
<b>5</b>	Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?		<b>X</b>
<b>6</b>	During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		<b>X</b>
<b>7</b>	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		<b>X</b>
<b>8</b>	At any time during calendar year 2021, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶		<b>X</b>
<b>9</b>	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		<b>X</b>
<b>10 a</b>	Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		<b>X</b>
<b>b</b>	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		<b>X</b>

**Schedule B Other Information (continued)**

	Yes	No
<b>c</b> Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions .....		X
<b>11</b> Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) ..... <input type="checkbox"/>		
<b>12</b> At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? .....		X
<b>13</b> If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions .....		
<b>14</b> Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership .....		X
<b>15</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return .....		
<b>16 a</b> Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions .....	X	
<b>b</b> If "Yes," did you or will you file required Form(s) 1099? .....	X	
<b>17</b> Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return .....		
<b>18</b> Enter the number of partners that are foreign governments under section 892 .....		
<b>19</b> During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)? .....		X
<b>20</b> Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938...		X
<b>21</b> Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)? .....		X
<b>22</b> During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions .....		X
If "Yes," enter the total amount of the disallowed deductions ..... \$		
<b>23</b> Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions .....		X
<b>24</b> Does the partnership satisfy one or more of the following? See instructions .....		X
<b>a</b> The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
<b>b</b> The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest.		
<b>c</b> The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.		
<b>25</b> Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? .....		X
If "Yes," enter the amount from Form 8996, line 15 ..... \$		
<b>26</b> Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership ..... Complete Schedule K-3 (Form 1065), Part XIII, for each foreign partner subject to section 864(c)(8) on a transfer or distribution.		
<b>27</b> At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? .....		X
<b>28</b> Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions.		
Percentage: By Vote By Value		X
<b>29</b> Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions .....	X	
If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 ..... 2		
If "No," complete Designation of Partnership Representative below.		

**Designation of Partnership Representative** (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR ▶

U.S. address of PR ▶

U.S. phone  
number of PR ▶

If the PR is an entity, name of the designated individual for the PR ▶

U.S. address of  
designated  
individual ▶U.S. phone  
number of  
designated  
individual ▶

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-171,148.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments: a Services 4a 102,000. b Capital 4b	4c	102,000.
	c Total. Add lines 4a and 4b	4c	
	5 Interest income	5	
	6 Dividends and dividend equivalents: a Ordinary dividends	6a	
	b Qualified dividends 6b c Dividend equivalents 6c	6c	
	7 Royalties	7	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type (2) Amount	13c(2)	
d Other deductions (see instructions) Type	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	-69,148.
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	450,481.
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type	15d	
	e Other rental credits (see instructions) Type	15e	
	f Other credits (see instructions) Type	15f	
International Transactions	16 Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items-International, and check this box to indicate that you are reporting items of international tax relevance		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	42,000.
	b Distributions of other property	19b	17,500.
	20a Investment income	20a	
	b Investment expenses	20b	
c Other items and amounts (attach statement) STMT 2			
21 Total foreign taxes paid or accrued	21		

**Analysis of Net Income (Loss)**

<b>1</b> Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 21						<b>1</b>	<b>-69,148.</b>
<b>2</b> Analysis by partner type:	<b>(i) Corporate</b>	<b>(ii) Individual (active)</b>	<b>(iii) Individual (passive)</b>	<b>(iv) Partnership</b>	<b>(v) Exempt Organization</b>	<b>(vi) Nominee/Other</b>	
<b>a</b> General partners							
<b>b</b> Limited partners		<b>-69,148.</b>					

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>1</b> Cash		<b>5,483.</b>		<b>-92,504.</b>
<b>2a</b> Trade notes and accounts receivable				
<b>b</b> Less allowance for bad debts				
<b>3</b> Inventories				
<b>4</b> U.S. government obligations				
<b>5</b> Tax-exempt securities				
<b>6</b> Other current assets (attach statement)	<b>STATEMENT 3</b>	<b>278,790.</b>		<b>113,292.</b>
<b>7a</b> Loans to partners (or persons related to partners)				
<b>b</b> Mortgage and real estate loans				
<b>8</b> Other investments (attach statement)				
<b>9a</b> Buildings and other depreciable assets	<b>172,109.</b>		<b>812,603.</b>	
<b>b</b> Less accumulated depreciation	<b>20,490.</b>	<b>151,619.</b>	<b>125,480.</b>	<b>687,123.</b>
<b>10a</b> Depletable assets				
<b>b</b> Less accumulated depletion				
<b>11</b> Land (net of any amortization)		<b>144,966.</b>		<b>144,966.</b>
<b>12a</b> Intangible assets (amortizable only)				
<b>b</b> Less accumulated amortization				
<b>13</b> Other assets (attach statement)				
<b>14</b> Total assets		<b>580,858.</b>		<b>852,877.</b>
<b>Liabilities and Capital</b>				
<b>15</b> Accounts payable				
<b>16</b> Mortgages, notes, bonds payable in less than 1 year				
<b>17</b> Other current liabilities (attach statement)				
<b>18</b> All nonrecourse loans				
<b>19a</b> Loans from partners (or persons related to partners)				
<b>b</b> Mortgages, notes, bonds payable in 1 year or more		<b>523,051.</b>		<b>1,068,925.</b>
<b>20</b> Other liabilities (attach statement)				
<b>21</b> Partners' capital accounts		<b>57,807.</b>		<b>-216,048.</b>
<b>22</b> Total liabilities and capital		<b>580,858.</b>		<b>852,877.</b>

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The partnership may be required to file Schedule M-3. See instructions.

<b>1</b> Net income (loss) per books	<b>-214,355.</b>	<b>6</b> Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
<b>2</b> Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		<b>a</b> Tax-exempt interest \$	
<b>3</b> Guaranteed payments (other than health insurance)	<b>102,000.</b>	<b>7</b> Deductions included on Schedule K, lines 1 through 13d, and 21, not charged against book income this year (itemize):	
<b>4</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 21 (itemize):		<b>a</b> Depreciation \$	
<b>a</b> Depreciation \$	<b>43,207.</b>	<b>8</b> Add lines 6 and 7	
<b>b</b> Travel and entertainment \$	<b>43,207.</b>	<b>9</b> Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	<b>-69,148.</b>
<b>5</b> Add lines 1 through 4	<b>-69,148.</b>		

**Schedule M-2 Analysis of Partners' Capital Accounts**

<b>1</b> Balance at beginning of year	<b>57,807.</b>	<b>6</b> Distributions: <b>a</b> Cash	<b>42,000.</b>
<b>2</b> Capital contributed: <b>a</b> Cash		<b>b</b> Property	<b>17,500.</b>
<b>b</b> Property		<b>7</b> Other decreases (itemize):	
<b>3</b> Net income (loss) (see instructions)	<b>-69,148.</b>	<b>STMT 5</b>	<b>145,207.</b>
<b>4</b> Other increases (itemize):		<b>8</b> Add lines 6 and 7	<b>204,707.</b>
<b>5</b> Add lines 1 through 4	<b>-11,341.</b>	<b>9</b> Balance at end of year. Subtract line 8 from line 5	<b>-216,048.</b>

**Schedule K-1  
(Form 1065)**Department of the Treasury  
Internal Revenue Service**2021**

For calendar year 2021, or tax year

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

beginning  ending **Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number  
\*\*-\*\*\*\*\***B** Partnership's name, address, city, state, and ZIP codeHIGHLANDS CABINET LLC  
1805 BURGESS FALLS RD  
COOKEVILLE, TN 38506**C** IRS center where partnership filed return ▶  
**E-FILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)  
\*\*\*-\*\*-\*\*\*\***F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.JASON BEATY  
536 WINDROWE DRIVE  
COOKEVILLE, TN 38506**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H1** ☒ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN \_\_\_\_\_ Name \_\_\_\_\_

**I1** What type of entity is this partner? **INDIVIDUAL****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	60.0000000%	60.0000000%
Loss	60.0000000%	60.0000000%
Capital	60.0000000%	60.0000000%

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$ 313,831.	\$ 641,355.

Check this box if Item K includes liability amounts from lower tier partnerships ☐**L Partner's Capital Account Analysis**

Beginning capital account	\$ -25,454.
Capital contributed during the year	\$
Current year net income (loss)	\$ -102,689.
Other increase (decrease) (attach explanation)	\$ -25,924.
Withdrawals & distributions	\$ (37,700.)
Ending capital account	\$ -191,767.

**M** Did the partner contribute property with a built-in gain (loss)?  
☐ Yes ☒ No If "Yes," attach statement. See instructions.**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$
Ending	\$

**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss) -102,689.	<b>14</b> Self-employment earnings (loss) <b>A</b> -51,689.
<b>2</b> Net rental real estate income (loss)	<b>C</b> 270,289.
<b>3</b> Other net rental income (loss)	<b>15</b> Credits
<b>4a</b> Guaranteed payments for services 51,000.	<b>16</b> Schedule K-3 is attached if checked <input type="checkbox"/>
<b>4b</b> Guaranteed payments for capital	<b>17</b> Alternative min tax (AMT) items
<b>4c</b> Total guaranteed payments 51,000.	
<b>5</b> Interest income	<b>18</b> Tax-exempt income and nondeductible expenses
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	
<b>6c</b> Dividend equivalents	<b>19</b> Distributions <b>A</b> 27,200. <b>C</b> 10,500.
<b>7</b> Royalties	<b>20</b> Other information <b>N</b> * 16,432. <b>Z</b> * STMT <b>AH</b> * STMT
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured section 1250 gain	
<b>10</b> Net section 1231 gain (loss)	
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	<b>21</b> Foreign taxes paid or accrued
<b>13</b> Other deductions	
<b>22</b> <input type="checkbox"/> More than one activity for at-risk purposes*	
<b>23</b> <input type="checkbox"/> More than one activity for passive activity purposes*	

\*See attached statement for additional information.

For IRS Use Only

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SCHEDULE K-1 BUSINESS INTEREST EXPENSE, BOX 20, CODE N

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
BUSINESS INTEREST EXPENSE (INCLUDED IN ORDINARY BUSINESS INCOME (LOSS))	SEE PARTNERS INSTRUCTIONS	16,432.
TOTAL TO SCHEDULE K-1, BOX 20, CODE N		16,432.

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SCHEDULE K-1 SECTION 199A INFORMATION, BOX 20, CODE Z

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DESCRIPTION	AMOUNT
TRADE OR BUSINESS - CABINET BUSINESS	
ORDINARY INCOME (LOSS)	-102,689.
SELF-EMPLOYMENT EARNINGS(LOSS)	-51,689.
W-2 WAGES	176,753.
UNADJUSTED BASIS OF ASSETS	481,265.

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SCHEDULE K-1 SECTION 199A ADDITIONAL INFORMATION

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THE SECTION 199A AMOUNTS TO BE USED IN THE CALCULATION OF QUALIFIED BUSINESS INCOME DEDUCTION ON YOUR 1040/1041 RETURN ARE REPORTED ON LINE 20, UNDER CODE Z. PLEASE CONSULT YOUR TAX ADVISOR REGARDING THE CALCULATION OF THE QUALIFIED BUSINESS INCOME DEDUCTION, INCLUDING THE POSSIBLE AGGREGATIONS AND LIMITATIONS THAT MAY APPLY AND THE FILING OF THE 1.199A-4(C)(2)(I) ANNUAL DISCLOSURE STATEMENT.

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SCHEDULE K-1 OTHER INFORMATION, BOX 20, CODE AH

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
SECTION 179 EXPENSE DISALLOWED DUE TO BUSINESS INCOME LIMIT	CARRIED OVER TO NEXT YEAR	25,924.

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SCHEDULE K-1 ELECTION UNDER SECTION 1101(G)(4) OF BBA

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HIGHLANDS CABINET LLC HAS MADE THE ELECTION OUT OF THE CENTRALIZED PARTNERSHIP AUDIT REGIME UNDER SECTION 6221(B) FOR THE YEAR ENDING DECEMBER 31, 2021.

**Schedule K-1  
(Form 1065)**Department of the Treasury  
Internal Revenue Service**2021**

For calendar year 2021, or tax year

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Partner's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number  
\*\*-\*\*\*\*\***B** Partnership's name, address, city, state, and ZIP codeHIGHLANDS CABINET LLC  
1805 BURGESS FALLS RD  
COOKEVILLE, TN 38506**C** IRS center where partnership filed return ▶  
**E-FILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)  
\*\*\*-\*\*-\*\*\*\***F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.OLIVER J HILL  
1552 BARNES DRIVE  
COOKEVILLE, TN 38501**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H1** ☒ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN \_\_\_\_\_ Name \_\_\_\_\_

**I1** What type of entity is this partner? **INDIVIDUAL****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	40.0000000%	40.0000000%
Loss	40.0000000%	40.0000000%
Capital	40.0000000%	40.0000000%

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$ 209,220.	\$ 427,570.

Check this box if Item K includes liability amounts from lower tier partnerships ☐**L Partner's Capital Account Analysis**

Beginning capital account	\$ 83,261.
Capital contributed during the year	\$
Current year net income (loss)	\$ -68,459.
Other increase (decrease) (attach explanation)	\$ -17,283.
Withdrawals & distributions	\$ (21,800.)
Ending capital account	\$ -24,281.

**M** Did the partner contribute property with a built-in gain (loss)?☐ Yes ☒ No If "Yes," attach statement. See instructions.**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$
Ending	\$

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss) -68,459.	<b>14</b> Self-employment earnings (loss) <b>A</b> -17,459.
<b>2</b> Net rental real estate income (loss)	<b>C</b> 180,192.
<b>3</b> Other net rental income (loss)	<b>15</b> Credits
<b>4a</b> Guaranteed payments for services 51,000.	<b>16</b> Schedule K-3 is attached if checked <input type="checkbox"/>
<b>4b</b> Guaranteed payments for capital	<b>17</b> Alternative min tax (AMT) items
<b>4c</b> Total guaranteed payments 51,000.	
<b>5</b> Interest income	<b>18</b> Tax-exempt income and nondeductible expenses
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	
<b>6c</b> Dividend equivalents	<b>19</b> Distributions <b>A</b> 14,800. <b>C</b> 7,000.
<b>7</b> Royalties	<b>20</b> Other information <b>N</b> * 10,954. <b>Z</b> * STMT <b>AH</b> * STMT
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured section 1250 gain	
<b>10</b> Net section 1231 gain (loss)	
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	<b>21</b> Foreign taxes paid or accrued
<b>13</b> Other deductions	
<b>22</b> <input type="checkbox"/> More than one activity for at-risk purposes*	
<b>23</b> <input type="checkbox"/> More than one activity for passive activity purposes*	

\*See attached statement for additional information.

For IRS Use Only



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SCHEDULE K-1 BUSINESS INTEREST EXPENSE, BOX 20, CODE N

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
BUSINESS INTEREST EXPENSE (INCLUDED IN ORDINARY BUSINESS INCOME (LOSS))	SEE PARTNERS INSTRUCTIONS	10,954.
TOTAL TO SCHEDULE K-1, BOX 20, CODE N		10,954.

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SCHEDULE K-1 SECTION 199A INFORMATION, BOX 20, CODE Z

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DESCRIPTION	AMOUNT
TRADE OR BUSINESS - CABINET BUSINESS	
ORDINARY INCOME (LOSS)	-68,459.
SELF-EMPLOYMENT EARNINGS(LOSS)	-17,459.
W-2 WAGES	117,835.
UNADJUSTED BASIS OF ASSETS	320,844.

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SCHEDULE K-1 SECTION 199A ADDITIONAL INFORMATION

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THE SECTION 199A AMOUNTS TO BE USED IN THE CALCULATION OF QUALIFIED BUSINESS INCOME DEDUCTION ON YOUR 1040/1041 RETURN ARE REPORTED ON LINE 20, UNDER CODE Z. PLEASE CONSULT YOUR TAX ADVISOR REGARDING THE CALCULATION OF THE QUALIFIED BUSINESS INCOME DEDUCTION, INCLUDING THE POSSIBLE AGGREGATIONS AND LIMITATIONS THAT MAY APPLY AND THE FILING OF THE 1.199A-4(C)(2)(I) ANNUAL DISCLOSURE STATEMENT.

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SCHEDULE K-1 OTHER INFORMATION, BOX 20, CODE AH

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
SECTION 179 EXPENSE DISALLOWED DUE TO BUSINESS INCOME LIMIT	CARRIED OVER TO NEXT YEAR	17,283.

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SCHEDULE K-1 ELECTION UNDER SECTION 1101(G)(4) OF BBA

---

HIGHLANDS CABINET LLC HAS MADE THE ELECTION OUT OF THE CENTRALIZED PARTNERSHIP AUDIT REGIME UNDER SECTION 6221(B) FOR THE YEAR ENDING DECEMBER 31, 2021.



OMB APPROVAL NO.: 3245-0188  
EXPIRATION DATE: 01/31/2018

**PERSONAL FINANCIAL STATEMENT**  
**7(a) / 504 LOANS AND SURETY BONDS**

U.S. SMALL BUSINESS ADMINISTRATION

As of May 1, 2023

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or a guaranteed surety.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan.

Return completed form to:

For 7(a) loans: the lender processing the application for SBA guaranty

For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty

For Surety Bonds: the Surety Company or Agent processing the application for surety bond guaranty

Name <u>OLIVER JUSTIN HILL</u>		Business Phone <u>931 526 9836</u>	
Home Address <u>1552 BARNES DR</u>		Home Phone <u>931 510 0814</u>	
City, State, & Zip Code <u>COOKEVILLE, TN 38501</u>			
Business Name of Applicant <u>HIGHLANDS CABINETS</u>			
ASSETS		LIABILITIES	
(Omit Cents)		(Omit Cents)	
Cash on Hand & in banks.....	\$ <u>30,000</u>	Accounts Payable.....	\$ <u>40,000</u>
Savings Accounts.....	\$ <u>1,000</u>	Notes Payable to Banks and Others.....	\$ <u>40,000</u>
IRA or Other Retirement Account.....	\$ <u>35,000</u>	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	\$ _____
Accounts & Notes Receivable.....	\$ <u>200,000</u>	Mo. Payments \$ _____	
(Describe in Section 5)		Installment Account (Other).....	\$ _____
Life Insurance - Cash Surrender Value Only.....	\$ <u>0</u>	Mo. Payments \$ _____	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	\$ _____
Stocks and Bonds.....	\$ <u>140,000</u>	Mortgages on Real Estate.....	\$ <u>1,054,000</u>
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....	\$ <u>2,445,000</u>	Unpaid Taxes.....	\$ _____
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....	\$ <u>35,000</u>	Other Liabilities.....	\$ _____
(Describe in Section 5, and include		(Describe in Section 7)	
Year/Make/Model)		Total Liabilities.....	\$ <u>1,094,000</u>
Other Personal Property.....	\$ <u>225,000</u>	Net Worth.....	\$ <u>3,296,000</u>
(Describe in Section 5)			
Other Assets.....	\$ <u>600,000</u>		
(Describe in Section 5)			
Total	\$ <u>4,390,000</u>	Total	\$ <u>4,390,000</u>
		*Must equal total in assets column.	

Section 1. Source of Income.	Contingent Liabilities
Salary.....	As Endorser or Co-Maker.....
Net Investment Income.....	Legal Claims & Judgments.....
Real Estate Income.....	Provision for Federal Income Tax.....
Other Income (Describe below)*.....	Other Special Debt.....

**Description of Other Income in Section 1.**

TCRS

\*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

**Section 2. Notes Payable to Banks and Others.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral
Jill Const L.O.C @BIT		40,000	500	month	—

**Section 3. Stocks and Bonds.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
	Multiple				150,000

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	see attachment		
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

**Section 5. Other Personal Property and Other Assets.** (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

Auto BMW X5: 35,000	OTHER PERS PROP home interior furnishings 200,000 off road vehicles 25,000	OTHER ASSETS HC 40% ownership Notes Receivable
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**Section 6. Unpaid Taxes.** (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

**Section 7. Other Liabilities.** (Describe in detail.)



**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

[Term Only]

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

**CERTIFICATION:** (to be completed by each person submitting the information requested on this form)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature [Signature]

Date 5/1/23

Print Name Oliver Justin Hill

Social Security No. [Redacted]

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

**NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

**PLEASE NOTE:** The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance officer, paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

Attachment A

Section 4. Real Estate Owned

	Property A	Property B	Property C	Property D	Property E
Type	Primary Residence	Land	Land	Commercial	Cabinet Shop (50% values due to 50% ownership)
Address	1552 Barnes Dr	Red Bud Trail, Sparta	Skyline Dr. Sparta	26 West Broad St. Cookeville, TN	1975 Browns Mill Rd
Date Purchased	2016	2020	2019	2019	2021
Original Cost	\$ 545,000	\$ -	\$ -	\$ 620,000	\$ 675,000
Present Market Value	\$ 850,000	\$ 120,000	\$ 50,000	\$ 750,000	\$ 675,000
Mortgage Holder	AB&T			AB&T	OneBank
Acct					
Mortgage Balance	\$ 250,000	\$ -	\$ -	\$ 325,000	\$ 479,000
Amount of Payment per m/y	\$ 2,000			\$ 2,200	\$ 3,000
Status					

RE Assets	\$ 2,445,000
RE Liab	\$ 1,054,000





**PERSONAL FINANCIAL STATEMENT**  
**7(a) / 504 LOANS AND SURETY BONDS**

U.S. SMALL BUSINESS ADMINISTRATION

As of June 1st, 2023

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or a guaranteed surety.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan

Return completed form to:

For 7(a) loans: the lender processing the application for SBA guaranty

For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty

For Surety Bonds: the Surety Company or Agent processing the application for surety bond guaranty

Name Jason Dewel Beaty

Business Phone 931-526-9836

Home Address 2069 Brown's Mills Road

Home Phone 931-319-6444

City, State, & Zip Code Cookeville, TN 38506

Business Name of Applicant Highlands Cabinets, Co.

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on Hand & in banks.....	\$ 10,000	Accounts Payable.....	\$
Savings Accounts.....	\$	Notes Payable to Banks and Others.....	\$ 15,000
IRA or Other Retirement Account.....	\$	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	\$
Accounts & Notes Receivable.....	\$	Mo. Payments \$	
(Describe in Section 5)		Installment Account (Other).....	\$
Life Insurance – Cash Surrender Value Only.....	\$	Mo. Payments \$	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	\$
Stocks and Bonds.....	\$	Mortgages on Real Estate.....	\$ 1,027,794
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....	\$ 1,570,000	Unpaid Taxes.....	\$
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....	\$ 62,000	Other Liabilities.....	\$
(Describe in Section 5, and include		(Describe in Section 7)	
Year/Make/Model)		Total Liabilities.....	\$ 1,027,794
Other Personal Property.....	\$ 120,000	Net Worth.....	\$ 1,962,776
(Describe in Section 5)			
Other Assets.....	\$ 1,228,570		
(Describe in Section 5)			
<b>Total</b>	<b>\$ 2,990,570</b>	<b>Total</b>	<b>\$ 2,990,570</b>
		*Must equal total in assets column.	

**Section 1. Source of Income.**

Salary.....	\$ 50,000
Net Investment Income.....	\$ 50,000
Real Estate Income.....	\$ 60,000
Other Income (Describe below)*.....	\$ 20,000

**Contingent Liabilities**

As Endorser or Co-Maker.....	\$
Legal Claims & Judgments.....	\$
Provision for Federal Income Tax.....	\$
Other Special Debt.....	\$

**Description of Other Income in Section 1.**

50,000 - Weekly salary from Highlands Cabinets  
50,000 - 60% of earnings from Highlands Cabinets per year allowing for 30% reinvestment  
  
60,000 - 50% of rent from commercial building  
20,000 - revenue from one spec home per year thru Highlands Enterprises

\*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.



**Section 2. Notes Payable to Banks and Others.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral
Tesla loan: Wells Fargo	42,000	\$15,000	415	Monthly	Car is collateral

**Section 3. Stocks and Bonds.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C	Property D
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	Completed Spec Home	Residential (AirBnB) 1,600 sqft on 4 Acres	12,400 sqft Commercial facility, Rental on 13.2 acres (my 50%)	6.5 Acres of land currently being developed
Address	417 Windrowe Dr. Cookeville, TN 38506	2069 Brown's Mill Rd. Cookeville, TN 38506	1975 Brown's Mill Rd. Cookeville, TN 38506	
Date Purchased	Jan. 2022	March 2022	August 2021	August 2021
Original Cost	\$460,000 + 20,600 (est Realtor fee)	\$250,000	\$525,000	
Present Market Value	\$515,000	\$320,000	\$675,000	\$60,000
Name & Address of Mortgage Holder	One Bank of TN 140 S. Jefferson Ave.	One Bank of TN 140 S. Jefferson Ave.	One Bank of TN 140 S. Jefferson Ave.	
Mortgage Account Number				
Mortgage Balance	424,794	\$125,000	\$478,000	\$0
Amount of Payment per Month/Year	\$2,475	\$687	\$5,927	
Status of Mortgage				

**Section 5. Other Personal Property and Other Assets.** (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

60% ownership of Highlands Cabinets: current annual sales \$2,047,612 (60%) = \$1,228,570  
47' Harbor Master houseboat, 21' Monterey runabout boat, side by side, and other = \$120,000  
2020 Tesla model 3 = \$45,000, 2014 Harley street glide = \$17,000

**Section 6. Unpaid Taxes.** (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)**Section 7. Other Liabilities.** (Describe in detail.)



**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

\$500,000 - Lisa Pickett  
\$1,000,000 - Justin Hill / Highlands Cabinets

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

**CERTIFICATION:** (to be completed by each person submitting the information requested on this form)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature 

Date 6/9/2023

Print Name JASON BEATTY

Social Security No. 

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

**NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance officer, paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

**Filing Status** ☐ Single ☐ Married filing jointly ☒ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶ **LISA R. PICKETT**

Your first name and middle initial <b>JASON D. BEATY</b>		Last name <b>BEATY</b>	Your social security number <b>[REDACTED]</b>
If joint return, spouse's first name and middle initial		Last name	Spouse's social security number <b>[REDACTED]</b>
Home address (number and street). If you have a P.O. box, see instructions. <b>536 WINDROWE DRIVE</b>			<b>Presidential Election Campaign</b> Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  <input type="checkbox"/> You <input checked="" type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. <b>COOKEVILLE, TN 38501</b>		State <b>TN</b>	
Foreign country name	Foreign province/state/county	Foreign postal code	

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

**Standard Deduction** Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☒ Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You: ☐ Were born before January 2, 1956 ☐ Are blind Spouse: ☐ Was born before January 2, 1956 ☐ is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions):	Child tax credit	Credit for other dependents
(1) First name	Last name					

1 Wages, salaries, tips, etc. Attach Form(s) W-2. . . . .		1	
Attach Sch. B if required. 2a Tax-exempt interest . . . . . 3a Qualified dividends . . . . . 4a IRA distributions. . . . . 5a Pensions and annuities . . . . . 6a Social security benefits . . . . .	2a		
	b Taxable interest. . . . .	2b	49.
	b Ordinary dividends . . . . .	3b	
	b Taxable amount. . . . .	4b	
	b Taxable amount. . . . .	5b	
6a	6a		
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here. . . . . ▶ <input type="checkbox"/>		7	
8 Other income from Schedule 1, line 9. . . . .		8	-43,467.
9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> . . . . . ▶		9	-43,418.
10 Adjustments to income:			
a From Schedule 1, line 22 . . . . .	10a	5,539.	
b Charitable contributions if you take the standard deduction. See instructions . . . . .	10b		
c Add lines 10a and 10b. These are your <b>total adjustments to income</b> . . . . . ▶	10c	5,539.	
11 Subtract line 10c from line 9. This is your <b>adjusted gross income</b> . . . . . ▶		11	-48,957.
12 <b>Standard deduction or itemized deductions</b> (from Schedule A). . . . .		12	607.
13 Qualified business income deduction. Attach Form 8995 or Form 8995-A. . . . .		13	
14 Add lines 12 and 13. . . . .		14	607.
15 <b>Taxable income</b> . Subtract line 14 from line 11. If zero or less, enter -0- . . . . .		15	0.

<b>16</b> Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814	<b>16</b>	0.
2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	<b>17</b>	
<b>17</b> Amount from Schedule 2, line 3	<b>18</b>	0.
<b>18</b> Add lines 16 and 17	<b>19</b>	
<b>19</b> Child tax credit or credit for other dependents	<b>20</b>	
<b>20</b> Amount from Schedule 3, line 7	<b>21</b>	0.
<b>21</b> Add lines 19 and 20	<b>22</b>	0.
<b>22</b> Subtract line 21 from line 18. If zero or less, enter -0-	<b>23</b>	1,045.
<b>23</b> Other taxes, including self-employment tax, from Schedule 2, line 10	<b>24</b>	1,045.
<b>24</b> Add lines 22 and 23. This is your <b>total tax</b>		
<b>25</b> Federal income tax withheld from:		
a Form(s) W-2	<b>25a</b>	
b Form(s) 1099	<b>25b</b>	
c Other forms (see instructions)	<b>25c</b>	
d Add lines 25a through 25c	<b>25d</b>	
<b>26</b> 2020 estimated tax payments and amount applied from 2019 return	<b>26</b>	1,000.
<b>27</b> Earned income credit (EIC)	<b>27</b>	
<b>28</b> Additional child tax credit. Attach Schedule 8812	<b>28</b>	
<b>29</b> American opportunity credit from Form 8863, line 8	<b>29</b>	
<b>30</b> Recovery rebate credit. See instructions	<b>30</b>	
<b>31</b> Amount from Schedule 3, line 13	<b>31</b>	
<b>32</b> Add lines 27 through 31. These are your <b>total other payments and refundable credits</b>	<b>32</b>	
<b>33</b> Add lines 25d, 26, and 32. These are your <b>total payments</b>	<b>33</b>	1,000.
<b>34</b> If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	<b>34</b>	
<b>35a</b> Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>35a</b>	
► <b>b</b> Routing number <input type="text"/> ► <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
► <b>d</b> Account number <input type="text"/>		
<b>36</b> Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	<b>36</b>	
<b>37</b> Subtract line 33 from line 24. This is the <b>amount you owe now</b>	<b>37</b>	45.
<b>Note:</b> Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.		
<b>38</b> Estimated tax penalty (see instructions)	<b>38</b>	

• If you have a qualifying child, attach Sch. EIC.  
• If you have nontaxable combat pay, see instructions.

**Refund**

Direct deposit?  
See instructions.

**Amount You Owe**

For details on how to pay, see instructions.

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS? See instructions. ☒ **Yes. Complete below.** ☐ **No**

Designee's name **A. MACHELLE REECER** Phone no. **931-476-4213** Personal identification number (PIN) **22140**

**Sign Here**

Joint return?  
See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation <b>ENGINEER</b>	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) ►
► Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) ►
Phone no.	Email address		

**Paid Preparer Use Only**

Preparer's name <b>A. MACHELLE REECER</b>	Preparer's signature <b>A. MACHELLE REECER</b>	Date	PTIN <b>P00221400</b>	Check if: <input type="checkbox"/> Self-employed
Firm's name ► <b>CANNON, CLARK, HOLMAN, &amp; ASSOC., PLLC, C</b>	Phone no. <b>(931) 476-7669</b>			
Firm's address ► <b>1151 SOUTH WILLOW AVENUE, STE A COOKEVILLE, TN 38506</b>	Firm's EIN ► <b>62-1821690</b>			

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Form **1040** (2020)

SEE STATEMENT 1 46.



**SCHEDULE 1**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service

**Additional Income and Adjustments to Income**

▶ **Attach to Form 1040, 1040-SR, or 1040-NR.**  
▶ **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

OMB No. 1545-0074

**2020**

Attachment  
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

JASON D. BEATY

Your social security number

██████████

**Part I Additional Income**

1	Taxable refunds, credits, or offsets of state and local income taxes .....	1	
2a	Alimony received .....	2a	
b	Date of original divorce or separation agreement (see instructions) ▶ .....		
3	Business income or (loss). Attach Schedule C .....	3	
4	Other gains or (losses). Attach Form 4797 .....	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E .....	5	7,392.
6	Farm income or (loss). Attach Schedule F .....	6	
7	Unemployment compensation .....	7	
8	Other income. List type and amount ▶ <u>NOL</u> ..... <u>SEE STMT 2</u> .....	8	-50,859.
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 .....	9	-43,467.

**Part II Adjustments to Income**

10	Educator expenses .....	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 .....	11	
12	Health savings account deduction. Attach Form 8889 .....	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903 .....	13	
14	Deductible part of self-employment tax. Attach Schedule SE .....	14	523.
15	Self-employed SEP, SIMPLE, and qualified plans .....	15	
16	Self-employed health insurance deduction .....	16	5,016.
17	Penalty on early withdrawal of savings .....	17	
18a	Alimony paid .....	18a	
b	Recipient's SSN .....		
c	Date of original divorce or separation agreement (see instructions) ▶ .....		
19	IRA deduction .....	19	
20	Student loan interest deduction .....	20	
21	Tuition and fees deduction. Attach Form 8917 .....	21	
22	Add lines 10 through 21. These are your <b>adjustments to income</b> . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10a .....	22	5,539.

**BAA For Paperwork Reduction Act Notice, see your tax return instructions.**

**Schedule 1 (Form 1040) 2020**

Department of the Treasury  
Internal Revenue Service

## Additional Taxes

OMB No. 1545-0074

2020

Attachment  
Sequence No. **02**

▶ Attach to Form 1040, 1040-SR, or 1040-NR.

► Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

JASON D. BEATY

<p>Your social security number</p>
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\_\_\_\_\_

Part I	Tax
--------	-----

<b>1</b>	Alternative minimum tax. Attach Form 6251.....	<b>1</b>	0.
<b>2</b>	Excess advance premium tax credit repayment. Attach Form 8962.....	<b>2</b>	
<b>3</b>	Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17.....	<b>3</b>	0.

<b>Part II</b>	<b>Other Taxes</b>
----------------	--------------------

4	Self-employment tax. Attach Schedule SE.....	4	1,045.
5	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919.....	5	
6	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required.....	6	
7a	Household employment taxes. Attach Schedule H.....	7a	
b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required.....	7b	
8	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s).....	8	
9	Section 965 net tax liability installment from Form 965-A.....	9	
10	Add lines 4 through 8. These are your <b>total other taxes</b> . Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b.....	10	1,045.

**BAA** For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 2 (Form 1040) 2020

**SCHEDULE A**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**► Go to [www.irs.gov/ScheduleA](http://www.irs.gov/ScheduleA) for instructions and the latest information.  
► Attach to Form 1040 or 1040-SR.**Caution:** If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

**2020**Attachment  
Sequence No. **07**

Name(s) shown on Form 1040 or 1040-SR

JASON D. BEATY

Your social security number

<b>Medical and Dental Expenses</b>	<b>Caution:</b> Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions) .....	1		
	2	Enter amount from Form 1040 or 1040-SR, line 11. .... <b>2</b>			
	3	Multiply line 2 by 7.5% (0.075) .....	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- .....		4	0.
<b>Taxes You Paid</b>	5	State and local taxes.			
	a	State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box. .... ► <input checked="" type="checkbox"/>	5a	607.	
	b	State and local real estate taxes (see instructions) .....	5b		
	c	State and local personal property taxes .....	5c		
	d	Add lines 5a through 5c. ....	5d	607.	
	e	Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately) .....	5e	607.	
	6	Other taxes. List type and amount ► .....	6		
	7	Add lines 5e and 6 .....		7	607.
<b>Interest You Paid</b> <b>Caution:</b> Your mortgage interest deduction may be limited (see instructions).	8	Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box. .... ► <input type="checkbox"/>			
	a	Home mortgage interest and points reported to you on Form 1098. See instructions if limited. ....	8a		
	b	Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ► .....			
		.....			
		.....			
		.....	8b		
	c	Points not reported to you on Form 1098. See instructions for special rules. ....	8c		
	d	Mortgage insurance premiums (see instructions) .....	8d		
	e	Add lines 8a through 8d .....	8e		
	9	Investment interest. Attach Form 4952 if required. See instructions. ....	9		
	10	Add lines 8e and 9 .....		10	0.
<b>Gifts to Charity</b> <b>Caution:</b> If you made a gift and got a benefit for it, see instructions.	11	Gifts by cash or check. If you made any gift of \$250 or more, see instructions .....	11		
	12	Other than by cash or check. If you made any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500. ....	12		
	13	Carryover from prior year .....	13		
	14	Add lines 11 through 13 .....		14	0.
<b>Casualty and Theft Losses</b>	15	Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions.		15	0.
<b>Other Itemized Deductions</b>	16	Other—from list in instructions. List type and amount ► .....		16	0.
<b>Total Itemized Deductions</b>	17	Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 12. ....		17	607.
	18	If you elect to itemize deductions even though they are less than your standard deduction, check this box. .... ► <input type="checkbox"/>			

FDIA0301L 12/29/20

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

JASON D. BEATY

**Caution:** The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.**Part II Income or Loss From Partnerships and S Corporations**

**Note:** If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	HIGHLANDS CABINET LLC	P		84-4740723		
B	HIGHLANDS ENTERPRISES, INC.	S		90-0992331		
C	PYA: BASIS CARRYOVER	S		90-0992331		
D						
<b>Passive Income and Loss</b>			<b>Nonpassive Income and Loss</b>			
	(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss allowed (see Schedule K-1)	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1	
A					7,392.	
B					25,960.	
C			25,960.			
D						
29a	Totals				33,352.	
b	Totals		25,960.			
30	Add columns (h) and (k) of line 29a				30	33,352.
31	Add columns (g), (i), and (j) of line 29b				31	-25,960.
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31				32	7,392.

**Part III Income or Loss From Estates and Trusts**

33	(a) Name	(b) Employer ID no.
A		
B		
<b>Passive Income and Loss</b>		<b>Nonpassive Income and Loss</b>
	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1
A		
B		
34a	Totals	
b	Totals	
35	Add columns (d) and (f) of line 34a	35
36	Add columns (c) and (e) of line 34b	36
37	Total estate and trust income or (loss). Combine lines 35 and 36	37

**Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder**

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

**Part V Summary**

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 5	41
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AD; and Schedule K-1 (Form 1041), box 14, code F. See instructions.	42
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040, Form 1040-SR, or Form 1040-NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43



**SCHEDULE SE**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Self-Employment Tax**

► Go to [www.irs.gov/ScheduleSE](http://www.irs.gov/ScheduleSE) for instructions and the latest information.  
► Attach to Form 1040, 1040-SR, or 1040-NR.

OMB No. 1545-0074

**2020**

Attachment  
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040, 1040-SR, or 1040-NR)

JASON D. BEATY

Social security number of person  
with **self-employment** income ►

**Part I Self-Employment Tax**

**Note:** If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

- A** If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I. ☐

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

- |   |            |  |
|---|------------|--|
| <b>1 a</b> Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A  | <b>1 a</b> |  |
| <b>b</b> If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH | <b>1 b</b> |  |

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

- |  |            |          |
|--|------------|----------|
| <b>2</b> Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order | <b>2</b>   | 7,392.   |
| <b>3</b> Combine lines 1a, 1b, and 2   | <b>3</b>   | 7,392.   |
| <b>4 a</b> If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3  | <b>4 a</b> | 6,827.   |
| <b>Note:</b> If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.  |            |          |
| <b>b</b> If you elect one or both of the optional methods, enter the total of lines 15 and 17 here   | <b>4 b</b> |          |
| <b>c</b> Combine lines 4a and 4b. If less than \$400, <b>stop</b> ; you don't owe self-employment tax.<br><b>Exception:</b> If less than \$400 and you had <b>church employee income</b> , enter -0- and continue              | <b>4 c</b> | 6,827.   |
| <b>5 a</b> Enter your <b>church employee income</b> from Form W-2. See instructions for definition of church employee income   | <b>5 a</b> |          |
| <b>b</b> Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-  | <b>5 b</b> | 0.       |
| <b>6</b> Add lines 4c and 5b   | <b>6</b>   | 6,827.   |
| <b>7</b> Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2020   | <b>7</b>   | 137,700. |
| <b>8 a</b> Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$137,700 or more, skip lines 8b through 10, and go to line 11                       | <b>8 a</b> |          |
| <b>b</b> Unreported tips subject to social security tax from Form 4137, line 10  | <b>8 b</b> |          |
| <b>c</b> Wages subject to social security tax from Form 8919, line 10  | <b>8 c</b> |          |
| <b>d</b> Add lines 8a, 8b, and 8c  | <b>8 d</b> |          |
| <b>9</b> Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11  | <b>9</b>   | 137,700. |
| <b>10</b> Multiply the <b>smaller</b> of line 6 or line 9 by 12.4% (0.124)   | <b>10</b>  | 847.     |
| <b>11</b> Multiply line 6 by 2.9% (0.029)  | <b>11</b>  | 198.     |
| <b>12</b> <b>Self-employment tax.</b> Add lines 10 and 11. Enter here and on <b>Schedule 2 (Form 1040), line 4</b>   | <b>12</b>  | 1,045.   |
| <b>13</b> <b>Deduction for one-half of self-employment tax.</b><br>Multiply line 12 by 50% (0.50). Enter here and on <b>Schedule 1 (Form 1040), line 14</b>  | <b>13</b>  | 523.     |

**Part II Optional Methods To Figure Net Earnings** (see instructions)

**Farm Optional Method.** You may use this method **only** if **(a)** your gross farm income<sup>(1)</sup> wasn't more than \$8,460, **or (b)** your net farm profits<sup>(2)</sup> were less than \$6,107.

- |  |           |        |
|--|-----------|--------|
| <b>14</b> Maximum income for optional methods  | <b>14</b> | 5,640. |
| <b>15</b> Enter the <b>smaller</b> of: two-thirds (2/3) of gross farm income <sup>(1)</sup> (not less than zero) <b>or</b> \$5,640. Also, include this amount on line 4b above | <b>15</b> |        |

**Nonfarm Optional Method.** You may use this method **only** if **(a)** your net nonfarm profits<sup>(3)</sup> were less than \$6,107 and also less than 72.189% of your gross nonfarm income,<sup>(4)</sup> **and (b)** you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

- |   |           |  |
|---|-----------|--|
| <b>16</b> Subtract line 15 from line 14   | <b>16</b> |  |
| <b>17</b> Enter the <b>smaller</b> of: two-thirds (2/3) of gross nonfarm income <sup>(4)</sup> (not less than zero) <b>or</b> the amount on line 16. Also, include this amount on line 4b above | <b>17</b> |  |

(1) From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

(3) From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

(2) From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A — minus the amount you would have entered on line 1b had you not used the optional method.

(4) From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.



**Part III Maximum Deferral of Self-Employment Tax Payments**

If line 4c is zero, skip lines 18 through 20, and enter -0- on line 21.

<b>18</b> Enter the portion of line 3 that can be attributed to March 27, 2020, through December 31, 2020 .....	<b>18</b>	5,655.
<b>19</b> If line 18 is more than zero, multiply line 18 by 92.35% (0.9235); otherwise, enter the amount from line 18 .....	<b>19</b>	5,222.
<b>20</b> Enter the portion of lines 15 and 17 that can be attributed to March 27, 2020, through December 31, 2020 .....	<b>20</b>	
<b>21</b> Combine lines 19 and 20 .....	<b>21</b>	5,222.
If line 5b is zero, skip line 22 and enter -0- on line 23.		
<b>22</b> Enter the portion of line 5a that can be attributed to March 27, 2020, through December 31, 2020 .....	<b>22</b>	
<b>23</b> Multiply line 22 by 92.35% (0.9235) .....	<b>23</b>	0.
<b>24</b> Add lines 21 and 23 .....	<b>24</b>	5,222.
<b>25</b> Enter the smaller of line 9 or line 24 .....	<b>25</b>	5,222.
<b>26</b> Multiply line 25 by 6.2% (0.062). Enter here and see the instructions for line 12e of Schedule 3 (Form 1040) .....	<b>26</b>	324.

BAA

Schedule SE (Form 1040) 2020

**Filing Status** ☐ Single ☐ Married filing jointly ☒ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)  
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ► **LISA PICKETT**

Your first name and middle initial <b>JASON</b>		Last name <b>BEATY</b>		Your social security number [REDACTED]	
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number [REDACTED]	
Home address (number and street). If you have a P.O. box, see instructions. <b>536 WINDROWE DRIVE</b>				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below. <b>COOKEVILLE</b>			State <b>TN</b>	ZIP code <b>38501</b>	
Foreign country name		Foreign province/state/county		Foreign postal code	

**Presidential Election Campaign**  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
☐ You ☐ Spouse

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? ☐ Yes ☒ No

**Standard Deduction** **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent  
☒ Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** **You:** ☐ Were born before January 2, 1957 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1957 ☐ Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions):	
(1) First name	Last name			Child tax credit	Credit for other dependents
If more than four dependents, see instructions and check here ► <input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required.	<b>1</b>	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>1</b>	
	<b>2a</b>	Tax-exempt interest . . . . .	<b>2a</b>	
	<b>3a</b>	Qualified dividends . . . . .	<b>3a</b>	
	<b>4a</b>	IRA distributions . . . . .	<b>4a</b>	
<b>Standard Deduction for—</b> • Single or Married filing separately, \$12,550 • Married filing jointly or Qualifying widow(er), \$25,100 • Head of household, \$18,800 • If you checked any box under <b>Standard Deduction</b> , see instructions.	<b>5a</b>	Pensions and annuities . . . . .	<b>5a</b>	
	<b>6a</b>	Social security benefits . . . . .	<b>6a</b>	
	<b>7</b>	Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . .	<b>7</b>	
	<b>8</b>	Other income from Schedule 1, line 10 . . . . .	<b>8</b>	-67,475.
	<b>9</b>	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> . . . . .	<b>9</b>	-67,475.
	<b>10</b>	Adjustments to income from Schedule 1, line 26 . . . . .	<b>10</b>	
	<b>11</b>	Subtract line 10 from line 9. This is your <b>adjusted gross income</b> . . . . .	<b>11</b>	-67,475.
	<b>12a</b>	<b>Standard deduction or itemized deductions</b> (from Schedule A) . . . . .	<b>12a</b>	0.
	<b>b</b>	Charitable contributions if you take the standard deduction (see instructions) . . . . .	<b>12b</b>	
	<b>c</b>	Add lines 12a and 12b . . . . .	<b>12c</b>	0.
	<b>13</b>	Qualified business income deduction from Form 8995 or Form 8995-A . . . . .	<b>13</b>	0.
	<b>14</b>	Add lines 12c and 13 . . . . .	<b>14</b>	0.
	<b>15</b>	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .	<b>15</b>	0.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form **1040** (2021)

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1040, 1040-SR, or 1040-NR.  
▶ Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

2021  
Attachment  
Sequence No. 01

<b>Your social security number</b>	
------------------------------------	--

<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes . . . . .	<b>1</b>	
<b>2a</b>	Alimony received . . . . .	<b>2a</b>	
<b>b</b>	Date of original divorce or separation agreement (see instructions) ► _____		
<b>3</b>	Business income or (loss). Attach Schedule C . . . . .	<b>3</b>	
<b>4</b>	Other gains or (losses). Attach Form 4797 . . . . .	<b>4</b>	
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	<b>5</b>	-67,475.
<b>6</b>	Farm income or (loss). Attach Schedule F . . . . .	<b>6</b>	
<b>7</b>	Unemployment compensation . . . . .	<b>7</b>	
<b>8</b>	Other income:		
<b>a</b>	Net operating loss . . . . .	<b>8a</b>	( )
<b>b</b>	Gambling income . . . . .	<b>8b</b>	
<b>c</b>	Cancellation of debt . . . . .	<b>8c</b>	
<b>d</b>	Foreign earned income exclusion from Form 2555 . . . . .	<b>8d</b>	( )
<b>e</b>	Taxable Health Savings Account distribution . . . . .	<b>8e</b>	
<b>f</b>	Alaska Permanent Fund dividends . . . . .	<b>8f</b>	
<b>g</b>	Jury duty pay . . . . .	<b>8g</b>	
<b>h</b>	Prizes and awards . . . . .	<b>8h</b>	
<b>i</b>	Activity not engaged in for profit income . . . . .	<b>8i</b>	
<b>j</b>	Stock options . . . . .	<b>8j</b>	
<b>k</b>	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property . . . . .	<b>8k</b>	
<b>l</b>	Olympic and Paralympic medals and USOC prize money (see instructions) . . . . .	<b>8l</b>	
<b>m</b>	Section 951(a) inclusion (see instructions) . . . . .	<b>8m</b>	
<b>n</b>	Section 951A(a) inclusion (see instructions) . . . . .	<b>8n</b>	
<b>o</b>	Section 461(l) excess business loss adjustment . . . . .	<b>8o</b>	
<b>p</b>	Taxable distributions from an ABLE account (see instructions) . . . . .	<b>8p</b>	
<b>z</b>	Other income. List type and amount ► _____	<b>8z</b>	
<b>9</b>	Total other income. Add lines 8a through 8z . . . . .	<b>9</b>	
<b>10</b>	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 . . . . .	<b>10</b>	-67,475.

**Part II Adjustments to Income**

<b>11</b>	Educator expenses . . . . .	<b>11</b>	
<b>12</b>	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 . . . . .	<b>12</b>	
<b>13</b>	Health savings account deduction. Attach Form 8889 . . . . .	<b>13</b>	
<b>14</b>	Moving expenses for members of the Armed Forces. Attach Form 3903 . . . . .	<b>14</b>	
<b>15</b>	Deductible part of self-employment tax. Attach Schedule SE . . . . .	<b>15</b>	
<b>16</b>	Self-employed SEP, SIMPLE, and qualified plans . . . . .	<b>16</b>	
<b>17</b>	Self-employed health insurance deduction . . . . .	<b>17</b>	
<b>18</b>	Penalty on early withdrawal of savings . . . . .	<b>18</b>	
<b>19a</b>	Alimony paid . . . . .	<b>19a</b>	
<b>b</b>	Recipient's SSN . . . . .		
<b>c</b>	Date of original divorce or separation agreement (see instructions) ▶ . . . . .		
<b>20</b>	IRA deduction . . . . .	<b>20</b>	
<b>21</b>	Student loan interest deduction . . . . .	<b>21</b>	
<b>22</b>	Reserved for future use . . . . .	<b>22</b>	
<b>23</b>	Archer MSA deduction . . . . .	<b>23</b>	
<b>24</b>	Other adjustments:		
<b>a</b>	Jury duty pay (see instructions) . . . . .	<b>24a</b>	
<b>b</b>	Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit . . . . .	<b>24b</b>	
<b>c</b>	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l . . . . .	<b>24c</b>	
<b>d</b>	Reforestation amortization and expenses . . . . .	<b>24d</b>	
<b>e</b>	Repayment of supplemental unemployment benefits under the Trade Act of 1974 . . . . .	<b>24e</b>	
<b>f</b>	Contributions to section 501(c)(18)(D) pension plans . . . . .	<b>24f</b>	
<b>g</b>	Contributions by certain chaplains to section 403(b) plans . . . . .	<b>24g</b>	
<b>h</b>	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions) . . . . .	<b>24h</b>	
<b>i</b>	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations . . . . .	<b>24i</b>	
<b>j</b>	Housing deduction from Form 2555 . . . . .	<b>24j</b>	
<b>k</b>	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041) . . . . .	<b>24k</b>	
<b>z</b>	Other adjustments. List type and amount ▶ . . . . .	<b>24z</b>	
<b>25</b>	Total other adjustments. Add lines 24a through 24z . . . . .	<b>25</b>	
<b>26</b>	Add lines 11 through 23 and 25. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a . . . . .	<b>26</b>	

Name(s) shown on return. Do not enter name and social security number if shown on other side.

JASON BEATY

Your social security number

**Caution:** The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

**Part II** **Income or Loss From Partnerships and S Corporations** – **Note:** If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198**. See instructions.

**27** Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section . . . . . ☐ **Yes** ☒ **No**

<b>28</b>	(a) Name	(b) Enter <b>P</b> for partnership; <b>S</b> for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
<b>A</b>	HIGHLANDS CABINET	P	<input type="checkbox"/>	84-4740723	<input type="checkbox"/>	<input type="checkbox"/>
<b>B</b>	HIGHLANDS ENTERPRISE	S	<input type="checkbox"/>	90-0992331	<input type="checkbox"/>	<input type="checkbox"/>
<b>C</b>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<b>D</b>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

<b>Passive Income and Loss</b>			<b>Nonpassive Income and Loss</b>		
(g) Passive loss allowed (attach <b>Form 8582</b> if required)	(h) Passive income from <b>Schedule K-1</b>	(i) Nonpassive loss allowed (see <b>Schedule K-1</b> )	(j) Section 179 expense deduction from <b>Form 4562</b>	(k) Nonpassive income from <b>Schedule K-1</b>	
<b>A</b>		102,689.		51,000.	
<b>B</b>		15,786.			
<b>C</b>					
<b>D</b>					
<b>29a</b> Totals				51,000.	
<b>b</b> Totals		118,475.			
<b>30</b> Add columns (h) and (k) of line 29a.			<b>30</b>	51,000.	
<b>31</b> Add columns (g), (i), and (j) of line 29b.			<b>31</b>	( 118,475. )	
<b>32</b> <b>Total partnership and S corporation income or (loss).</b> Combine lines 30 and 31			<b>32</b>	-67,475.	

**Part III** **Income or Loss From Estates and Trusts**

<b>33</b>	(a) Name	(b) Employer identification number
<b>A</b>		
<b>B</b>		
<b>Passive Income and Loss</b>		<b>Nonpassive Income and Loss</b>
(c) Passive deduction or loss allowed (attach <b>Form 8582</b> if required)	(d) Passive income from <b>Schedule K-1</b>	(f) Other income from <b>Schedule K-1</b>
<b>A</b>		
<b>B</b>		
<b>34a</b> Totals		
<b>b</b> Totals		
<b>35</b> Add columns (d) and (f) of line 34a		<b>35</b>
<b>36</b> Add columns (c) and (e) of line 34b		<b>36</b> ( )
<b>37</b> <b>Total estate and trust income or (loss).</b> Combine lines 35 and 36		<b>37</b>

**Part IV** **Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder**

<b>38</b>	(a) Name	(b) Employer identification number	(c) Excess inclusion from <b>Schedules Q</b> , line 2c (see instructions)	(d) Taxable income (net loss) from <b>Schedules Q</b> , line 1b	(e) Income from <b>Schedules Q</b> , line 3b
<b>39</b>	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				<b>39</b>

**Part V** **Summary**

<b>40</b>	Net farm rental income or (loss) from <b>Form 4835</b> . Also, complete line 42 below . . . . .	<b>40</b>	
<b>41</b>	<b>Total income or (loss).</b> Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 5 ▶	<b>41</b>	-67,475.
<b>42</b>	<b>Reconciliation of farming and fishing income.</b> Enter your <b>gross</b> farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AD; and Schedule K-1 (Form 1041), box 14, code F. See instructions . . . . .	<b>42</b>	
<b>43</b>	<b>Reconciliation for real estate professionals.</b> If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040, Form 1040-SR, or Form 1040-NR from all rental real estate activities in which you materially participated under the passive activity loss rules . . . . .	<b>43</b>	



**Qualified Business Income Deduction  
Simplified Computation**▶ **Attach to your tax return.**▶ **Go to [www.irs.gov/Form8995](http://www.irs.gov/Form8995) for instructions and the latest information.****2021**Attachment  
Sequence No. **55**

Name(s) shown on return

JASON BEATY

Your taxpayer identification number

**Note.** You can claim the qualified business income deduction **only** if you have qualified business income from a qualified trade or business, real estate investment trust dividends, publicly traded partnership income, or a domestic production activities deduction passed through from an agricultural or horticultural cooperative. See instructions.

Use this form if your taxable income, before your qualified business income deduction, is at or below \$164,900 (\$164,925 if married filing separately; \$329,800 if married filing jointly), and you aren't a patron of an agricultural or horticultural cooperative.

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	HIGHLANDS CABINET	84-4740723	-102,689.
ii	HIGHLANDS ENTERPRISE	90-0992331	-15,786.
iii			
iv			
v			

2	Total qualified business income or (loss). Combine lines 1i through 1v, column (c)	2	-118,475.		
3	Qualified business net (loss) carryforward from the prior year	3	( )		
4	Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	4	0.		
5	Qualified business income component. Multiply line 4 by 20% (0.20)			5	0.
6	Qualified REIT dividends and publicly traded partnership (PTP) income or (loss) (see instructions)	6			
7	Qualified REIT dividends and qualified PTP (loss) carryforward from the prior year	7	( )		
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	8			
9	REIT and PTP component. Multiply line 8 by 20% (0.20)			9	
10	Qualified business income deduction before the income limitation. Add lines 5 and 9			10	0.
11	Taxable income before qualified business income deduction (see instructions)	11	0.		
12	Net capital gain (see instructions)	12	0.		
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	0.		
14	Income limitation. Multiply line 13 by 20% (0.20)			14	0.
15	Qualified business income deduction. Enter the smaller of line 10 or line 14. Also enter this amount on the applicable line of your return (see instructions) ▶			15	0.
16	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-			16	( 118,475. )
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-			17	( 0. )

**Filing Status** ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial <b>OLIVER J.</b>		Last name <b>HILL</b>		Your social security number <b>*** - ** - ****</b>	
If joint return, spouse's first name and middle initial <b>TATUM E.</b>		Last name <b>HILL</b>		Spouse's social security number <b>*** - ** - ****</b>	
Home address (number and street). If you have a P.O. box, see instructions. <b>1552 BARNES DRIVE</b>				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below. <b>COOKEVILLE</b>				State ZIP code <b>TN 38501</b>	
Foreign country name		Foreign province/state/county		Foreign postal code	

**Presidential Election Campaign**  
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
☐ You ☐ Spouse

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? ☐ Yes ☒ No

**Standard Deduction** Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent

☐ Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You: ☐ Were born before January 2, 1957 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1957 ☐ Is blind

**Dependents** (see instructions):

If more than four dependents, see instr. and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see instructions):	
					Child tax credit	Credit for other dependents
	<b>OLIVER G</b>	<b>HILL</b>	<b>*** - ** - ****</b>	<b>SON</b>	<input checked="" type="checkbox"/>	
	<b>LENNON E</b>	<b>HILL</b>	<b>*** - ** - ****</b>	<b>DAUGHTER</b>	<input checked="" type="checkbox"/>	

<b>Attach Sch. B if required.</b>	<b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2.....	<b>1</b>	
	<b>2a</b> Tax-exempt interest .....	<b>2a</b>	
	<b>3a</b> Qualified dividends .....	<b>3a</b>	<b>1,356.</b>
	<b>4a</b> IRA distributions .....	<b>4a</b>	
	<b>5a</b> Pensions and annuities .....	<b>5a</b>	
	<b>6a</b> Social security benefits .....	<b>6a</b>	
	<b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	<b>7</b>	
	<b>8</b> Other income from Schedule 1, line 10.....	<b>8</b>	
	<b>9</b> Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> .....	<b>9</b>	
	<b>10</b> Adjustments to income from Schedule 1, line 26 .....	<b>10</b>	
	<b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b> .....	<b>11</b>	
<b>12a</b> <b>Standard deduction or itemized deductions</b> (from Schedule A) <b>12a</b> <b>51,846.</b>	<b>12a</b>		
<b>b</b> Charitable contributions if you take the standard deduction (see instr.) ... <b>12b</b>	<b>12b</b>		
<b>c</b> Add lines 12a and 12b .....	<b>12c</b>	<b>51,846.</b>	
<b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A .....	<b>13</b>	<b>30,375.</b>	
<b>14</b> Add lines 12c and 13 .....	<b>14</b>	<b>82,221.</b>	
<b>15</b> <b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- .....	<b>15</b>	<b>191,618.</b>	

LHA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form 1040 (2021)



<b>STMT 3</b>	<b>16</b>	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	<b>16</b>	31,672.
	<b>17</b>	Amount from Schedule 2, line 3	<b>17</b>	
	<b>18</b>	Add lines 16 and 17	<b>18</b>	31,672.
	<b>19</b>	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	<b>19</b>	
	<b>20</b>	Amount from Schedule 3, line 8	<b>20</b>	7.
	<b>21</b>	Add lines 19 and 20	<b>21</b>	7.
	<b>22</b>	Subtract line 21 from line 18. If zero or less, enter -0-	<b>22</b>	31,665.
	<b>23</b>	Other taxes, including self-employment tax, from Schedule 2, line 21	<b>23</b>	24,786.
	<b>24</b>	Add lines 22 and 23. This is your <b>total tax</b>	<b>24</b>	56,451.
	<b>25</b>	Federal income tax withheld from:		
	<b>a</b>	Form(s) W-2	<b>25a</b>	
	<b>b</b>	Form(s) 1099	<b>25b</b>	
	<b>c</b>	Other forms (see instructions)	<b>25c</b>	
	<b>d</b>	Add lines 25a through 25c	<b>25d</b>	
	<b>26</b>	2021 estimated tax payments and amount applied from 2020 return	<b>26</b>	
If you have a qualifying child, attach Sch. EIC.	<b>27a</b>	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instr. <input type="checkbox"/>	<b>27a</b>	
	<b>b</b>	Nontaxable combat pay election	<b>27b</b>	
	<b>c</b>	Prior year (2019) earned income	<b>27c</b>	
	<b>28</b>	Refundable child tax credit or additional child tax credit from Schedule 8812	<b>28</b>	1,000.
	<b>29</b>	American opportunity credit from Form 8863, line 8	<b>29</b>	
	<b>30</b>	Recovery rebate credit. See instructions	<b>30</b>	
	<b>31</b>	Amount from Schedule 3, line 15	<b>31</b>	30,000.
	<b>32</b>	Add lines 27a and 28 through 31. These are your <b>total other payments and refundable credits</b>	<b>32</b>	31,000.
	<b>33</b>	Add lines 25d, 26, and 32. These are your <b>total payments</b>	<b>33</b>	31,000.
<b>Refund</b>	<b>34</b>	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	<b>34</b>	
	<b>35a</b>	Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>35a</b>	
Direct deposit? See instructions.	<b>b</b>	Routing number	<b>c</b>	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	<b>d</b>	Account number		
	<b>36</b>	Amount of line 34 you want <b>applied to your 2022 estimated tax</b>	<b>36</b>	
<b>Amount You Owe</b>	<b>37</b>	<b>Amount you owe</b> . Subtract line 33 from line 24. For details on how to pay, see instructions	<b>37</b>	25,527.
	<b>38</b>	Estimated tax penalty (see instructions)	<b>38</b>	76.

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS? See instructions ☒ **Yes. Complete below.** ☐ **No**

Designee's name **GARY D LEFTWICH, CPA** Phone no. **931-526-9726** Personal identification number (PIN) **68454**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Your signature	Date	Your occupation <b>CONTRACTOR</b>	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
	Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation <b>INTERIOR DESIGNER</b>	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
	Phone no.	Email address		

<b>Paid Preparer Use Only</b>	Preparer's name <b>GARY D LEFTWICH, CPA</b>	Preparer's signature	Date	PTIN <b>P00076118</b>	Check if: <input type="checkbox"/> Self-employed
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Firm's name <b>HUGH E BAILEY &amp; ASSOCIATES, PLLC</b> <b>P.O. BOX 999</b>	Phone no. <b>931-526-9726</b>	Firm's EIN <b>***-****-****</b>
Firm's address <b>COOKEVILLE, TN 38503</b>		

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Form 1040 (2021)

**SCHEDULE 1**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service

**Additional Income and Adjustments to Income**

▶ Attach to Form 1040, 1040-SR, or 1040-NR.

▶ Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074

**2021**

Attachment  
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

**OLIVER J. & TATUM E. HILL**

Your social security number

\*\*\* - \*\* - \*\*\*\*

**Part I Additional Income**

<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes .....	<b>1</b>	
<b>2a</b>	Alimony received .....	<b>2a</b>	
<b>b</b>	Date of original divorce or separation agreement (see instructions) ▶ .....		
<b>3</b>	Business income or (loss). Attach Schedule C .....	<b>3</b>	211,119.
<b>4</b>	Other gains or (losses). Attach Form 4797 .....	<b>4</b>	
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E .....	<b>5</b>	40,780.
<b>6</b>	Farm income or (loss). Attach Schedule F .....	<b>6</b>	
<b>7</b>	Unemployment compensation .....	<b>7</b>	
<b>8</b>	Other income:		
<b>a</b>	Net operating loss .....	<b>8a</b>	( )
<b>b</b>	Gambling income .....	<b>8b</b>	
<b>c</b>	Cancellation of debt .....	<b>8c</b>	
<b>d</b>	Foreign earned income exclusion from Form 2555 .....	<b>8d</b>	( )
<b>e</b>	Taxable Health Savings Account distribution .....	<b>8e</b>	
<b>f</b>	Alaska Permanent Fund dividends .....	<b>8f</b>	
<b>g</b>	Jury duty pay .....	<b>8g</b>	
<b>h</b>	Prizes and awards .....	<b>8h</b>	
<b>i</b>	Activity not engaged in for profit income .....	<b>8i</b>	
<b>j</b>	Stock options .....	<b>8j</b>	
<b>k</b>	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property .....	<b>8k</b>	
<b>l</b>	Olympic and Paralympic medals and USOC prize money (see instructions) .....	<b>8l</b>	
<b>m</b>	Section 951(a) inclusion (see instructions) .....	<b>8m</b>	
<b>n</b>	Section 951A(a) inclusion (see instructions) .....	<b>8n</b>	
<b>o</b>	Section 461(l) excess business loss adjustment .....	<b>8o</b>	
<b>p</b>	Taxable distributions from an ABLE account (see instructions) .....	<b>8p</b>	
<b>z</b>	Other income. List type and amount ▶ .....	<b>8z</b>	
<b>9</b>	Total other income. Add lines 8a through 8z .....	<b>9</b>	
<b>10</b>	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 .....	<b>10</b>	251,899.

LHA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2021

**Part II Adjustments to Income**

<b>11</b>	Educator expenses .....	<b>11</b>	
<b>12</b>	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 .....	<b>12</b>	
<b>13</b>	Health savings account deduction. Attach Form 8889 .....	<b>13</b>	
<b>14</b>	Moving expenses for members of the Armed Forces. Attach Form 3903 .....	<b>14</b>	
<b>15</b>	Deductible part of self-employment tax. Attach Schedule SE .....	<b>15</b>	11,941.
<b>16</b>	Self-employed SEP, SIMPLE, and qualified plans .....	<b>16</b>	
<b>17</b>	Self-employed health insurance deduction .....	<b>17</b>	8,703.
<b>18</b>	Penalty on early withdrawal of savings .....	<b>18</b>	
<b>19a</b>	Alimony paid .....	<b>19a</b>	
<b>b</b>	Recipient's SSN .....		
<b>c</b>	Date of original divorce or separation agreement (see instructions) ▶ .....		
<b>20</b>	IRA deduction .....	<b>20</b>	
<b>21</b>	Student loan interest deduction .....	<b>21</b>	
<b>22</b>	Reserved for future use .....	<b>22</b>	
<b>23</b>	Archer MSA deduction .....	<b>23</b>	
<b>24</b>	Other adjustments:		
<b>a</b>	Jury duty pay (see instructions) .....	<b>24a</b>	
<b>b</b>	Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit .....	<b>24b</b>	
<b>c</b>	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l .....	<b>24c</b>	
<b>d</b>	Reforestation amortization and expenses .....	<b>24d</b>	
<b>e</b>	Repayment of supplemental unemployment benefits under the Trade Act of 1974 .....	<b>24e</b>	
<b>f</b>	Contributions to section 501(c)(18)(D) pension plans .....	<b>24f</b>	
<b>g</b>	Contributions by certain chaplains to section 403(b) plans .....	<b>24g</b>	
<b>h</b>	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions) .....	<b>24h</b>	
<b>i</b>	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations .....	<b>24i</b>	
<b>j</b>	Housing deduction from Form 2555 .....	<b>24j</b>	
<b>k</b>	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041) .....	<b>24k</b>	
<b>z</b>	Other adjustments. List type and amount ▶ .....	<b>24z</b>	
<b>25</b>	Total other adjustments. Add lines 24a through 24z .....	<b>25</b>	
<b>26</b>	Add lines 11 through 23 and 25. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a .....	<b>26</b>	20,644.

Schedule 1 (Form 1040) 2021

**SCHEDULE 2**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service

**Additional Taxes**

► **Attach to Form 1040, 1040-SR, or 1040-NR.**  
► **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

OMB No. 1545-0074

**2021**  
Attachment  
Sequence No. **02**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

**OLIVER J. & TATUM E. HILL**

Your social security number

\*\*\*-\*\*-\*\*\*\*

**Part I Tax**

<b>1</b>	Alternative minimum tax. Attach Form 6251 .....	<b>1</b>	
<b>2</b>	Excess advance premium tax credit repayment. Attach Form 8962 .....	<b>2</b>	
<b>3</b>	Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17 .....	<b>3</b>	<b>0.</b>

**Part II Other Taxes**

<b>4</b>	Self-employment tax. Attach Schedule SE .....	<b>4</b>	<b>23,880.</b>
<b>5</b>	Social security and Medicare tax on unreported tip income. Attach Form 4137 .....	<b>5</b>	
<b>6</b>	Uncollected social security and Medicare tax on wages. Attach Form 8919 .....	<b>6</b>	
<b>7</b>	Total additional social security and Medicare tax. Add lines 5 and 6 .....	<b>7</b>	
<b>8</b>	Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required .....	<b>8</b>	
<b>9</b>	Household employment taxes. Attach Schedule H .....	<b>9</b>	
<b>10</b>	Repayment of first-time homebuyer credit. Attach Form 5405 if required .....	<b>10</b>	
<b>11</b>	Additional Medicare Tax. Attach Form 8959 .....	<b>11</b>	
<b>12</b>	Net investment income tax. Attach Form 8960 .....	<b>12</b>	<b>906.</b>
<b>13</b>	Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance from Form W-2, box 12 .....	<b>13</b>	
<b>14</b>	Interest on tax due on installment income from the sale of certain residential lots and timeshares .....	<b>14</b>	
<b>15</b>	Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000 .....	<b>15</b>	
<b>16</b>	Recapture of low-income housing credit. Attach Form 8611 .....	<b>16</b>	

(continued on page 2)

LHA **For Paperwork Reduction Act Notice, see your tax return instructions.**

**Schedule 2 (Form 1040) 2021**

**Part II Other Taxes** (continued)

<b>17</b>	Other additional taxes:			
<b>a</b>	Recapture of other credits. List type, form number, and amount ►	<b>17a</b>		
<b>b</b>	Recapture of federal mortgage subsidy. If you sold your home in 2021, see instructions	<b>17b</b>		
<b>c</b>	Additional tax on HSA distributions. Attach Form 8889	<b>17c</b>		
<b>d</b>	Additional tax on an HSA because you didn't remain an eligible individual. Attach Form 8889	<b>17d</b>		
<b>e</b>	Additional tax on Archer MSA distributions. Attach Form 8853	<b>17e</b>		
<b>f</b>	Additional tax on Medicare Advantage MSA distributions. Attach Form 8853	<b>17f</b>		
<b>g</b>	Recapture of a charitable contribution deduction related to a fractional interest in tangible personal property	<b>17g</b>		
<b>h</b>	Income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A	<b>17h</b>		
<b>i</b>	Compensation you received from a nonqualified deferred compensation plan described in section 457A	<b>17i</b>		
<b>j</b>	Section 72(m)(5) excess benefits tax	<b>17j</b>		
<b>k</b>	Golden parachute payments	<b>17k</b>		
<b>l</b>	Tax on accumulation distribution of trusts	<b>17l</b>		
<b>m</b>	Excise tax on insider stock compensation from an expatriated corporation	<b>17m</b>		
<b>n</b>	Look-back interest under section 167(g) or 460(b) from Form 8697 or 8866	<b>17n</b>		
<b>o</b>	Tax on non-effectively connected income for any part of the year you were a nonresident alien from Form 1040-NR	<b>17o</b>		
<b>p</b>	Any interest from Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund	<b>17p</b>		
<b>q</b>	Any interest from Form 8621, line 24	<b>17q</b>		
<b>z</b>	Any other taxes. List type and amount ►	<b>17z</b>		
<b>18</b>	Total additional taxes. Add lines 17a through 17z		<b>18</b>	
<b>19</b>	Additional tax from Schedule 8812		<b>19</b>	
<b>20</b>	Section 965 net tax liability installment from Form 965-A	<b>20</b>		
<b>21</b>	Add lines 4, 7 through 16, 18, and 19. These are your <b>total other taxes</b> . Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b		<b>21</b>	<b>24,786.</b>

Schedule 2 (Form 1040) 2021

**Upper Cumberland Development District**  
**Budget July 1, 2023 - June 30, 2024**

**Total Agency Grant Related Expenditures**

**Revenues**

Federal Grantor Revenue	\$ 6,148,727
State Grantor Revenue	\$ 2,945,323
Contract Revenues	\$ 577,646
Program	\$ 46,723
Other Revenue	\$ 8,000
Inkind	\$ 76,932
<b>TOTAL REVENUE</b>	<b>\$ 9,803,351</b>

**Program/Matching Revenues**

CDBG Revenue	\$ 195,302
State Match	\$ 230,000
Dues	\$ 98,728
Interest	\$ 3,000
Other	\$ 100
<b>TOTAL REVENUE</b>	<b>\$ 527,130</b>

**Expenditures**

Salaries and Wages	\$ 3,121,436
Employee Benefits & Taxes	\$ 1,000,283
Total Personnel Expenses	\$ 4,121,719
Professional Fees	\$ 3,627,262
Supplies	\$ 131,158
Communication & Advertising	\$ 116,478
Postage & Shipping	\$ 22,084
Occupancy	\$ 322,494
Equipment Rental & Maintenance	\$ -
Travel/Fuel	\$ 233,356
Training	\$ 5,000
Vehicle Maintenance	\$ -
Transportation Trips	\$ -
Insurance	\$ -
Assistance to Individuals	\$ 127,899
Printing	\$ 4,656
Contracted Services	\$ 445,650
Food	\$ -
Miscellaneous	\$ 215,313
RTAP-Training	\$ -
Job Access Trips	\$ -
Fundraising Costs	\$ -
Capital-Preventive Maintenance	\$ -
Capital-Mobility Management	\$ -
Reimbursable Capital Exp.	\$ 15,000
In-kind / CPE	\$ 76,932
Total Non-Personnel Expenses	\$ 5,343,281
Total Direct Program Expenses	\$ 9,465,001
Administrative Expenses	\$ 788,759
<b>TOTAL EXPENSES</b>	<b>\$ 10,253,759</b>

**Non Grant Related Expenditures**

Supplies	\$ 7,000
Travel	\$ 37,722
Other	\$ 32,000
<b>TOTAL EXPENSES</b>	<b>\$ 76,722</b>
Revenue Over (Under) Exp	\$ 450,408
Match Requirement	\$ (450,408)
	<b>\$ 0</b>

**Program Match** \$ (450,408)

	Ag Planning 35	Coordination 36	I & A 37
Federal Grantor Revenue	\$ 247,700	\$ 36,891	\$ 55,790
State Grantor Revenue	\$ 153,268	\$ -	\$ -
Contract Revenues	\$ -	\$ -	\$ -
Program Revenue	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
Inkind	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 400,968</b>	<b>\$ 36,891</b>	<b>\$ 55,790</b>
Salaries and Wages	\$ 262,673	\$ 23,433	\$ 39,108
Employee Benefits & Taxes	\$ 82,627	\$ 7,488	\$ 12,175
Total Personnel Expenses	\$ 345,300	\$ 30,920.5	\$ 51,283
Professional Fees	\$ 27,000	\$ -	\$ -
Supplies	\$ 9,000	\$ 750	\$ 750
Communication & Advertising	\$ 10,000	\$ 500	\$ 1,000
Postage & Shipping	\$ -	\$ -	\$ -
Occupancy	\$ 17,000	\$ 1,800	\$ 4,000
Equipment Rental & Maintenance	\$ -	\$ -	\$ -
Travel/Fuel	\$ 7,400	\$ 500	\$ 1,000
Training	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ -	\$ -	\$ -
Transportation Trips	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Assistance to Individuals	\$ -	\$ -	\$ -
Printing	\$ -	\$ -	\$ -
Contracted Services	\$ -	\$ -	\$ -
Food	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
RTAP-Training	\$ -	\$ -	\$ -
Job Access Trips	\$ -	\$ -	\$ -
Fundraising Costs	\$ -	\$ -	\$ -
Capital-Preventive Maintenance	\$ -	\$ -	\$ -
Capital-Mobility Management	\$ -	\$ -	\$ -
Reimbursable Capital Exp.	\$ -	\$ -	\$ -
In-kind / CPE	\$ -	\$ -	\$ -
Total Non-Personnel Expenses	\$ 70,400	\$ 3,550	\$ 6,750
Total Direct Program Expenses	\$ 415,700	\$ 34,471	\$ 58,033
Administrative Expenses	\$ 72,299	\$ 6,552	\$ 10,653
<b>TOTAL EXPENSES</b>	<b>\$ 487,999</b>	<b>\$ 41,023</b>	<b>\$ 68,686</b>
Revenue Over (Under) Expend.	\$ (87,031)	\$ (4,132)	\$ (12,896)

	Service Coord 34		Guardian 39		IID Prev 33	
Federal Grantor Revenue	\$	111,520	\$	-	\$	11,140
State Grantor Revenue	\$	299,517	\$	285,800	\$	-
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	46,723	\$	-
Other Revenue	\$	-	\$	-	\$	-
Inkind	\$	-	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>411,037</b>	<b>\$ \$</b>	<b>332,523</b>	<b>\$ \$</b>	<b>11,140</b>
Salaries and Wages	\$	249,878	\$	162,033	\$	5,408
Employee Benefits & Taxes	\$	76,028	\$	51,629	\$	1,728
Total Personnel Expenses	\$	325,906	\$	213,662	\$	7,136
Professional Fees	\$	3,000	\$	31,000	\$	-
Supplies	\$	3,000	\$	5,687	\$	100
Communication & Advertising	\$	4,000	\$	8,000	\$	500
Postage & Shipping	\$	-	\$	-	\$	-
Occupancy	\$	11,000	\$	14,000	\$	1,800
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	9,900	\$	15,000	\$	100
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	-	\$	-	\$	-
Printing	\$	-	\$	-	\$	-
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	-
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	-
In-kind / CPE	\$	-	\$	-	\$	-
Total Non-Personnel Expenses	\$	30,900	\$	73,687	\$	2,500
Total Direct Program Expenses	\$	356,806	\$	287,349	\$	9,636
Administrative Expenses	\$	66,524	\$	45,175	\$	1,512
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>423,330</b>	<b>\$</b>	<b>332,524</b>	<b>\$</b>	<b>11,148</b>
Revenue Over (Under) Expend.	\$	(12,293)	\$	(1)	\$	(8)



	Passthrough 40		Choices 55		Senior Expo 32	
Federal Grantor Revenue	\$	2,028,600	\$	427,245	\$	-
State Grantor Revenue	\$	224,200	\$	427,245	\$	-
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	8,000
Inkind	\$	-	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>2,252,800</b>	<b>\$</b>	<b>854,490</b>	<b>\$</b>	<b>8,000</b>
Salaries and Wages	\$	-	\$	454,003	\$	-
Employee Benefits & Taxes	\$	-	\$	159,597	\$	-
Total Personnel Expenses	\$	-	\$	613,600	\$	-
Professional Fees	\$	2,252,800	\$	30,000	\$	-
Supplies	\$	-	\$	20,000	\$	8,000
Communication & Advertising	\$	-	\$	20,000	\$	-
Postage & Shipping	\$	-	\$	-	\$	-
Occupancy	\$	-	\$	31,500	\$	-
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	-	\$	13,000	\$	-
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	-	\$	-	\$	-
Printing	\$	-	\$	-	\$	-
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	-
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	-
In-kind / CPE	\$	-	\$	-	\$	-
Total Non-Personnel Expenses	\$	2,252,800	\$	114,500	\$	8,000
Total Direct Program Expenses	\$	2,252,800	\$	728,100	\$	8,000
Administrative Expenses	\$	-	\$	126,390	\$	-
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>2,252,800</b>	<b>\$</b>	<b>854,490</b>	<b>\$</b>	<b>8,000</b>
Revenue Over (Under) Expend.	\$	-	\$	(0)	\$	-

	MIPPA 56		SHIP 57		CREVVA 68	
Federal Grantor Revenue	\$	80,000	\$	80,110	\$	107,600
State Grantor Revenue	\$	-	\$	-	\$	-
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	-
Inkind	\$	-	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>80,000</b>	<b>\$ \$</b>	<b>80,110</b>	<b>\$ \$</b>	<b>107,600</b>
Salaries and Wages	\$	34,883	\$	37,585	\$	32,754
Employee Benefits & Taxes	\$	15,217	\$	13,309	\$	10,746
Total Personnel Expenses	\$	50,100	\$	50,894	\$	43,500
Professional Fees	\$	-	\$	-	\$	1
Supplies	\$	-	\$	-	\$	1,200
Communication & Advertising	\$	2,442	\$	2,400	\$	1,200
Postage & Shipping	\$	6,558	\$	7,141	\$	100
Occupancy	\$	8,000	\$	8,000	\$	7,500
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	2,100	\$	2,500	\$	3,500
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	-	\$	-	\$	42,899
Printing	\$	-	\$	-	\$	-
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	-
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	-
In-kind / CPE	\$	-	\$	-	\$	-
Total Non-Personnel Expenses	\$	19,100	\$	20,041	\$	56,400
Total Direct Program Expenses	\$	69,200	\$	70,935	\$	99,900
Administrative Expenses	\$	10,800	\$	9,175	\$	7,700
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>80,000</b>	<b>\$</b>	<b>80,110</b>	<b>\$</b>	<b>107,600</b>
Revenue Over (Under) Expend.	\$	0	\$	-	\$	-

	SHIP 57		CREVVA 68		SNAP 69	
Federal Grantor Revenue	\$	80,110	\$	107,600	\$	66,599
State Grantor Revenue	\$	-	\$	-	\$	-
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	-
Inkind	\$	-	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>80,110</b>	<b>\$ \$</b>	<b>107,600</b>	<b>\$ \$</b>	<b>66,599</b>
Salaries and Wages	\$	37,585	\$	32,754	\$	39,678
Employee Benefits & Taxes	\$	13,309	\$	10,746	\$	12,577
Total Personnel Expenses	\$	50,894	\$	43,500	\$	52,255
Professional Fees	\$	-	\$	1	\$	-
Supplies	\$	-	\$	1,200	\$	628
Communication & Advertising	\$	2,400	\$	1,200	\$	648
Postage & Shipping	\$	7,141	\$	100	\$	-
Occupancy	\$	8,000	\$	7,500	\$	3,168
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	2,500	\$	3,500	\$	849
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	-	\$	42,899	\$	-
Printing	\$	-	\$	-	\$	606
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	-
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	-
In-kind / CPE	\$	-	\$	-	\$	-
Total Non-Personnel Expenses	\$	20,041	\$	56,400	\$	5,899
Total Direct Program Expenses	\$	70,935	\$	99,900	\$	58,154
Administrative Expenses	\$	9,175	\$	7,700	\$	8,820
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>80,110</b>	<b>\$</b>	<b>107,600</b>	<b>\$</b>	<b>66,974</b>
Revenue Over (Under) Expend.	\$	-	\$	-	\$	(375)

	CREST 42		ARP		Options II 43	
Federal Grantor Revenue	\$	81,652	\$	705,668	\$	-
State Grantor Revenue	\$	-	\$		\$	603,300
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	-
Inkind	\$	-	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>81,652</b>	<b>\$ \$</b>	<b>705,668</b>	<b>\$ \$</b>	<b>603,300</b>
Salaries and Wages	\$	32,754	\$	34,299	\$	-
Employee Benefits & Taxes	\$	7,450	\$	6,309	\$	-
Total Personnel Expenses	\$	40,204	\$	40,608	\$	-
Professional Fees	\$	1	\$	653,360	\$	603,300
Supplies	\$	1,500	\$	900	\$	-
Communication & Advertising	\$	650	\$	500	\$	-
Postage & Shipping	\$	1	\$	100	\$	-
Occupancy	\$	4,000	\$	1,000	\$	-
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	2,100	\$	600	\$	-
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	35,000	\$	-	\$	-
Printing	\$	-	\$	-	\$	-
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	-
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	-
In-kind / CPE	\$	-	\$	-	\$	-
Total Non-Personnel Expenses	\$	43,252	\$	656,460	\$	603,300
Total Direct Program Expenses	\$	83,456	\$	697,068	\$	603,300
Administrative Expenses	\$	6,650	\$	8,600	\$	-
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>90,106</b>	<b>\$</b>	<b>705,668</b>	<b>\$</b>	<b>603,300</b>
Revenue Over (Under) Expend.	\$	(8,454)	\$	-	\$	-

	SMP 27	Total Department Budget
Federal Grantor Revenue	\$ 698,603	\$ 4,739,118
State Grantor Revenue	\$ -	\$ 1,993,330
Contract Revenues	\$ -	\$ -
Program Revenue	\$ -	\$ 46,723
Other Revenue	\$ -	\$ 8,000
Inkind	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ \$ 698,603</b>	<b>\$ 6,787,171</b>
Salaries and Wages	\$ 146,653	\$ 1,555,140
Employee Benefits & Taxes	\$ 58,058	\$ 514,938
Total Personnel Expenses	\$ 204,712	\$ 2,070,078
Professional Fees	\$ -	\$ 3,600,462
Supplies	\$ 21,371	\$ 71,986
Communication & Advertising	\$ 5,000	\$ 56,340
Postage & Shipping	\$ -	\$ 13,800
Occupancy	\$ 21,000	\$ 132,768
Equipment Rental & Maintenance	\$ -	\$ -
Travel/Fuel	\$ 18,991	\$ 76,940
Training	\$ -	\$ -
Vehicle Maintenance	\$ -	\$ -
Transportation Trips	\$ -	\$ -
Insurance	\$ -	\$ -
Assistance to Individuals	\$ -	\$ 77,899
Printing	\$ -	\$ 606
Contracted Services	\$ 192,000	\$ 192,000
Food	\$ -	\$ -
Miscellaneous	\$ 210,813	\$ 210,813
RTAP-Training	\$ -	\$ -
Job Access Trips	\$ -	\$ -
Fundraising Costs	\$ -	\$ -
Capital-Preventive Maintenance	\$ -	\$ -
Capital-Mobility Management	\$ -	\$ -
Reimbursable Capital Exp.	\$ -	\$ -
In-kind / CPE	\$ -	\$ -
Total Non-Personnel Expenses	\$ 469,174	\$ 4,433,613
Total Direct Program Expenses	\$ 673,886	\$ 6,503,692
Administrative Expenses	\$ 32,529	\$ 413,379
<b>TOTAL EXPENSES</b>	<b>\$ 706,415</b>	<b>\$ 6,917,071</b>
Revenue Over (Under) Expend.	\$ (7,812)	\$ (129,900)

	RCP 19	Housing 18,21,22,14	ERP 52
Federal Grantor Revenue	\$ -	\$ -	\$ -
State Grantor Revenue	\$ 500,000	\$ -	\$ 300,000
Contract Revenues	\$ -	\$ 577,646	\$ -
Program Revenue	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
Inkind	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 500,000</b>	<b>\$ 577,646</b>	<b>\$ 300,000</b>
Salaries and Wages	\$ 286,677	\$ 313,096	\$ 16,626
Employee Benefits & Taxes	\$ 38,323	\$ 106,453	\$ 25,325
Total Personnel Expenses	\$ 325,000	\$ 419,548.6	\$ 41,951
Professional Fees	\$ -	\$ -	\$ -
Supplies	\$ 10,000	\$ 12,500	\$ 100
Communication & Advertising	\$ 10,000	\$ 11,400	\$ 700
Postage & Shipping	\$ 5,000	\$ 250	\$ -
Occupancy	\$ 30,000	\$ 27,000	\$ 3,300
Equipment Rental & Maintenance	\$ -	\$ -	\$ -
Travel/Fuel	\$ 30,000	\$ 37,500	\$ 300
Training	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ -	\$ -	\$ -
Transportation Trips	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Assistance to Individuals	\$ 50,000	\$ -	\$ -
Printing	\$ -	\$ -	\$ -
Contracted Services	\$ -	\$ -	\$ 253,650
Food	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
RTAP-Training	\$ -	\$ -	\$ -
Job Access Trips	\$ -	\$ -	\$ -
Fundraising Costs	\$ -	\$ -	\$ -
Capital-Preventive Maintenance	\$ -	\$ -	\$ -
Capital-Mobility Management	\$ -	\$ -	\$ -
Reimbursable Capital Exp.	\$ -	\$ -	\$ -
In-kind / CPE	\$ -	\$ -	\$ -
Total Non-Personnel Expenses	\$ 135,000	\$ 88,650	\$ 258,050
Total Direct Program Expenses	\$ 460,000	\$ 508,199	\$ 300,001
Administrative Expenses	\$ 80,000	\$ 69,447	\$ 3,688
<b>TOTAL EXPENSES</b>	<b>\$ 540,000</b>	<b>\$ 577,646</b>	<b>\$ 303,689</b>
Revenue Over (Under) Expend.	\$ (40,000)	\$ 0	\$ (3,689)

	THDA Tech Assit 13		Total Department Budget
Federal Grantor Revenue	\$	-	\$ -
State Grantor Revenue	\$	20,000	\$ 820,000
Contract Revenues	\$	-	\$ 577,646
Program Revenue	\$	-	\$ -
Other Revenue	\$	-	\$ -
Inkind	\$	-	\$ -
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>20,000</b>	<b>\$ 1,397,646</b>
Salaries and Wages	\$	3,963	\$ 620,361
Employee Benefits & Taxes	\$	2,788	\$ 172,889
Total Personnel Expenses	\$	6,750	\$ 793,250
Professional Fees	\$	-	\$ -
Supplies	\$	2,621	\$ 25,221
Communication & Advertising	\$	800	\$ 22,900
Postage & Shipping	\$	-	\$ 5,250
Occupancy	\$	2,500	\$ 62,800
Equipment Rental & Maintenance	\$	-	\$ -
Travel/Fuel	\$	2,450	\$ 70,250
Training	\$	-	\$ -
Vehicle Maintenance	\$	-	\$ -
Transportation Trips	\$	-	\$ -
Insurance	\$	-	\$ -
Assistance to Individuals	\$	-	\$ 50,000
Printing	\$	-	\$ -
Contracted Services	\$	-	\$ 253,650
Food	\$	-	\$ -
Miscellaneous	\$	4,000	\$ 4,000
RTAP-Training	\$	-	\$ -
Job Access Trips	\$	-	\$ -
Fundraising Costs	\$	-	\$ -
Capital-Preventive Maintenance	\$	-	\$ -
Capital-Mobility Management	\$	-	\$ -
Reimbursable Capital Exp.	\$	-	\$ -
In-kind / CPE	\$	-	\$ -
Total Non-Personnel Expenses	\$	12,371	\$ 494,071
Total Direct Program Expenses	\$	19,121	\$ 1,287,321
Administrative Expenses	\$	879	\$ 154,014
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>20,000</b>	<b>\$ 1,441,335</b>
Revenue Over (Under) Expend.	\$	(0)	\$ (43,689)

	ARC 11	ARC II 11b	EDA 16
Federal Grantor Revenue	\$ 167,419	\$ 50,000	\$ 70,000
State Grantor Revenue	\$ -	\$ -	\$ -
Contract Revenues	\$ -	\$ -	\$ -
Program Revenue	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
Inkind	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 167,419</b>	<b>\$ 50,000</b>	<b>\$ 70,000</b>
Salaries and Wages	\$ 142,305	\$ 38,625	\$ 107,375
Employee Benefits & Taxes	\$ 46,961	\$ 13,300	\$ 35,434
Total Personnel Expenses	\$ 189,265	\$ 51,925.0	\$ 142,809
Professional Fees	\$ -	\$ -	\$ -
Supplies	\$ 6,878	\$ 700	\$ 4,000
Communication & Advertising	\$ 2,500	\$ 500	\$ 2,000
Postage & Shipping	\$ 500	\$ -	\$ -
Occupancy	\$ 16,800	\$ 5,526	\$ 10,600
Equipment Rental & Maintenance	\$ -	\$ -	\$ -
Travel/Fuel	\$ 9,400	\$ 1,500	\$ 4,000
Training	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ -	\$ -	\$ -
Transportation Trips	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Assistance to Individuals	\$ -	\$ -	\$ -
Printing	\$ -	\$ -	\$ -
Contracted Services	\$ -	\$ -	\$ -
Food	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
RTAP-Training	\$ -	\$ -	\$ -
Job Access Trips	\$ -	\$ -	\$ -
Fundraising Costs	\$ -	\$ -	\$ -
Capital-Preventive Maintenance	\$ -	\$ -	\$ -
Capital-Mobility Management	\$ -	\$ -	\$ -
Reimbursable Capital Exp.	\$ -	\$ -	\$ -
In-kind / CPE	\$ -	\$ -	\$ -
Total Non-Personnel Expenses	\$ 36,078	\$ 8,226	\$ 20,600
Total Direct Program Expenses	\$ 225,343	\$ 60,151	\$ 163,409
Administrative Expenses	\$ 31,564	\$ 8,567	\$ 23,817
<b>TOTAL EXPENSES</b>	<b>\$ 256,907</b>	<b>\$ 68,718</b>	<b>\$ 187,226</b>
Revenue Over (Under) Expend.	\$ (89,488)	\$ (18,718)	\$ (117,226)



	EDA Recovery 26		Local Planning 60		CAIC 15	
Federal Grantor Revenue	\$	128,000	\$	156,637	\$	211,788
State Grantor Revenue	\$	-	\$	-	\$	-
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	-
Inkind	\$	-	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>128,000</b>	<b>\$ \$</b>	<b>156,637</b>	<b>\$ \$</b>	<b>211,788</b>
Salaries and Wages	\$	77,868	\$	31,380	\$	107,680
Employee Benefits & Taxes	\$	29,640	\$	10,355	\$	35,534
Total Personnel Expenses	\$	107,508	\$	41,735	\$	143,214
Professional Fees	\$	-	\$	-	\$	23,000
Supplies	\$	2,500	\$	3,400	\$	1,500
Communication & Advertising	\$	9,188	\$	2,400	\$	3,500
Postage & Shipping	\$	-	\$	50	\$	500
Occupancy	\$	15,600	\$	10,000	\$	7,800
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	5,000	\$	15,000	\$	5,500
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	-	\$	-	\$	-
Printing	\$	-	\$	-	\$	-
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	500
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	-
In-kind / CPE	\$	-	\$	-	\$	-
Total Non-Personnel Expenses	\$	32,288	\$	30,850	\$	42,300
Total Direct Program Expenses	\$	139,796	\$	72,585	\$	185,514
Administrative Expenses	\$	18,112	\$	7,657	\$	26,274
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>157,908</b>	<b>\$</b>	<b>80,242</b>	<b>\$</b>	<b>211,788</b>
Revenue Over (Under) Expend.	\$	(29,908)	\$	76,395	\$	(0)

	SBDC 83		RPO 48		Empower 31	
Federal Grantor Revenue	\$	148,500	\$	108,931	\$	333,334
State Grantor Revenue	\$	-	\$	13,616	\$	-
Contract Revenues	\$	-	\$	-	\$	-
Program Revenue	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	-
Inkind	\$	58,932	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>207,432</b>	<b>\$ \$</b>	<b>122,547</b>	<b>\$ \$</b>	<b>333,334</b>
Salaries and Wages	\$	118,399	\$	73,420	\$	154,720
Employee Benefits & Taxes	\$	39,072	\$	24,229	\$	50,400
Total Personnel Expenses	\$	157,470	\$	97,649	\$	205,120
Professional Fees	\$	-	\$	-	\$	2,000
Supplies	\$	3,873	\$	750	\$	8,000
Communication & Advertising	\$	1,750	\$	5,500	\$	6,750
Postage & Shipping	\$	250	\$	250	\$	1,184
Occupancy	\$	12,000	\$	7,100	\$	31,500
Equipment Rental & Maintenance	\$	-	\$	-	\$	-
Travel/Fuel	\$	7,654	\$	7,000	\$	25,412
Training	\$	-	\$	-	\$	-
Vehicle Maintenance	\$	-	\$	-	\$	-
Transportation Trips	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-
Assistance to Individuals	\$	-	\$	-	\$	-
Printing	\$	-	\$	-	\$	4,050
Contracted Services	\$	-	\$	-	\$	-
Food	\$	-	\$	-	\$	-
Miscellaneous	\$	-	\$	-	\$	-
RTAP-Training	\$	-	\$	-	\$	-
Job Access Trips	\$	-	\$	-	\$	-
Fundraising Costs	\$	-	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-	\$	15,000
In-kind / CPE	\$	58,932	\$	-	\$	-
Total Non-Personnel Expenses	\$	84,459	\$	20,600	\$	93,896
Total Direct Program Expenses	\$	241,929	\$	118,249	\$	299,016
Administrative Expenses	\$	28,889	\$	17,915	\$	34,318
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>270,818</b>	<b>\$</b>	<b>136,164</b>	<b>\$</b>	<b>333,334</b>
Revenue Over (Under) Expend.	\$	(63,386)	\$	(13,617)	\$	-

	TACIR 29		Solid Waste 2823	
Federal Grantor Revenue	\$	-	\$	-
State Grantor Revenue	\$	59,629	\$	58,748
Contract Revenues	\$	-	\$	-
Program Revenue	\$	-	\$	-
Other Revenue	\$	-	\$	-
Inkind	\$	-	\$	-
<b>TOTAL REVENUE</b>	<b>\$ \$</b>	<b>59,629</b>	<b>\$ \$</b>	<b>58,748</b>
Salaries and Wages	\$	41,200	\$	30,797
Employee Benefits & Taxes	\$	13,596	\$	5,436
Total Personnel Expenses	\$	54,796	\$	36,233
Professional Fees	\$	1,800	\$	-
Supplies	\$	250	\$	2,000
Communication & Advertising	\$	800	\$	2,000
Postage & Shipping	\$	50	\$	200
Occupancy	\$	4,500	\$	2,000
Equipment Rental & Maintenance	\$	-	\$	-
Travel/Fuel	\$	500	\$	3,800
Training	\$	-	\$	5,000
Vehicle Maintenance	\$	-	\$	-
Transportation Trips	\$	-	\$	-
Insurance	\$	-	\$	-
Assistance to Individuals	\$	-	\$	-
Printing	\$	-	\$	-
Contracted Services	\$	-	\$	-
Food	\$	-	\$	-
Miscellaneous	\$	-	\$	-
RTAP-Training	\$	-	\$	-
Job Access Trips	\$	-	\$	-
Fundraising Costs	\$	-	\$	-
Capital-Preventive Maintenance	\$	-	\$	-
Capital-Mobility Management	\$	-	\$	-
Reimbursable Capital Exp.	\$	-	\$	-
In-kind / CPE	\$	-	\$	-
Total Non-Personnel Expenses	\$	7,900	\$	15,000
Total Direct Program Expenses	\$	62,696	\$	51,233
Administrative Expenses	\$	9,138	\$	7,515
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>71,834</b>	<b>\$</b>	<b>58,748</b>
Revenue Over (Under) Expend.	\$	(12,205)	\$	0

	Historical 17	Total Department Budget
Federal Grantor Revenue	\$ 35,000	\$ 1,409,609
State Grantor Revenue	\$ -	\$ 131,993
Contract Revenues	\$ -	\$ -
Program Revenue	\$ -	\$ -
Other Revenue	\$ -	\$ -
Inkind	\$ 18,000	\$ 76,932
<b>TOTAL REVENUE</b>	<b>\$ \$ 53,000</b>	<b>\$ 1,618,534</b>
Salaries and Wages	\$ 22,167	\$ 945,935
Employee Benefits & Taxes	\$ 8,500	\$ 312,456
Total Personnel Expenses	\$ 30,667	\$ 1,258,391
Professional Fees	\$ -	\$ 26,800
Supplies	\$ 100	\$ 33,951
Communication & Advertising	\$ 350	\$ 37,238
Postage & Shipping	\$ 50	\$ 3,034
Occupancy	\$ 3,500	\$ 126,926
Equipment Rental & Maintenance	\$ -	\$ -
Travel/Fuel	\$ 1,400	\$ 86,166
Training	\$ -	\$ 5,000
Vehicle Maintenance	\$ -	\$ -
Transportation Trips	\$ -	\$ -
Insurance	\$ -	\$ -
Assistance to Individuals	\$ -	\$ -
Printing	\$ -	\$ 4,050
Contracted Services	\$ -	\$ -
Food	\$ -	\$ -
Miscellaneous	\$ -	\$ 500
RTAP-Training	\$ -	\$ -
Job Access Trips	\$ -	\$ -
Fundraising Costs	\$ -	\$ -
Capital-Preventive Maintenance	\$ -	\$ -
Capital-Mobility Management	\$ -	\$ -
Reimbursable Capital Exp.	\$ -	\$ 15,000
In-kind / CPE	\$ 18,000	\$ 76,932
Total Non-Personnel Expenses	\$ 23,400	\$ 415,597
Total Direct Program Expenses	\$ 54,067	\$ 1,673,988
Administrative Expenses	\$ 7,600	\$ 221,366
<b>TOTAL EXPENSES</b>	<b>\$ 61,667</b>	<b>\$ 1,895,354</b>
Revenue Over (Under) Expend.	\$ (8,667)	\$ (276,820)

Pursuant to Section 13-1406, Paragraph B-2, Tennessee Code Annotated, the following depicts the work program of the Upper Cumberland Development District for FY-2023.

## **100 REGIONAL COMPREHENSIVE PLANNING**

### **101 General Development Planning/Comprehensive Economic Development Strategy (CEDS)**

The CEDS serves as a regional road map for economic and community development. A new CEDS was completed in the fall of 2022 for 2022-2027.

### **102 Land Use N/A**

### **103 Data Analysis**

Staff collects and analyzes data used in planning documents, special studies, and project applications, as well as, answer requests from the public and private sectors.

### **104 Infrastructure Needs Assessment**

UCDD pursues funds to conduct regional infrastructure studies in conjunction with the TACIR report.

### **105 Growth Plan (Public Act 1101)**

UCDD works with a number of Upper Cumberland cities and counties in fulfilling the requirements of Public Act 1101. This activity will continue as needed.

### **106 Community Comprehensive Planning**

UCDD assists communities in comprehensive planning on an as-requested basis.

## **200 HOUSING DEVELOPMENT**

### **201 Housing Planning**

UCDD coordinates housing-related activities; working with the Cumberland Regional Development Corporation to maintain access to affordable rental property; and, conducts public hearings on housing-related issues; and performs Fair Housing activities.

### **202 Private Housing Development Industry**

UCDD continues to provide technical assistance to the private sector.

### **203 Public Sector Housing Development**

UCDD will continue to provide technical assistance to the public sector.

### **204 Regional Housing Facilitation**

AAAD advocates for affordable, accessible, safe, and stable community-based homes for enrollees in TennCare's CHOICES Long-Term Services and Supports Program.

## **300 TRANSPORTATION DEVELOPMENT**

### **301 Transportation Planning (Rural Planning Organizations - RPOs)**

UCDD works with the Tennessee Department of Transportation (TDOT) to serve as a focal point for the Dale Hollow and Center Hill RPOs; allowing for local officials' input into the transportation decision-making process.

**Through the RPO process, staff will provide technical assistance and related support as needed for:**

### **302 Highways**

### **303 Airports**

### **304 Railroads**

### **305 Waterways**

### **306 Pipeline: N/A**

### **308 Transit**

### **309 Personal Transportation**

AAAD participates in the development and implementation of the strategic plan of the Tennessee Commission on Aging and Disability (TCAD) for the purpose of addressing the transportation needs of older adults and adults with disabilities.

## **400 ECONOMIC DEVELOPMENT**

### **401 Economic Development Planning**

Economic Development Planning includes coordination with other development organizations and technical assistance to ongoing economic development projects.

### **402 Industrial Development**

UCDD provides technical assistance in the development and improvements of industrial parks, industrial location and expansion projects, and more to communities in the region as needed.

### **403 Agriculture and Silviculture**

UCDD participates in Rural Area Development Committees in addressing the problems of regional farmers and rural residents.

### **404 Commercial and Tourism Development**

UCDD provides data and technical assistance to the Upper Cumberland Tourism Association as requested.

### **405 Business Loans and Job Creation**

UCDD assists small businesses through the Cumberland Area Investment Corporation, EDA Revolving Loan Fund, USDA/Rural Development IRP Program, the microloan program, and the TN Small Business Development Center in partnership with Tennessee Tech University (TTU).

### **406 Business Incubator/Accelerator Development**

UCDD works with TTU and Roane State Community College to implement the Business Incubator/Technology Center in the Upper Cumberland and also works with the Biz Foundry to promote its accelerator program.

### **407 Overall Economic Development Planning**

UCDD uses the CEDS as a guide to assist local entities in implementing proposed plans and projects throughout the 14-county area.

### **408 Economic Development Marketing**

UCDD staff coordinates regional marketing of local assets through a presence at appropriate trade shows such as Select USA Investment Summit and others.

### **409 Exports**

UCDD is a liaison between local companies/communities and state/federal export partners.

### **410 Workforce**

Through the Upper Cumberland Workforce program, UCDD will continue to support workforce development efforts in the region. District staff will continue to partner with Upper Cumberland Tennessee Reconnect Community as they seek to increase the education level of adults in the Upper Cumberland.

### **411 Retail**

UCDD coordinates with Retail Strategies through its Retail Academy program to assist communities with effective marketing techniques and support to enhance the retail landscape.

## **500 HUMAN RESOURCE DEVELOPMENT**

### **501 Human Resource Planning (See Paragraphs 502-506)**

### **502 Education: N/A**

### **503 Health**

AAAD provides information and resources focused on health education to older adults and other adults with disabilities at county and regional health fairs, serves on health councils, and encourages senior center directors to participate in or coordinate events within their counties.

### **504 Children's Services**

UCDD's Relative Caregiver Program works with other agencies responsible for targeting the needs of at-risk children in the Upper Cumberland.

**505 Aging**

AAAD advocates for older adults and adults with disabilities so that they can achieve and maintain active, healthy, and independent lives.

**506 Handicapped/Accessibility**

AAAD connects older adults and adults with disabilities with resources to make home modifications such as wheelchair ramps, handicap-accessible doorways, bathrooms, etc.

**600 PUBLIC SAFETY****601 Public Safety Planning**

UCDD provides technical assistance and assists local governments with grant applications for funds for the Federal Emergency Management Agency.

**602 Criminal Justice**

UCDD assists local law enforcement with funding applications and providing outreach and education to local law enforcement and the District Attorney. AAAD offers two programs to help alleged victims of crimes and other eligible vulnerable adults referred primarily by Adult Protective Services (APS) – Collaborative Response to Elder and Vulnerable Adult Abuse (CREVAA) and Collaborative Response to End Self-Neglect in Tennessee (CREST).

**603 Highway Safety**

UCDD assists TDOT with their RSAR's (Road Safety Audit Review).

**604 Fire Services**

UCDD provides technical and grant application assistance for fire protection equipment funds from available sources.

**605 Emergency Service System**

UCDD provides technical and grant application assistance for funds for emergency service systems through any available funding source.

**606 Hazardous Materials: N/A****700 RECREATION AND CULTURAL DEVELOPMENT****701 Recreation and Cultural Development Planning**

UCDD provides a Community Facilities Plan to serve as a general guide for accomplishing a coordinated, adjusted, and harmonious development of the municipality.

**702 Parks and Recreation**

UCDD offers technical assistance to communities seeking grants from the Tennessee Department of Environment and Conservation (TDEC). AAAD works with regional senior centers to ensure the continued provision of recreation for older adults.

**703 Libraries**

UCDD offers technical assistance to communities interested in Direct Service Grants.

**704 Historic Preservation/Cultural Resources Management**

UCDD works with the Tennessee Historical Commission to assist communities in submitting applications for inclusion in the National Register of Historic Places and related projects.

**705 Arts Build Communities (ABC) Grants**

UCDD assists applicants with Arts Build Communities (ABC) grants available through the Tennessee Arts Commission; identifying eligible activities, providing feedback on draft applications, administering local grant review panels, and fund-tracking assistance.

**800 ENVIRONMENTAL MANAGEMENT****801 Environmental Planning**

Staff continues to prepare Environmental Assessments as needed; conducting environmental reviews for CDBG projects on a contractual basis.

**802 Soil Resources: N/A**

**803 Water Resources: N/A**

UCDD works with the TDEC to improve water quality by coordinating the 604b grant program.

**804 Geologic Resources: N/A**

**805 Flora Resources: N/A**

**806 Fauna Resources: N/A**

**807 Air Resources: N/A**

**808 Noise: N/A**

## **900 UTILITIES**

**901 Utility Planning** (See Paragraphs 902-906)

**902 Solid Waste Management**

UCDD offers technical assistance in the preparation of Annual Reports (ARPs), needs assessments, and relevant tasks for Upper Cumberland communities.

**903 Sewer Service**

UCDD provides technical assistance regarding sewer expansions and improvements and will prepare grant/loan applications to CDBG, ARC, and USDA/Rural Development.

**904 Water Service**

UCDD, along with consulting engineers, offers technical assistance to local governments in the improvements of water systems.

**905 Electric Service: N/A**

**906 Natural Gas Service**

Staff provides technical assistance to local governments interested in grants/loans for gas pipelines.

## **1000 ENERGY DEVELOPMENT**

**1001 Energy Planning**

UCDD coordinates with TVA to provide expertise in energy planning.

**1002 Energy Development and Production: N/A**

**1003 Energy Management and Conservation**

UCDD continues to offer technical assistance to any community which requests assistance.

## **1100 GOVERNMENTAL SERVICES AND COORDINATION**

**1101 Local Government**

UCDD continues to offer technical assistance under each category in this work program as requested.

**1102 Clearinghouse Functions**

UCDD serves as Regional Clearinghouse for federal agencies when requested.

**1103 Information Services**

UCDD publishes an Annual Report, resource guides, other brochures, news releases, handbooks, and various data tabulations as needed.

**1104 Communications**

UCDD maintains a website, self-service kiosks, and social media channels related to agency news and information.

## **1200 GENERAL ADMINISTRATION**

**1201 Administrative Management**

UCDD develops an Annual Work Program to define total program management, staff assignments, and overall policies and procedures.



**1202 Personnel Management**

UCDD maintains an Equal Employment Opportunity Officer, an Affirmative Action Plan, and in-house and external training programs; providing services as needed to implement the Americans with Disabilities Act.

**1203 Financial Management**

UCDD's Director of Finance continues to maintain complete financial records and cost control measures, prepare budgets and financial reports; serving as liaison with auditors and monitors.

**1204 Board of Directors Activity**

The Executive Committee of the Board of Directors continues to meet on a bi-monthly/on-call basis. The Board of Directors will continue to meet annually or on call.

ORIGINAL PARKING COUNT : 101  
NEW SPACES ADDED : 39  
TOTAL SITE : 140

