



**community housing  
partnership**  
of williamson county

129 West Fowlkes Street, Ste.124  
Franklin, Tennessee 37064  
P: 615.790.5556, F: 615.595.1215  
[communityhousingpartnershipwc.org](http://communityhousingpartnershipwc.org)

**March 5, 2018**

**City of Franklin  
Ms. Kristine Tallent  
Assistant City Administrator/CFO  
City Hall  
109 Third Avenue South  
Franklin, TN 37064**

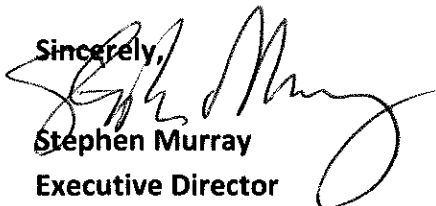
**Dear Ms. Tallent,**

**Enclosed is our 2018-2019 application for funding. The package includes the following:**

- 1. The "Request for City of Franklin Funds"**
- 2. The "Application Addendum"**
- 3. Exhibits A, B and C**
- 4. Our 501©-3 Designation letter from the IRS**
- 5. Our current audit for the fiscal year ending June 30, 2017**

**We believe that this is the full package, however if we have omitted anything or if you have any questions please feel free to give me a call.**

**Sincerely,**

  
**Stephen Murray  
Executive Director**

**City of Franklin**  
**APPLICATION ADDENDUM**

For the funding year, July 1, 2018 through June 30, 2019

Name of Agency: **Community Housing Partnership of Williamson County**

Date: **February 19, 2018**

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2018-2019:

**Community Housing Partnership of Williamson County (CHP) is requesting the same amount of funding as was received in the previous year (\$8,460). The purpose of the funding is the Owner Occupied rehabilitation program, serving low income and elderly or disable homeowners in the City of Franklin with emergency repairs to their homes. CHP has had an ongoing owner occupied repair program for twenty-five years through a number of vehicles. Activity in owner occupied repairs has occurred through volunteer rehabilitation with the partnership of area churches, businesses and community volunteers as well as the Catholic Heart Work Camp, Graceworks, Franklin Rotary at Breakfast, MFUGE, Group Workcamps, Greater Nashville Regional Council, THDA and RECONSTRUCT. There continues to be a steady number of calls for housing assistance for the elderly and low income residents within Franklin. Current funding to support the anticipated rehabilitations in 2018-2019 comes from donations, the City of Franklin, Williamson County, Greater Nashville Regional Council, THDA and United Way of Williamson County. Volunteer labor is used extensively with over 20 volunteer groups currently working with CHP. The City of Franklin funding is a small portion of the funding for this overall program (see enclosed Strategic Business Plan).**

Please provide information on any interaction that your agency has with the operations of City of Franklin departments (e.g., response to calls from Police after domestic incidents, provision of meals or lodging to displaced persons, etc.):

**CHP has extensive interaction with a number of the City of Franklin Departments. As CHP is the homeless provider for the City of Franklin, we have interaction with the City of Franklin Police Department when they have located a homeless individual or family. CHP interviews the family and upon acceptance provides lodging and emergency food to the family to attempt to stabilize them for a period while working with them towards a permanent solution. CHP works extensively with the City of Franklin Building and Neighborhood Services Department to stabilize housing and with codes violation. This is done by attempting to find solutions that will address the problem and correct it within the confines of this application and outside the confines of this grant money by using volunteers and other less restrictive funding. The successes on this item are too broad to list within this document, but include many deteriorated, flood damaged and structures with serious violations. We work closely with many members of this department to insure the welfare of the family, the safety of the structure, the integrity of the house and the concerns of the City of Franklin. CHP works with the City of Franklin Planning and Sustainability Department on a variety of committees and activities related to the future of the City of Franklin particularly on housing and development issues. Within the City of Franklin government CHP has a seat on the Franklin Housing Commission and the CHP Executive Director has served as the Vice Chair in 2011-2012 and 2013-2014 and was the Chair in 2012-2013 and CHP employees participate regularly on the discussion on these vital issues in housing for the City of Franklin as well as scheduled clean up days in Franklin neighborhoods. Additional, CHP has in the past participated at the Board of Mayor and Alderman and other City of Franklin committees as needed or requested. CHP continues to maintain an open relationship with the City of Franklin staff and elected officials to insure that we are performing the tasks that are needed by the City of Franklin and its citizens.**

Please answer completely the following questions using additional pages if necessary:

1. Specifically what services did your agency provide last year for which you are requesting funding this year? What were the objectives and results? (include description capacity, intensity and duration of services.)

**CHP provided emergency rehabilitation services for low income elderly or disabled households in the City of Franklin with this funding in the previous year. The City of Franklin funding was leveraged with further funding from Greater Nashville Regional Council, THDA, United Way of Williamson County and Williamson County to increase the number of households we could serve with these funds. The objective of this program is to provide emergency repairs for a maximum value of \$1000 so it would serve 8 to 9 households on average with emergency repairs to Heat and Air systems, roofing, plumbing issues and electrical issues as well as other housing repairs (however many families do not need the full \$1000 in support so we serve more like 25 families with the City of Franklin funding). Approximately 130 families within the City of Franklin were served under the full program in the past fiscal year (again funding from the five sources). Disproportionately, more of the funding by Williamson County and United Way of Williamson County is spent in Franklin than the rest of the county due to the leverage of the City of Franklin funding. Funding for each project is based on the need and the capacity of the recipient to pay. The duration and scope of each project is dependent on the individual job. Additional, funding is leveraged by volunteer labor where necessary.**

2. Are there procedures in place for measuring the results achieved by your agency? If so, provide detailed data.

**CHP has evaluation programs in place so the Board of Directors can evaluate each specific program. For owner occupied rehabilitations and homeless there is an approval process by the Board on a monthly basis that includes the request and evaluation of the request by staff. A review of the finished**

projects are also submitted to the Board monthly that recaps the length of time to perform the request and a cost comparison of the estimate versus the actual. This has improved the process so it is more responsive to the need and allows control of costs to insure viable funding year long. It allows better coordination with the volunteer groups performing the work and better control over the limited funding for the program. CHP has evaluations on the rental program that allow the Board to view delinquencies and turnovers on the units on a monthly basis. This has allowed better control over the units, more efficient problem solutions and better cash flow from the rental operations. In general CHP has extensive reports and evaluations of all operations and programs (including individual program accounting). The Board of Directors meets monthly (unless no business needs to be conducted) and has full reporting of all activities and evaluates programs and their performance on a monthly basis. This results in more efficient and effective services for our customers

3. Does your agency receive any external quality review or accreditation? If so, provide a copy of certificate or license and please explain.

CHP has external quality review on some of our rental properties and single family housing by Tennessee Housing Development Agency. This is done on an individual project basis for last year and on an annual basis and includes verification on the physical condition of the units (Housing Quality Standards inspections) and verification on regulated paperwork (income and other verifications). The Department of Housing and Urban Development reviews CHP's activity under the HUDHOMES program to insure that CHP remains in compliance on the purchase and resale of HUD homes. FEMA monitors the expenditures on the Homeless Program to insure proper use of their funds. The Federal Home Loan Bank of Atlanta reviews the Affordable Housing Program grants to insure that those grants are administered by CHP with the proper qualifying of the grantees and that future monitoring procedures for each family are in place. The City of Franklin reviews

**the Community Development Block Grant program on a monthly basis. Some staff members have individual professional certificates or accreditations. No certificates or accreditations are issued.**

4. What percent of your local agency budget is your allocation request from the City of Franklin?

**Of the total proposed budget of \$6,912,841 for 2017-2018, \$8,460 is proposed from the City of Franklin or .12% of Community Housing Partnership of Williamson County's budget.**

5. What other fundraising activities does your agency engage in during the year?

**Community Housing Partnership of Williamson County (CHP) does not actively solicit donations, although we do receive some individual donations usually connected with a particular customer we might be serving. CHP is a United Way Agency and is funded on an annual application and review basis by United Way of Williamson County for the Owner Occupied Rehabilitation Program and the Homeless program. Additionally, CHP is funded by Williamson County on an annual basis for the Owner Occupied Rehabilitation Program. FEMA additionally funds CHP for the Homeless Program. The City of Franklin CDBG programs funds some activity for owner occupied rehabilitation that is paid directly by the City of Franklin to the contractors with some administrative fees coming to CHP. Some other grant activities through Tennessee Housing Development Agency (generally capital funding for rental or single family production), Middle Tennessee Customers Care, USDA Rural Development (projects in rural sections of Williamson County) and other organizations do present opportunities on occasion. Finally, through the Single Family Housing Program, CHP does generate some net revenues that are used in other programs.**

6. Do you charge any fees for your services?

**CHP has no direct fees for our services. CHP provides rental units to low income tenants having HUD limited rents. About half these units are to social service causes including developmentally disabled, drug and alcohol addiction, and domestic violence. Rent and utilities cannot exceed 30% of the tenant's income. Within the development activity of CHP there is a small development fee in the reconstruction activity of the HUD HOMES program and the Federal Home Loan Bank Affordable Housing Program. The City of Franklin CDBG program provides an administrative fee to CHP for lead based paint inspections and staff activity on the program. On the owner occupied rehabilitation program that is partially funded with City of Franklin funds there are no fees charged for the services.**

**NON-PROFIT ORGANIZATION  
REQUEST FOR CITY OF FRANKLIN FUNDS  
2018-19 FISCAL YEAR**

**Organization Name:** Community Housing Partnership of Williamson County **Phone:** 790-5556  
**Contact Person & Title:** Stephen Murray, Executive Director  
**Mailing Address:** 129 West Fowlkes Street, Suite 124, Franklin, TN 37064  
**Federal Identification # (if applicable):** 62-1572386  
**Email address** murray@communityhousingpartnershipwc.org  
**Number of Active Participants in Organization:** 5 full-time, 16 board members and 450 volunteers

**Does this organization charge fees to participants?** Yes No X

**If Yes, please itemize the structure utilized (use a separate sheet if necessary):** Not Applicable

**If No, please explain:** CHP participates in several types of affordable housing initiatives. They include: acquisition and rehab of single family housing for resale to low income homebuyers of Williamson County; rehabilitation of low income and elderly owner occupied housing; providing temporary assistance for homeless; providing rental units for low income residents of Williamson County, especially with social service connections; These programs do not require fees, however clients can be required to pay part of the expense if it is deemed they are capable of doing so, this allows CHP to leverage the City of Franklin funding to take care of the maximum number of clients. **The City of Franklin funding goes solely to the owner occupied rehabilitation program and there are no expenses to the recipients in conjunction with that program.**

**Please provide the approximate number of clients served by your program on a yearly basis.** The number of persons CHP served in our 2016-2017 fiscal year (July 1, 2016-June 30, 2017) was 1043.

**All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County citizens.** CHP is expecting to serve 1,050 in the 2018-2019 fiscal year. The number of persons served varies from year to year, and persons served by CHP programs that use any type of funding are Williamson County residents or become Williamson County residents. Sometimes CHP will advise some out of county residents but we only fund one particular program in Maury County and no Williamson County funds are used in conjunction with that program. When funds are dispensed to a customer through any program a file is established for that customer. Within that file is a copy of the government identification (i.e., drivers license) that proves the Williamson County residency of the customer. It would be too cumbersome for us to provide that documentation with this application, it is however available for compliance monitoring by the appropriate Williamson County personnel at any time.



**List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities:** We are unaware of any agency that regularly provides free repair assistance for homeowners in general, but there is Mid Cumberland Community Action and Graceworks that provide some isolated items and ARC of Williamson County that assists in mobility issues. The Franklin Rotary at Breakfast provides some assistance for rehabilitations on water issues only. Additionally, Habitat for Humanity provides some repair services but the homeowner must borrow part or all of the funds from Habitat for the project. CHP coordinates all housing activities with these agencies to insure no redundancy and maximum leverage of funding. Additionally, some churches and civic groups partner with CHP to assist in repairs from time to time. Hard Bargain Mount Hope Redevelopment and United Community Resource Foundation provide homeownership opportunities in Franklin and CHP mentors with both organizations. Generally, CHP is addressing homeownership customers that these entities cannot. Graceworks and some churches assist with the homeless and CHP coordinates with them on each family. To our knowledge there are no other agencies in Williamson County providing the other services that CHP provides.

**Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private sources:** While CHP does not solicit individual donations for our programs we take extensive efforts to leverage the funding from City of Franklin to insure that we are maximizing the funding as far as possible. We use the following agencies to increase and leverage the amount of funding from City of Franklin:

Franklin Breakfast at Rotary

Greater Nashville Regional Council (GNRC)(matching City of Franklin funds two dollars per dollar)

Graceworks

Westminster Home Connection

United Cerebral Palsy

Both Hands Foundation

Williamson County

Brentwood Baptist Church

Private Individuals

Documentation for these transactions are once again too cumbersome to provide in this document. Often times they are contracts like with GNRC and most of the time they are just agreements between the parties to match funding. Our offices are open to any representative of City of Franklin to inspect individual files to check on the level of leverage that CHP provides with the City of Franklin funding.

**Non-Profit Organization Request for  
Williamson County Funds - Page Two**

**Organization:** Community Housing Partnership of Williamson County

NOTE: If necessary, please use a separate sheet in this format for the inclusion of additional expenditures or revenue line items.

<b>EXPENDITURES:</b>	<b>Actual 2016-17 *</b>	<b>Expended 2017-18</b>	<b>Requested 2018-19</b>
Owner Occupied Repairs/Homeless	239,166.00	153,200.00	160,000.00
Single Family Construction	0.00 *	2,207,000.00	2,120,000.00
Salaries, payroll taxes and benefits	314,071.00	321,396.00	339,630.00
Taxes, Insurance, and Depreciation	136,596.00	159,167.00	159,000.00
Administrative and Rental operating expenses	87,615.00	72,200.00	56,131.00
Rental Reserves/Repairs/Write offs	28,817.00	62,350.00	60,000.00
THDA/HOME /HTF projects**	0.00	0.00	0.00
West Main Street	0.00	3,372,500.00	0.00
<b>TOTAL BUDGET</b>	<b>806,265.00</b>	<b>6,347,813.00</b>	<b>2,894,761.00</b>

<b>REVENUES: (include any fund raising events)</b>	<b>2016-17 *</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Williamson County Government</b>	<b>38,131.00</b>	<b>38,131.00</b>	<b>38,131.00</b>
Franklin CDBG/FEMA/Other Gov.	518,695.00**	564,750.00	189,409.00
United Way	55,000.00	55,000.00	55,000.00
Miscellaneous Contributions and Other Revenue	89,089.00***	45,000.00	35,000.00
Gross Rental Income	274,781.00	292,000.00	315,000.00
City of Franklin	8,460.00	8,460.00	8,460.00
Single Family Construction	65,887.00	2,237,000.00	2,307,000.00
West Main Project	0.00	3,672,500.00	0.00
<b>TOTAL REVENUES</b>	<b>1,050,043.00</b>	<b>6,912,841.00</b>	<b>2,948,000.00</b>

Please note: CHP Fiscal Year is from July 1<sup>st</sup> to June 30<sup>th</sup>. As the 2017-2018 fiscal year has not completed our figures are estimated from the Board approved budget, with estimated actual. 2018-2019 figures are from the Board approved Business and Strategic Plan.

\* From the audit figures. Auditor does not add single family house price, just development fee

\*\* THDA HOME and Housing Trust Fund funded property purchase and rehab is capitalized

\*\*\* Includes \$11,161 in donated rent from Williamson County (non cash item)

Budget Request Application 18-19 Actual

**Non-Profit Organization Request for  
Williamson County Funds - Page Three**  
**Organization:** Community Housing Partnership of Williamson County

**Personnel & Salary Information**

<b>Personnel (list by Positions)</b>	<b>Actual Salary 2016-17</b>	<b>Salary 2017-18</b>	<b>Salary 2017-18</b>
Executive Director	87,275.00	89,650.00	95,347.00
Senior Housing Rehabilitation Specialist	62,400.00	64,000.00	67,840.00
Director of Development	38,628.00	41,500.00	44,000.00
Housing Rehabilitation Director	37,811.00	39,100.00	41,500.00
Development Specialist	27,040.00	29,750.00	31,500.00
Benefits & Taxes	56,018.00	57,396.00	59,443.00
<b>TOTAL PERSONNEL EXPENSE</b>	309,172.00	321,396.00	339,630.00

**List any equipment owned by this organization funded, in whole or in part, by Williamson County. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary):** N/A

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## EXHIBIT A

### STATEMENT OF WORK AND PROGRAM OBJECTIVES

The Agency 2018-2019 Annual Work Plan shall include:

1. Owner occupied emergency housing rehabilitation for low income City of Franklin homeowner residents
2. Owner occupied emergency housing rehabilitation for elderly low income City of Franklin homeowner residents
3. Owner occupied emergency housing rehabilitation for disabled low income City of Franklin homeowner residents

## EXHIBIT B

### WORK PLAN

1. Solicit applications for low income, low income elderly or low income elderly homeowner residents for emergency repairs to their homes through an application process that allows for the leveraging of additional funding through United Way of Williamson County, Greater Nashville Regional Council, Williamson County and Tennessee Housing Development Agency to maximize the funding from the City of Franklin.
2. Verify all documentation on the application including incomes and ownership of the structure as well additional documentation for insurance and mortgage status.
3. Conduct a work write up of the requested work to verify the condition of the structure, the legitimacy of the repair request, the emergency nature of the request and other mitigating factors. Conduct a cost estimate of the requested work.
4. Submit to the Community Housing Partnership of Williamson County Board of Directors for approval of the request.
5. Conduct bidding for the work if the size of the requested work so dictates. If the job request is smaller use approved contractors that were previously vetted through a bid process. Award contracts.
6. Inspect all finished work with the homeowner to insure the proper quality of work and all codes conditions were met prior to authorizing payment.
7. Authorize payment, insure the release of any liens if applicable.
8. Maintain records in the Community Housing Partnership of Williamson County office.

## EXHIBIT C

The Community Housing Partnership of Williamson County Annual Work Plan (how the funds will be used) shall include:

1. Solicit applications for low income, low income elderly or low income elderly homeowner residents for emergency repairs to their homes through an application process that allows for the leveraging of additional funding through United Way of Williamson County, Greater Nashville Regional Council, Williamson County and Tennessee Housing Development Agency to maximize the funding from the City of Franklin.
2. Verify all documentation on the application including incomes and ownership of the structure as well additional documentation for insurance and mortgage status.
3. Conduct a work write up of the requested work to verify the condition of the structure, the legitimacy of the repair request, the emergency nature of the request and other mitigating factors. Conduct a cost estimate of the requested work.
4. Submit to the Community Housing Partnership of Williamson County Board of Directors for approval of the request.
5. Conduct bidding for the work if the size of the requested work so dictates. If the job request is smaller use approved contractors that were previously vetted through a bid process. Award contracts.
6. Inspect all finished work with the homeowner to insure the proper quality of work and all codes conditions were met prior to authorizing payment.
7. Authorize payment, insure the release of any liens if applicable.
8. Maintain records in the Community Housing Partnership of Williamson County office.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAY 6 1 2001

Employer Identification Number:  
62-1572386

DLN:

17053104800031

Contact Person:

EVELYN D GRIFFITHS

ID# 31432

Contact Telephone Number:

(877) 829-5500

Our Letter Dated:

December 1994

Addendum Applies:

No

COMMUNITY HOUSING PARTNERSHIP OF  
WILLIAMSON COUNTY  
129 W FOWLKES ST STE 128  
FRANKLIN, TN 37064

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

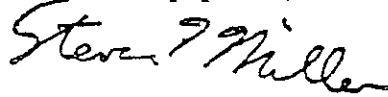
Letter 1050 (DO/CG)

COMMUNITY HOUSING PARTNERSHIP OF

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in cursive script that reads "Steven T. Miller". The signature is written in dark ink and is positioned below the typed name.

Steven T. Miller  
Director, Exempt Organizations



INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
401 W. PEACHTREE ST. NW  
ATLANTA, GA 30365

DEPARTMENT OF THE TREASURY

Date: **DEC 05 1994**

COMMUNITY HOUSING PARTNERSHIP OF  
WILLIAMSON COUNTY  
1320 W. MAIN ST., SUITE 421  
FRANKLIN, TN 37064

Employer Identification Number:  
62-1572386  
Case Number:  
584215009  
Contact Person:  
DENNIS PHILLIPS  
Contact Telephone Number:  
(404) 331-0172  
Accounting Period Ending:  
June 30  
Foundation Status Classification:  
509(a)(1)  
Advance Ruling Period Begins:  
July 21, 1994  
Advance Ruling Period Ends:  
June 30, 1999  
Addendum Applies:  
Yes

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Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we

Letter 1045 (00/CG)

## COMMUNITY HOUSING PARTNERSHIP OF

will no longer treat you as a publicly supported organization; grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

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

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

Contributions to you are deductible by donors beginning July 21, 1994.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of

COMMUNITY HOUSING PARTNERSHIP OF

the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

You indicate that you will not finance your activities with tax-exempt bonds or certificates of participation. Therefore, this determination letter is based on the understanding that you will not raise funds through such financing. If in the future you wish to raise funds by either of these methods, you should request a ruling from the Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224, Attn: CP:E:EO:R, according to Revenue Procedure 90-4, 1990-2 I.R.B. 10.

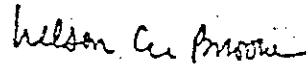
If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

COMMUNITY HOUSING PARTNERSHIP OF

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Nelson A. Brooke  
District Director

COMMUNITY HOUSING PARTNERSHIP OF

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Charities Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your local IRS Office. Guidelines for deductible amounts are also set forth in Revenue Ruling 67-246, 1967-2 C.B. 104 and Revenue Procedure 90-12, 1990-1 C.B. 471 and Revenue Procedure 92-49, 1992-26 I.R.B. 18.

# Community Housing Partnership of Williamson County

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Financial Statements  
June 30, 2017

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# McKerley + Noonan

## CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditor's Report

To the Board of Directors of  
Community Housing Partnership of Williamson County, Inc.  
Franklin, Tennessee

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Community Housing Partnership of Williamson County, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



McKerley & Noonan, P.C.

February 9, 2018

-1-



**Community Housing Partnership of Williamson County, Inc.**  
**Statement of Financial Position**  
**June 30, 2017**

**Assets**

**Current Assets**

Cash in Bank	\$ 150,200
Marketable Securities	116,705
Accounts & Notes Receivable - Net	38,146
Inventory of Rehabilitation Homes	1,857,596
Contributions Receivable - United Way	55,000
<b>Total Current Assets</b>	<u>2,217,647</u>

**Fixed Assets**

Land	203,493
Buildings	2,669,485
Office Furniture and Equipment	30,066
Less: Accumulated Depreciation	(1,034,819)
<b>Net Fixed Assets</b>	<u>1,868,225</u>

**Other Assets**

Notes Receivable - Property Sales	366,832
Discount on Notes Receivable - Property Sales	(254,959)
<b>Total Other Assets</b>	<u>111,873</u>

<b>Total Assets</b>	<u><u>\$ 4,197,745</u></u>
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**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable and Accrued Expenses	\$ 64,479
Tenants' Deposits	10,500
Payroll Liabilities	3,287
Current Portion of Long-Term Debt	416,781
<b>Total Current Liabilities</b>	<u>495,047</u>

**Long-Term Liabilities**

Line of Credit	11,850
Long-Term Debt	1,308,328
<b>Total Long-Term Liabilities</b>	<u>1,320,178</u>

<b>Total Liabilities</b>	<u>1,815,225</u>
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**Net Assets**

Unrestricted Net Assets	2,327,520
Temporarily Restricted Net Assets	55,000
<b>Total Net Assets</b>	<u>2,382,520</u>

<b>Total Liabilities and Net Assets</b>	<u><u>\$ 4,197,745</u></u>
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**Community Housing Partnership of Williamson County, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Support:</b>			
Grant Income	\$ -	\$ 620,287	\$ 620,287
Contributions	-	19,780	19,780
In-Kind Contributions	42,653	-	42,653
Homebuyers Counseling	14,471	-	14,471
Rental Income	274,781	-	274,781
Net Gain from Property Sales	65,887	-	65,887
Other Income	399	-	399
Interest Income	8,831	-	8,831
Unrealized Gain (Loss) on Investments	2,954	-	2,954
Net Assets Released from Restriction	640,067	(640,067)	-
<b>Total Revenues and Support</b>	<u>1,050,043</u>	<u>-</u>	<u>1,050,043</u>
<b>Expenses:</b>			
Program Services	720,845	-	720,845
General and Administrative	85,420	-	85,420
<b>Total Expenses</b>	<u>806,265</u>	<u>-</u>	<u>806,265</u>
<b>Change in Net Assets</b>	243,778	-	243,778
<b>Net Assets - Beginning of the Year</b>	<u>2,083,742</u>	<u>55,000</u>	<u>2,138,742</u>
<b>Net Assets - End of the Year</b>	<u>\$ 2,327,520</u>	<u>\$ 55,000</u>	<u>\$ 2,382,520</u>

**Community Housing Partnership of Williamson County, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2017**

**Cash Flows from Operating Activities:**

Change in Net Assets	\$ 243,778
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**Adjustments to Reconcile Change in Net Assets  
to Net Cash Provided by Operating Activities:**

Depreciation	95,990
Amortization of Discount on Notes Receivable	(8,622)
Unrealized Loss on Investments	(2,954)
Increase in Accounts and Notes Receivable - Other	(19,239)
Increase in Notes Receivable - Property Sales	(23,474)
Increase in Inventory of Rehabilitation Homes	(714,474)
Increase in Accounts Payable and Other Liabilities	35,068
Decrease in Tenant Deposits	(400)
Decrease in Payroll Liabilities	(5,192)

<b>Total Adjustments</b>	<u>(643,297)</u>
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<b>Net Cash Used by Operating Activities</b>	<u>(399,519)</u>
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**Cash Flows from Investing Activities**

Purchase of Marketable Securities	(62,231)
Purchase of Fixed Assets	(23,427)

<b>Net Cash Provided by Investing Activities</b>	<u>(85,658)</u>
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**Cash Flows from Financing Activities**

Principal Payments on Notes Payable	(1,337,550)
Proceeds from Notes Payable	1,910,604

<b>Net Cash Provided by Financing Activities</b>	<u>573,054</u>
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<b>Net Increase in Cash</b>	87,877
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<b>Cash - Beginning of the Year</b>	<u>62,323</u>
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<b>Cash - End of Year</b>	<u><u>\$ 150,200</u></u>
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**Supplemental Cash Flow Information:**

Interest Paid	<u><u>\$ 7,902</u></u>
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**Community Housing Partnership of Williamson County, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2017**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and Benefits	\$ 254,398	\$ 59,673	\$ 314,071
Grants to Homebuyers	176,964	-	176,964
Community Rehabilitation Expenses	62,202	-	62,202
Professional Services	-	11,315	11,315
Utilities	6,741	-	6,741
Maintenance and Repairs	28,817	-	28,817
Insurance	21,384	5,434	26,818
Office Expense and Supplies	10,701	2,510	13,211
Property Taxes	13,788	-	13,788
Rent	9,040	2,121	11,161
Depreciation	94,070	1,920	95,990
Mileage	4,253	998	5,250
Training, Meetings and Dues	3,911	918	4,829
Interest	32,306	-	32,306
Other Expenses	2,270	532	2,802
<b>Total Functional Expenses</b>	<u><u>\$ 720,845</u></u>	<u><u>\$ 85,420</u></u>	<u><u>\$ 806,265</u></u>

**Community Housing Partnership of Williamson County, Inc.**

**Notes to the Financial Statements**

June 30, 2017

**NOTE 1 - DESCRIPTION AND PURPOSE OF THE ORGANIZATION**

Community Housing Partnership of Williamson County, Inc. (the Organization) is a non-profit organization in Williamson County, Tennessee. The Organization's mission is to provide affordable housing in Williamson County to low and moderate income families.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Organization have been prepared on the accrual basis of accounting which means that revenues are recognized when earned and expenses are recorded when incurred. The significant accounting policies of the Organization are described below to enhance the usefulness of the financial statements to the reader.

***Use of Estimates***

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Financial Statement Presentation***

For financial statement presentation, the Organization reports its financial information according to three classes of net assets (unrestricted net assets, temporarily restricted net assets and permanently restricted net assets) based on the existence or absence of donor-imposed restrictions.

**Unrestricted Net Assets**

Unrestricted net assets are donations that are not subject to donor-imposed stipulations. Monies received without restriction or released from restriction are generally used to finance the normal day-to-day operations of the Organization.

**Temporarily Restricted Net Assets**

Temporarily restricted net assets are donations that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2017, there were \$55,000 of net assets temporarily restricted for community rehabilitation expenses.

**Permanently Restricted Net Assets**

Permanently restricted net assets are donations subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any

related investments for general or specific purposes. As of June 30, 2017, there were no permanently restricted net assets.

***Fair Value Measurements***

The Organization follows the guidance in ASC 820, Fair Value Measurements. This standard defines fair value, provides guidance for measuring fair value, and requires certain disclosures. The standard utilizes a fair value hierarchy which is categorized into three levels based on the inputs to the valuation techniques used to measure fair value. The standard does not require any new fair value measurements, but discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The Organization's investments are measured on a recurring basis at fair value at the reporting date using quoted prices in active markets for identical assets (Level 1).

***Contributed Services***

Donated services that require specialized skills and would be purchased if not provided by the donor are recognized as support and expenses based on the fair value of the services received.

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs. No amounts have been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort under ASC 958, Accounting for Contributions Received and Contributions Made, have not been satisfied.

***Marketable Securities***

The Organization has \$116,705 primarily in stock and bond mutual funds held at Morgan Stanley. The financial statements reflect an unrealized gain of \$2,954 during the fiscal year ended June 30, 2017.

***Accounts Receivable***

Accounts & Notes receivable represents rent income and other promissory notes owed to the Organization at June 30, 2017. Management has estimated an allowance for bad debts of \$1,830 against these receivables as of June 30, 2017.

***Contributions Receivable – United Way***

United Way has committed to funding \$55,000 during fiscal year 2017 for community rehabilitation expenses.

***Inventory of Rehabilitation Homes and Grants to Homebuyers***

The Organization purchases residential homes, rehabs the homes and then sells the homes to qualified individuals. The profit from these homes is reinvested into the mission of the Organization. At June 30, 2017, the Organization had fifteen of these homes that were still in a stage of rehabilitation.

The Organization also sells some of these homes to qualified individuals at prices below the organizations costs to purchase and rehabilitate the home. The difference is awarded as Grants to Homebuyers.

***Fixed Assets***

Fixed assets are recorded at cost and are depreciated using the straight-line method based on the following estimated useful lives of the assets.

Building	39 years
Vehicle	5 years
Furniture & Equipment	5 – 7 years

Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred. Depreciation expense for the year ended June 30, 2017 amounted to \$95,990.

***In-Kind Contributions***

The Organization receives office space rent for \$1 a year from Williamson County, Tennessee. The value of this free rent is estimated to be \$10,140 and has been recorded as in-kind contributions and rent expense in the statement of activities.

The Organization has recorded \$32,364 in in-kind interest expense related to the zero percent note payables (see Note 4).

***Classification of Expenses***

Expenses are classified functionally as a measure of service efforts and accomplishments. Direct expenses, incurred for a single function, are allocated entirely to that function. Joint expenses applicable to more than one function are allocated on the basis of objectively summarized information or management estimates.

***Income Taxes***

The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for federal or state income taxes is applicable.

The Organization has adopted the guidance in ASC 740 on accounting for uncertainty in income taxes. For all tax positions taken by the Organization, management believes it is clear that the likelihood is greater than 50 percent that the full amount of the tax positions taken will be ultimately realized. The Organization incurred no interest or penalties during the year ended June 30, 2017.

**NOTE 3 – CREDIT RISK**

The Organization maintains its cash in bank deposit accounts that at times may exceed the federally insured limit of \$250,000. In addition, the Organization has credit risk associated with the purchase and rehab of residential homes. The Organization has risk that the homes may not sell in a timely fashion or at a desirable price.



**NOTE 4 – NOTES PAYABLE**

Notes payable consists of the following at June 30, 2017:

A \$71,500 note secured by property payable to Franklin Synergy Bank bearing interest at 0% maturing in 2018.	71,500
A \$40,000 note secured by property payable to Reliant Bank bearing interest at 5% maturing in 2027.	29,582
A \$42,000 note secured by property payable to Reliant Bank bearing interest at 5% maturing in 2027.	31,719
A \$38,500 note secured by property payable to Reliant Bank bearing interest at 5% maturing in 2027.	27,433
A \$76,050 note secured by property payable to Franklin Synergy Bank bearing interest at 0% maturing in 2018.	76,050
A \$148,149 mortgage note payable with Pinnacle Bank with interest at 4% below Prime and maturing August 2019.	100,302
A \$6,000 note secured by property payable to Franklin Synergy Bank bearing interest at 0% maturing in 2018.	6,000
A \$49,770 mortgage note payable with Pinnacle Bank with interest at 4% below Prime and maturing August 2019.	40,632
A \$49,770 mortgage note payable with Pinnacle Bank with interest at 4% below Prime and maturing November 2019.	40,922
A \$49,770 mortgage note payable with Pinnacle Bank with interest at 4% below Prime and maturing August 2019.	40,369
A \$4,292,855 promissory note payable with Pinnacle Bank bearing interest equal to the Prime and maturing in 2018.	792,500
A \$100,000 promissory note for a revolving line of credit with Republic Bank bearing interest at 0% maturing in 2018.	11,850
A \$166,500 promissory note secured by property with Reliant Bank with interest at 4% below Prime and maturing in 2018.	28,238
A \$150,000 promissory note secured by property with Reliant Bank with interest at 1% above Prime and maturing in 2017.	150,000

A \$117,650 promissory note secured by property payable to Republic Bank bearing interest at 0% maturing in 2017.	117,650
A \$196,000 promissory note payable with Pinnacle Bank bearing interest at 4% below Prime and maturing January 2021.	172,212
Total	<u>\$1,736,959</u>

Principal requirements of notes payable for the next five years consists of:

2018	\$ 428,631
2019	912,307
2020	194,434
2021	140,379
2022	7,788
Thereafter	<u>53,420</u>
Total	<u>\$ 1,736,959</u>

Several of the Organizations notes were offered at zero percent because of the nature of the projects and the Organizations status as a non-profit. Interest on these notes has been imputed at 5% annually and amounted to \$32,364 for the year ended June 30, 2017. Capitalized interest on projects in progress in Inventory of Rehab homes amounted to \$10,957.

Several of the notes have maturity dates after June 30, 2017 but prior to the report issuance date of February 9, 2018. These notes have either been paid off or refinanced with similar terms.

#### NOTE 5 – RETIREMENT PLAN

The Organization has adopted a defined contribution Simplified Employee Retirement Plan covering all eligible employees. Eligibility requirements are the employee must be at least 21 years old, performed services in at least three of the preceding five years, and whose compensation during the year was not less than \$450. The Organization made \$12,702 of contributions to the plan for the year ended June 30, 2017.

#### NOTE 6 – NOTES RECEIVABLE – PROPERTY SALES

In previous years, the Organization received in-kind contributions for a portion of the value of residential homes from various developers building homes in Williamson County. The Organization immediately identified buyers for the homes. In each transaction, the Organization purchased the home from the developer at the reduced price and recognized an in-kind donation for the difference between the market value of the home and the reduced price, then immediately sold the home to a buyer for the market value of the home. The buyer of the home paid the Organization the reduced price immediately and signed a long-term note

for the in-kind donation amount. These notes are interest free notes and mature beginning in 2042. These notes have been discounted at 5% and will be amortized into interest income over the life of the notes. The discount totaled \$254,959 at June 30, 2017.

The Organization sold one home during the year ended June 30, 2017 with a forgivable mortgage which is included in Notes Receivable – Property Sales. The forgivable mortgage has a face value of \$30,400, which is to be forgiven in equal increments over the next 10 years provided that the buyer does not fail any of the covenants of their mortgage. This forgivable mortgage has been discounted at 5% and will be amortized into interest income over the life of the note.

#### **NOTE 7 – GRANTS**

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

#### **NOTE 8 – COMMITMENTS**

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

#### **NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 9, 2018, the date that the financial statements were available to be issued.