

**GRANT CONTRACT  
 BETWEEN THE METROPOLITAN GOVERNMENT  
 OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
 BY AND THROUGH  
 THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
 AND  
 WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Woodbine Community Organization (WCO), Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Woodbine Community Organization (WCO), Inc. will be adding 60 affordable housing units located at 6962 Highway 70 S, Nashville TN 37221. The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. The Recipient is a nonprofit charitable or civic organization.

**A. SCOPE OF PROGRAM:**

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project submitted in the application and any of its amendments, which application is incorporated herein, and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in their application or proposal for grant funding which is incorporated herein. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item shall require the prior written approval of Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of \$2,470,000.00.

**Additional Conditions for Rental Properties:**

1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.
3. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.
4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.

5. Recipient shall not increase rents during a lease term.

B. GRANT CONTRACT TERM:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed Two Million, Four Hundred Seventy Thousand Dollars (\$2,470,000.00). The Grant Budget, attached and incorporated herein as part of Attachment A, shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

This amount shall constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

Before a draw can be made, there must be a physical inspection of the property by Metro or an approved designee. The inspection must confirm appropriate completion of the project.

1) **Construction Grant Draw Schedule (% based on grant amount)**

- 12.5% - upon receipt of the Building Permit (check property address and contractors name) and Builder's Risk Insurance sufficient to cover cost of construction and confirmation of acquisition (make sure Metro is listed as lien holder)
- 25% - footing framing and foundation completed (25% complete)
- 25% - roofing completed and the plumbing, electric and mechanical are roughed in and approved by local Codes (50% complete)
- 25% - cabinets, counters, drywall, trim and doors are installed (75% complete)

Balance of grant upon receipt of a Final Use & Occupancy from local Codes (100% complete).

All draw requests except for the first 12.5% draw must be inspected before funding.

The above is the preferred draw method. Metro may occasionally fund based on a true percentage of completion as noted in a Construction Inspection report or if the application requested funds for land acquisition, understanding that the initial 12.5% or acquisition draw may overfund the grant, requiring later draws to be reduced.

2) **Construction Grant Draw Process**

- Draw request is received from the Recipient. It should be requested by the contractor and approved by the Recipient.
- Complete property inspection
- Metro or approved designee approves the request.
- Payments should be made to the Recipient.

All invoices shall be sent to:

Barnes Housing Trust Fund  
Planning Department – Housing Division  
800 2<sup>nd</sup> Avenue South  
Nashville, TN 37210  
(615) 862-7190

Said payment shall not exceed the maximum liability of this Grant Contract.

Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of the end of the Grant Contract. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C. 9. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good

faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.

- C. 10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C. 11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

This project funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.

Metropolitan Housing Trust Fund Commission

John Cooper, Mayor

Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

The Grantee also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Grantee. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.

D.9. Reporting. The Recipient must submit an Interim Program Report, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than September 1, 2023 and a Final Program Report, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract in the form required by Metro.

D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not

be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.

- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D. 13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D. 14. Indemnification and Hold Harmless.
- (a) Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Grantee's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D. 18 Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings,

representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D. 20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D. 21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D. 22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D. 23. Inspection. The Grantee agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D. 24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

For contract-related matters and enquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund  
Planning Department – Housing Division  
800 2<sup>nd</sup> Avenue South  
Nashville, TN 37210  
(615) 862-7190  
Ashley.Brown2@Nashville.Gov

Recipient:

Woodbine Community Organization (WCO), Inc.  
Tony Woodham, Executive Director  
643 Spence Lane  
Nashville, TN 37217

D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:

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

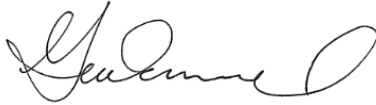
D. 28 Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON  
COUNTY:

APPROVED AS TO PROGRAM SCOPE:



\_\_\_\_\_  
Gina Emmanuel, Chair,  
Metropolitan Housing Trust Fund  
Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

\_\_\_\_\_  
Kelly Flannery, Director  
Department of Finance

APPROVED AS TO FORM AND  
LEGALITY:

\_\_\_\_\_  
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND  
INSURANCE:


\_\_\_\_\_  
Director of Risk Management Services

APPROVED BY METROPOLITAN  
GOVERNMENT OF NASHVILLE AND  
DAVIDSON COUNTY:

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

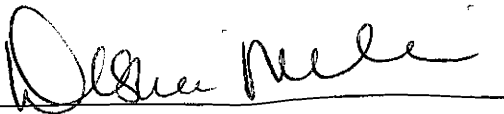
**RECIPIENT:**

Woodbine Community Organization  
(WCO), Inc.

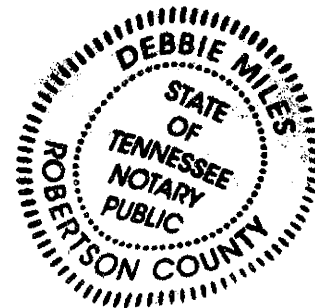
By:   
Title: Executive Director

Sworn to and subscribed to before me a  
Notary Public, this 25 day  
of August, 2022.

Notary Public



My Commission  
expires 5/22/2024



BARNES HOUSING TRUST FUND RENTAL BUDGET

Unit Address	6962 HWY 70 S				
Development Type	Multi-Family				
Accessible Bus Line Routes	HWY 70 S				
Number of 1 Bedrooms	60				
Number of 2+ Bedrooms	0				
Number of 3+ Bedrooms	0				
Square Feet	33,360				
Number of Stories	2				
	<b>TOTAL</b>	<b>Perm/CITC</b>	<b>LP Equity</b>	<b>Barnes Fund</b>	<b>WCO</b>
Acquisition Costs					
Vacant Land	685,000.00			685,000.00	
Sub-Total	685,000.00	0.00	0.00	685,000.00	0.00
	<b>TOTAL</b>	<b>Perm/CITC</b>	<b>LP Equity</b>	<b>Barnes Fund</b>	<b>WCO</b>
Predevelopment Costs					
Appraisal	15,000.00				15,000.00
Phase1/Geo Report	5,000.00				5,000.00
Survey	10,000.00				10,000.00
Architect	40,000.00				40,000.00
Engineering	36,000.00				36,000.00
Tap Fees	76,000.00				76,000.00
Sub-Total	182,000.00		0.00	0.00	182,000.00
	<b>TOTAL</b>	<b>Perm/CITC</b>	<b>LP Equity</b>	<b>Barnes Fund</b>	<b>WCO</b>
Hard Construction Costs	3,700,000.00	1,915,000.00		1,785,000.00	
Sub-Total	3,700,000.00	1,915,000.00	0.00	1,785,000.00	0.00
	<b>TOTAL</b>	<b>Perm/CITC</b>	<b>LP Equity</b>	<b>Barnes Fund</b>	<b>WCO</b>
Construction Contingency	90,000.00				90,000.00
Operating Reserve	27,450.00				27,450.00
Sub-Total	117,450.00	0.00	0.00	0.00	117,450.00
	<b>TOTAL</b>	<b>Perm/CITC</b>	<b>LP Equity</b>	<b>Barnes Fund</b>	<b>WCO</b>
Dev Fee Payable	320,000.00				320,000.00
<b>TOTAL PROJECT COST</b>	<b>5,004,450.00</b>	<b>1,915,000.00</b>	<b>0.00</b>	<b>2,470,000.00</b>	<b>619,450.00</b>
Total Cost/Unit	\$83,407.50				

# **By-Laws of the Woodbine Community Organization, Inc.**

## **Article I Identification**

### ***Section A - Name***

The name of the organization shall be Woodbine Community Organization, Inc. The organization name will be abbreviated as WCO.

### ***Section B - Purpose***

The purposes for which the corporation is organized are:

1. To improve the lifestyles of the people in our service area by working together to preserve our neighborhoods;
2. To help provide residents of our service area access to decision-making processes of state, local, and federal governments;
3. To improve living conditions of residents in our service area, especially low and moderate income families;
4. To improve communications and cooperation of area residents, from all racial, ethnic and religious groups and of all ages;
5. To recruit any federal, state, or local funds that are available to the area for the purpose of maintaining and improving the residential neighborhoods.
6. To solicit and raise funds from public and private sources for the development and maintenance of such projects and activities that the corporation might develop in the furtherance of its goals.
7. To operate exclusively for charitable and educational purposes.
8. To help provide decent and affordable housing to low and moderate income persons.
9. To engage in other activities which are not inconsistent with a non-profit corporation and the purposes stated above.

## **Article II Steering Committee**

### ***Section A - Authority***

The activities, affairs, business, and property of the corporation shall be controlled, governed, managed, and supervised by the Steering Committee. The Steering Committee shall determine the policies of the corporation and shall actively prosecute the corporate purposes and goals. The Steering Committee shall meet at least quarterly. The Executive Committee of the 4 officers shall have the power to act on any business situations between quarterly Steering Committee meetings.

### ***Section B - Elections***

Steering Committee members shall be elected by the existing Steering Committee. A sub-committee of at least three members of the current Steering Committee shall identify and interview candidates for Steering Committee membership and make a nomination to the full Steering Committee. Additional nominations shall be allowed upon duly seconded motion at a Steering Committee meeting. The Steering Committee shall not be less than seven (7) members nor shall the Steering Committee exceed fifteen (15) members, including 4 officers and the chairpersons of three (3) standing committees, the Fund Raising Committee, the Personnel Committee and the Real Property Oversight Committee. The Steering Committee shall maintain at least one-third of its membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. The Steering Committee shall not be composed of more than one-third of its membership by State or local government representatives including employees of the Participating Jurisdiction or State recipients and these representatives may not appoint more than one-third of the organization's governing body. The Steering Committee appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the committee membership. The election of Steering Committee members is to occur no later than October in the year preceding the beginning of the Steering Committee term.

### ***Section C - Qualifications for Steering Committee Membership***

Steering Committee membership is open to all adult citizens of the United State of America and other adults who are legal residents.

### ***Section D - Term of Office***

The term of office for Steering Committee members begins on January 1. The four (4) officers, Chairperson, Vice Chairperson, Secretary, and Treasurer, plus the chairperson of the three (3) standing committees, Fund Raising Committee, Personnel Committee and Real Property Oversight Committee, will be filled by Steering Committee members who have had at least 2 prior years on the Steering Committee. For the first election of Steering Committee members after adoption of these by-laws, four (4) Steering Committee members will serve a term of one (1) year and four (4) Steering Committee members will serve a term of the (2) years. The remaining Steering Committee members will serve a term of three (3) years. In all succeeding years, Steering Committee members will be elected to terms of three (3) years.

### ***Section E - Vacancies***

Any vacancy on the Steering Committee shall be filled by the Steering Committee. The newly elected Steering Committee member will serve for the unexpired remaining term of the vacant Steering Committee position.

### ***Section F - Removal***

If a Steering Committee member misses four (4) consecutive Steering Committee meetings without providing prior notice to the Steering Committee, the members may be removed at the discretion of the Steering Committee. Any Steering Committee members may be removed by a majority vote of the Steering Committee whenever it is, in the judgment of the Steering Committee, in the best interest of the corporation. Such removal shall be undertaken only in the most extreme situations.

### ***Section G - Quorum***

A majority of the current Steering Committee members gathered for the purpose of a meeting shall constitute a quorum. A quorum can be established via physical presence or by real-time electronic participation, including, but not limited to, telephone, teleconference, video conference, and on-line chat communications in which all substantive discussions are available to all participants.

## **Article III Officers**

The officers of the corporation shall be as follows:

- Chairperson
- Vice Chairperson
- Secretary
- Treasurer

### ***Section A - Chairperson***

The Chairperson shall preside over the affairs of the corporation, shall preside at all meetings of the corporation, and shall be chairperson of the Steering Committee.

### ***Section B - Vice Chairperson***

The Vice Chairperson shall preside in the absence of the Chairperson and oversee the supervision of the corporation as conducted by the operating staff.

### ***Section C - Secretary***

The Secretary, or the secretary's designee, shall keep the minutes of the Steering Committee meetings in books provided for that purpose. The Secretary shall be custodian of the corporate records and perform all duties accrued by the office and other duties so designated.

### ***Section D - Treasurer***

The Treasurer shall have charge and custody and be responsible for all funds of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all monies in the name of the corporation. In general, the Treasurer shall perform all duties accrued by this office and other duties so designated.

## **Article IV Committees**

There shall be three (3) Standing Committees.

### ***Section A - Personnel Committee***

The Personnel Committee shall be responsible for developing job descriptions for the Executive Director. The personnel committee shall locate candidates for Executive Director job openings and recommend these to the Steering Committee for approval. The Personnel Committee will be responsible for an annual review and approval of the personnel handbook.

### ***Section B - Finance Committee***

The Finance Committee works with the Executive Director to develop a workable budget for WCO which shall be presented to the full Steering Committee no later than October 31 of the year prior to be budget year. Additionally, the Finance Committee plans the fund raising activities.

### ***Section C - Real Property Oversight Committee***

The Real Property Oversight Committee meets with the Executive Director to receive assurance that all real property is identified within the corporate accounting system, that taxes and insurance premiums are being monitored, that property maintenance is current and adequate, and that adequate funds are being set aside to cover larger expenditures that do not occur each year.

## **Article V Staff**

Job descriptions for all staff positions shall be developed by the Executive Director. The Steering committee may establish other personnel policies as needed.

## **Article VI Books, Records and Contracts**

### **Section A - Books and Records**

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Steering Committee meetings. The books are to be audited, annually, by a firm appointed by the Steering Committee. The audit firm will present the audit report and audit findings to the Steering Committee.

### **Section B -Contracts**

All contracts, other than contract for budgeted, recurring operations, must be presented to the Steering Committee for approval prior to entering into the contract.

## **Article VII Fiscal Year**

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

## **Article VIII Amendments**

These By-laws may be amended as deemed necessary by a two-thirds (2/3) vote of a properly constituted quorum at a Steering Committee meeting.

## **Article IX Effective Date**

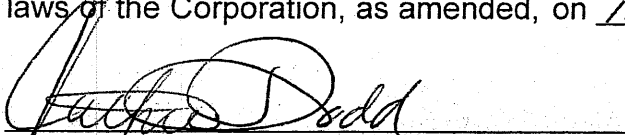
These Amended By-laws shall be effective upon approval by the Steering Committee.

## **Article X Rules for Order of Business**

In general, Robert's Rules of order shall be used for the order of business at all meetings.

## **Certificate**

I certify that the members of the Steering Committee, by two-thirds (2/3) vote of a properly constituted quorum at a duly called meeting did approve the above By-laws of the Corporation, as amended, on 11-24, 2010.



Cathie Dodd  
Executive Director

CHARTER OF

THE WOODBINE COMMUNITY ORGANIZATION (WCO), INC.

FILL  
 (PARTY)  
 1985 DEC 17 PM 3:50

The undersigned natural persons, having capacity to contract and acting as the incorporators of a corporation under the Tennessee General Corporation Act, adopt the following charter for such corporation:

1. The name of the corporation is the Woodbine Community Organization (WCO), Inc.
2. The duration of the corporation is perpetual.
3. The address of the principal office of the corporation shall be 2403 Winford Avenue, Nashville, TN 37211, until such time as another address is designated by the organization.
4. The corporation is not for profit.
5. The purposes for which the corporation is organized are:
  - a. To improve the lifestyles of people in our area by working together to preserve our neighborhood;
  - b. To help provide residents in our area access to decision-making processes of city, state, and federal governments;
  - c. To improve living conditions of residents in the area, especially low and moderate income families;
  - d. To improve communication and cooperation of area residents, black and white, young and old;
  - e. To recruit any federal, state, or local funds that are available to the area for the purpose of maintaining and improving the residential neighborhood;
  - f. To solicit and raise funds from public and private sources for the development and maintenance of such projects and activities that the corporation might develop in the furtherance of its goals;
  - g. To operate exclusively for charitable and educational purposes.
6. No part of the earnings of this corporation may inure to the benefit of any private shareholder, member, or individual.
7. This corporation is not organized to attempt to influence legislation by carrying on propaganda and shall not participate or intervene in any political campaign on behalf of any candidate for public office.
8. Upon the termination or dissolution of the corporation in any manner or for any reason, its assets (if any) remaining after payment of all liabilities, shall be distributed to, and only to, one or more organizations described in Section 501(c)(3) of the Internal Revenue Code of 1954.
9. Notwithstanding any other provisions of these articles, this corporation shall not carry on any other activities not permitted to be carried on by:
  - a. A corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law, or
  - b. A corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Codes of 1954 or any other corresponding provision of any future United States Internal Revenue Law.
10. Notwithstanding any other provisions of these articles, the purposes for which the corporation is organized are exclusively charitable and educational within the meaning of section 501(c)(3) of the Internal Revenue Code.

DATED: 12/12, 1985.

<u>Virginia Morgan</u>	<u>Rev. John B. Jobe</u>
<u>Faymie McWilliams</u>	<u>Donna K. Talbot</u>
<u>James E. Seli</u>	<u>Paula E. Peace</u>
<u>Ornella R. Lewis</u>	<u>Geneva Hester</u>



Internal Revenue Service  
District Director

Department of the Treasury

Date: DEC 8 1986

62-1280006

Employer Identification Number:

Applied for  
Accounting Period Ending:  
December 31

Foundation Status Classification:  
509(a)(2)

Advance Ruling Period-Ends: Begin: 12/17/  
and Ending: 12/31/87

Person to Contact:  
Ann Baker/nds

Contact Telephone Number:  
(404) 331-4516  
FFN: 580072760

Woodbine Community Organization (WCO), Inc.  
313 Peachtree Street  
Nashville, TN 37210

Dear Applicant:

Based on information 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(c)(3) of the Internal Revenue Code.

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 be expected to be a publicly supported organization described in section 509(a)(2).

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

Within 90 days after the end of your advance ruling period, you must submit to us 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, you will be classified 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, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(2) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor 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 that resulted in your loss of section 509(a)(2) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(2) organization.

(over)

P. O. Box 1055, Atlanta, GA 30370

Letter 1045(DO) (Rev. 10-83)

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration 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 excise taxes under Chapter 42 of the 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 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.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

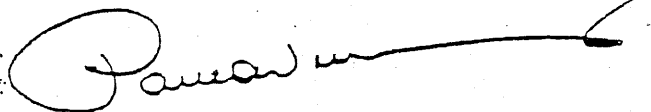
You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are 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, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

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

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

Sincerely yours,



District Director

INTERNAL REVENUE SERVICE

DEPARTMENT OF THE TREASURY

DISTRICT DIRECTOR

401 W. PEACHTREE ST. NW  
ATLANTA, GA 30365

Date: NOV 15 1993

WOODBINE COMMUNITY ORGANIZATION  
WCO, INC.  
222 ORIEL AVENUE  
NASHVILLE, TN 37210-4910

Employer Identification Number:  
62-1280006  
Case Number:  
583223048  
Contact Person:  
VICKY BAKER  
Contact Telephone Number:  
(404) 331-0930  
Date of Exemption:  
December 8, 1986  
Internal Revenue Code  
Section 501(c)(3)

Dear Applicant:

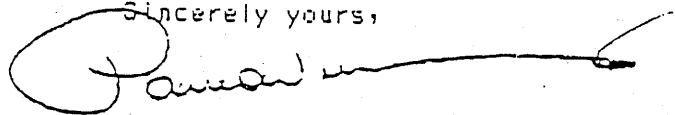
Thank you for submitting the information shown on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



Paul Williams  
District Director

51.  
1985 DEC 17 AM 3 50

DESIGNATION, REVOCATION OR CHANGE  
OF  
REGISTERED AGENT  
OF

THE WOODBINE COMMUNITY ORGANIZATION (WCO), INC.

To the Secretary of State of the State of Tennessee

Pursuant to the provisions of Section 48 1201 of the Tennessee General Corporation Act, the undersigned foreign or domestic corporation or the incorporator or incorporators of a domestic corporation being organized under the Act submit the following statement for the purpose of designating, revoking or changing, as the case may be, the registered agent for the corporation in the state of Tennessee:

1. The name of the corporation is THE WOODBINE COMMUNITY ORGANIZATION (WCO), INC

The address of the corporation is 2403 Winford Avenue  
Nashville, TN 37211

If a foreign corporation, state or country of incorporation \_\_\_\_\_

2. The name and street address of its registered agent in the State of Tennessee shall be

Virginia Morgan

2403 Winford Avenue

Nashville, TN 37211

Dated Dec. 12 1985

THE WOODBINE COMMUNITY ORGANIZATION (WCO), INC.

Name of Corporation

By \_\_\_\_\_  
(Title)

(Incorporator  
or incorporators,  
if corporation is  
being organized)

*Virginia Morgan — Melia P. Love*  
*Rhonda Williams Donna K. Talbot*  
*Jan E. ... Geneva House*  
*Rev. John G. Gabe*  
*Paula E. Peace*



STATE OF TENNESSEE  
SECRETARY OF STATE

THIS REPORT IS DUE ON OR BEFORE April 1, 1987

READ NOTICE AND INSTRUCTIONS ON OTHER SIDE BEFORE MAKING ENTRIES

(1) (a) CORPORATION CONTROL NUMBER: <u>0165649</u> THIS REPORT WILL NOT BE FILED WITHOUT THIS NUMBER	(2) ENTER CHANGE OF ADDRESS OF CORPORATION'S PRINCIPAL OFFICE IN THE STATE OF INCORPORATION.
(1) (b) NAME AND ADDRESS OF CORPORATION:  Woodbine Community Organization (WCO), Inc.  2403 Winford Avenue Nashville, Tn. 37211  12/17/85                    D    Not for Profit	STREET ADDRESS
	P.O. BOX NUMBER
	CITY
	STATE <span style="float: right;">ZIP CODE</span>
NOTICE: ADDRESS CHANGE ENTERED ON THIS REPORT WILL NOT BE OF RECORD. SEE INSTRUCTIONS.	
(3) FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)	

IF THE ABOVE ADDRESS IS INCORRECT IN ANY WAY, PLEASE CORRECT IN BLOCK 2

(4) PRINCIPAL OFFICE OR PLACE OF BUSINESS IN TENNESSEE IF A FOREIGN CORPORATION:  
 \_STREET ADDRESS \_\_\_\_\_ CITY, STATE, ZIP CODE \_\_\_\_\_

(5) NAMES AND STREET AND MAILING ADDRESSES OF EACH OFFICER MUST BE COMPLETED: (ATTACH SEPARATE SHEET IF NECESSARY.)

TITLE	NAME	STREET AND MAILING ADDRESS	CITY, STATE, ZIP CODE
PRESIDENT			
VICE PRESIDENT		(N/A)	
SECRETARY			
TREASURER			

(6) NAMES AND STREET AND MAILING ADDRESSES OF BOARD OF DIRECTORS MUST BE COMPLETED: (ATTACH SEPARATE SHEET IF NECESSARY.)

NAME	STREET AND MAILING ADDRESS	CITY, STATE, ZIP CODE
	(N/A)	

FILED  
SECRETARY OF STATE  
NOV 13 11 12 38

(7) NAME AND ADDRESS OF REGISTERED AGENT:  Virginia Morgan 2403 Winford Avenue Nashville, Tn. 37211	(8) CURRENT REGISTERED AGENT, IF DIFFERENT FROM BLOCK 7 OR NOT ON RECORD:
	NAME <u>Paula Peace</u>
	STREET ADDRESS <u>329 Valeria St.</u>
	CITY, STATE, ZIP CODE <u>Nashville, TN 37210</u>

(9) THE NATURE AND CHARACTER OF THE BUSINESS IN WHICH THE CORPORATION IS ENGAGED IS:  
*Neighborhood Improvement; Benefit to low and moderate income people*

714282

REMIT TEN DOLLARS (\$10.00), MADE PAYABLE TO TENNESSEE SECRETARY OF STATE. (CHECKS OR MONEY ORDERS ARE PREFERRED)

MAIL PERMITTANCE AND COMPLETED FORM TO:  
 TENNESSEE SECRETARY OF STATE  
 JAMES K. POLK BUILDING, SUITE 500  
 NASHVILLE, TENN. 37219

714282

(10) UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE EXAMINED THIS REPORT, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT, AND COMPLETE.

SIGNATURE Paula Peace

TITLE Chairperson DATE 11-9-87

Internal Revenue Service  
District Director

Department of the Treasury

Date: DEC 8 1986

Woodbine Community Organization (WCO), Inc.  
313 Peachtree Street  
Nashville, TN 37210

Employer Identification Number:

Applied for  
Accounting Period Ending:  
December 31

Foundation Status Classification:

509(a)(2)

Advance Ruling Period Ends: Begin: 12/17/85  
and Ending: 12/31/87

Person to Contact:

Ann Baker/nds

Contact Telephone Number:

(404) 331-4516

FFN: 580072760

Dear Applicant:

Based on information 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(c)(3) of the Internal Revenue Code.

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 be expected to be a publicly supported organization described in section 509(a)(2).

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

Within 90 days after the end of your advance ruling period, you must submit to us 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, you will be classified 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, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(2) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor 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 that resulted in your loss of section 509(a)(2) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(2) organization.

(over)

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration 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 excise taxes under Chapter 42 of the 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 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.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

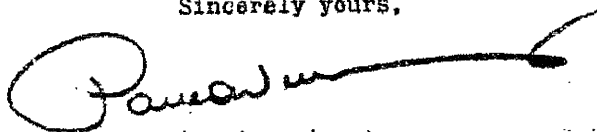
You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are 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, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

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

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

Sincerely yours,



District Director

Department of The Treasury

Internal Revenue Service  
EB Group 7404  
Suite 1109, Stop 520  
101 West Peachtree St.  
Atlanta, GA 30365

Houdbine Community Organization  
HCO Inc  
222 Oriel Avenue  
Nashville, TN 37210

Person To Contact:  
Kim Artis  
Telephone Number:  
(404)331-4989  
Refer Reply To:  
EO174041AH  
EIN: 62-1280006

Date: JUL 21 1992

Dear Sir or Madam:

We have received and reviewed the amended organizing documents that you submitted on behalf of your organization, in which the organizing documents were approved and/or adopted on 02/01/92. This information has been made a part of your file.

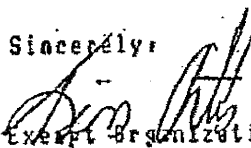
Your organization shall continue to be recognized as exempt under Section 501(C)(03) of the Internal Revenue Code, effective as of 12/86. You may continue to rely on this exemption until it is modified, terminated or revoked by the Internal Revenue Service.

Please continue to let us know of any changes in the purpose, character, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

A copy of this letter should remain in your permanent records, as it may help resolve any question about your exempt status.

Thank you for your cooperation.

Sincerely,

  
Exempt Organizations  
Coordinator



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

DEPARTMENT OF THE TREASURY

Date: NOV 15 1993

WOODBINE COMMUNITY ORGANIZATION  
WCO, INC.  
222 ORIEL AVENUE  
NASHVILLE, TN 37210-4910

Employer Identification Number:  
62-1280006  
Case Number:  
583223048  
Contact Person:  
VICKY BAKER  
Contact Telephone Number:  
(404) 331-0930  
Date of Exemption:  
December 8, 1986  
Internal Revenue Code  
Section 501(c)(3)

Dear Applicant:

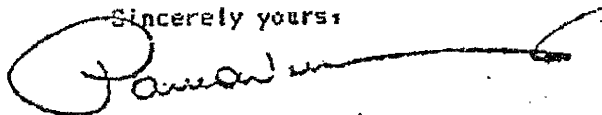
Thank you for submitting the information shown on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



Paul Williams  
District Director



Chartered in 1985, Woodbine Community Organization is a mission-driven community development organization dedicated to working together to create opportunities for people of diverse incomes and backgrounds to access affordable housing, financial education, economic opportunities, and to fully participate in the civic life of their community.

## Serving Our Community Today

Although the mission of Woodbine Community Organization remains largely unchanged, our significant growth has expanded the reach the scope of our programs. Client outreach has grown beyond the black and white communities to include Kurdish, Latino, Laotian, Somali, and others. We achieve this by sustaining engaging, high-performing, and adaptive community-based programs that are supported by collaborative agreements with local partners, public /private investment, and leveraged with Woodbine Community Organization resources.

Woodbine Community Organization knows that a one-size-fits-all path to affordable housing is not realistic. We have a variety of programs to guide individuals and families along the different paths to affordable homeownership or rental readiness. From **single-family** to **multi-family** developments, we strive to help clients find a place they can call home. Let us help you reach financial stability and accomplish your long-term housing goals. **Call us today at 615-833-9580 to get started.**

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
And Its Wholly Owned Subsidiaries

Audited Financial Statements

For the Year Ended December 31, 2021  
(With Independent Auditor's Report Thereon)

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
And Its Wholly Owned Subsidiaries

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Consolidated Statement of Financial Position	3-4
Consolidated Statement of Activities	5
Consolidated Statement of Changes in Net Assets	6
Consolidated Statement of Cash Flows	7-8
Notes to Financial Statements	9-23
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards	24-25

To the Board of Directors and  
Tony Woodham, Executive Director  
Woodbine Community Organization, Inc.  
643 Spence Lane  
Nashville, TN 37217

## **Opinion**

We have audited the accompanying financial statements of Woodbine Community Organization (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Woodbine Community Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Woodbine Community Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

A handwritten signature in black ink that reads "Hopkins Page". The signature is written in a cursive style with a large initial "H".

Nashville, TN  
May 16, 2022

**WOODBINE COMMUNITY ORGANIZATION, INC.**

Consolidated Statement of Financial Position

December 31, 2021

CURRENT ASSETS

Cash and cash equivalents	\$ 18,067,151
Accounts Receivable- Tenants/Grants	3,047,826
Prepaid Expenses	133,976
Inventory - Houses/Land	4,692,642
Note receivable - current	<u>7,598</u>

Total Current Assets 25,949,193

LONG-TERM ASSETS

Land	8,665,251
Rental property (houses and apartments)	72,514,531
Furniture and Fixtures	622,419
Equipment	<u>1,017,964</u>
	82,820,165

Accumulated depreciation (15,564,619)

Total long-term assets-net 67,255,546

OTHER ASSETS

Reserve Replacement	756,614
Escrow deposits	122,285
Operating reserves	20,230
Rental properties under construction	-
Tenants security deposits	107,443
Investments (Note B)	537,755
Loan to affiliate (Note C)	4,183,547
Note receivable - long term	<u>940,502</u>

Total other assets 6,668,376

TOTAL ASSETS \$ 99,873,115

See the accompanying accountant's compilation report.

**WOODBINE COMMUNITY ORGANIZATION, INC.**

Consolidated Statement of Financial Position

December 31, 2021

CURRENT LIABILITIES

Accounts payable- programs	\$ 143,694
Cash overdraft	14,019
Accounts payable-management fees	23,631
Accrued mortgage interest	134,559
Accrued property taxes	198,053
Accrued payroll liabilities	5,150
Prepaid rent	97,579
Other current liabilities	84,374
Current portion - long-term notes payable (Note D)	2,140,923
Tenants security deposits	<u>65,250</u>
Total current liabilities	2,907,232

LONG-TERM LIABILITIES

Long-term notes payable (Note D)	41,462,327
Debt issuance cost (Note F)	(567,672)
Miscellaneous long-term liabilities (Note E)	<u>2,779,168</u>
Total long-term liabilities	<u>43,673,823</u>

Total liabilities 46,581,055

NET ASSETS

Net assets without donor restrictions	47,965,980
Net assets with donor restrictions (Note I)	<u>5,325,450</u>
Total net assets	<u>53,291,430</u>

TOTAL LIABILITIES AND NET ASSETS \$ 99,872,485

See the accompanying accountant's compilation report.



**WOODBINE COMMUNITY ORGANIZATION, INC.**

Combined Statement of Activities  
For the Year Ended December 31, 2021

UNRESTRICTED NET ASSETS

Support and Revenue

Program fees	\$ 46,252
Contributions	5,000
Development income	1,443,732
Contract revenues	2,648,967
Donated land	-
Rental income	9,327,921
Portfolio income	76,466
NSP/Section 1602 Amortization	1,537,650
Gain on sale of property	-
Other income	74,357
	<hr/>
Total Support and Revenue	15,160,345

EXPENSES

Administrative	1,441,115
Utilities	828,494
Operating and Maintenance	1,292,052
Taxes and Insurance	1,168,249
Financial	2,683,906
Depreciation and amortization	2,405,268
	<hr/>
	9,819,084
	<hr/>

TOTAL INCREASE IN NET ASSETS

\$ 5,341,261

See the accompanying accountant's compilation report.

**WOODBINE COMMUNITY ORGANIZATION, INC.**

Consolidated Statement of Changes in Net Assets

For the Year Ended December 31, 2021

NET ASSETS Without Donor Restrictions, January 1, 2021	\$ 42,890,389
Increase in net assets without restrictions	5,341,261
Change in investments	11,109
Transfer to net assets without donor restrictions	<u>(276,779)</u>
TOTAL NET ASSETS, December 31, 2021	<u><u>\$ 47,965,980</u></u>
NET ASSETS With Donor Restrictions, January 1, 2021	\$ 6,181,717
Increase in net assets with donor restrictions	
Release from donor restrictions	<u>(856,267)</u>
TOTAL NET ASSETS With Donor Restrictions, December 31, 2021	<u><u>\$ 5,325,450</u></u>
NET ASSETS, January 1, 2021	\$ 49,072,106
Increase in net assets	5,341,261
Change in investments	11,109
Release from donor restrictions	<u>(1,133,046)</u>
TOTAL NET ASSETS, December 31, 2021	<u><u>\$ 53,291,430</u></u>

See the accompanying accountant's compilation report.

**WOODBINE COMMUNITY ORGANIZATION, INC.**

Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets \$ 5,341,261

Adjustments to reconcile change in net assets to cash

Provided by operating activities

Depreciation	2,369,050
Amortization of loan costs	36,218
Gain on sale of properties	-
Section 1602 Grant Amortization	(681,383)
NSP Grant Amortization	(856,267)
(Increase) / decrease in:	
Accounts receivables-tenants	(771,794)
Prepaid expenses	(4,956)
Inventory - houses/land	(2,865,253)
Tenant security deposits	(28,624)
Increase / (decrease) in:	
Accounts payable	(94,099)
Cash overdraft	14,019
Accounts payable - management fee	8,409
Accrued mortgage interest	(14,665)
Accrued property taxes	(1,014)
Accrued payroll liabilities	(23,933)
Prepaid rent	94,256
Accrued expenses	(3,022)
Tenant security deposits held	1,963

Cash provided operating activities 2,520,166

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(242,964)
Funding of reserves for replacement	69,845
Releases from escrow deposits	4,279
Funding of operating reserves	339
Change in Investments	(11,109)
Proceeds used for properties under construction	-

Cash used by investing activities (179,610)

See the accompanying accountant's compilation report.

**WOODBINE COMMUNITY ORGANIZATION, INC.**

Combined Statement of Cash Flows  
For the Year Ended December 31, 2020

CASH FLOWS FROM FINANCING ACTIVITIES:

Net repayment of notes payables	(2,031,821)
Loans to related party	(600,625)
Money loaned on home sales	<u>7,295</u>

Cash provided by financing activities (2,625,151)

NET INCREASE IN CASH (284,595)

CASH AT BEGINNING OF YEAR 18,351,746

CASH AT END OF YEAR \$ 18,067,151

SUPPLEMENTAL INFORMATION

Interest paid \$ 2,698,571

See the accompanying accountant's compilation report.

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE A –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

The accompanying consolidated financial statements of Woodbine Community Organization (WCO), Inc. include transactions and accounts of Woodbine Community Organization (WCO), Inc., and its' wholly owned subsidiaries: WCO AL DP, LLC (“AL DP”), WCO Elm Hill Flats, LLC (“EHF”), Woodbine Oaks of Gallatin, LLC (“OGA”), WCO Oakwood Manor, LLC (“OMA”), WCO Kareday, LLC (“MKA”), Trinity-TN, LP (“AMA”), Cumberland Place CCA, LP (“CPA”), and Woodbine Cumberland Meadows, LP (“WCM”) which are all non-profit single-member limited liability companies.

Woodbine Community Organization (WCO), Inc. was organized in December 1985. The organization is a nonprofit organization, dedicated to meeting the needs of low-income residents, through HUD and NeighborWorks certified assistance for pre-purchase home buying, reverse mortgage, foreclosure prevention, rental readiness, financial literacy and volunteer income tax preparation. The organization has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(a) of the Internal Revenue Code of 1986, as amended, as an organization described in section 501(c)(3) to accept funding and provide job training, affordable housing, after school tutoring and other programs. The organization is funded by donations, public and private, along with fundraising sponsored by its members, and revenues generated by activities in performance of the organizations exempt purpose.

Since the mid-1990s the Organization has also developed a particular expertise in the development of both single and multi-family rental housing units for low to moderate income families. “EHF”, “OGA”, “OMA”, “MKA”, “AMA”, “CPA”, and “WCM” all operate multi-family apartments which provide low to moderate income families with affordable housing.

In April 2015, the organization expanded its activities to include providing shared housing to an unrelated company providing intermediate care for persons with intellectual and developmental disabilities. These activities are operated in “WCO AL DP” (See Note J).

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting and accordingly reflect all material receivables, payables, and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those instruments.

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Property and Equipment

Acquisitions of property and equipment in excess of \$4,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

Revenue Recognition

Contributions and grants received are recorded as unrestricted or temporarily restricted net assets, depending on the nature of the restriction. As restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Development fees are earned on the development of low-income housing, as construction progress metrics are met.

Rental Revenue

Rental revenue is recognized as rentals become due. Rental payments received in advance are recorded as prepaid revenue.

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Contributed Services

The Organization receives a substantial number of services donated by its friends and families in carrying out the Organization's mission. No amounts have been reflected in financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

Functional Classification of Expenses

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

Community activities include job education, job placement services, literacy education classes, English as a second language classes, and various other community services.

Housing Programs include the development and management of both single and multi-family affordable housing, education classes for prospective homeowners, and counseling for housing preservation and foreclosure prevention.

Resource persons assist the community by providing resources, such as housing, food, and technical assistance.

Supporting services include functions necessary to ensure an adequate working environment and cost not identifiable with a single program, including costs associated with providing coordination and articulation of the Organization's program strategy, business management, general record keeping, budgeting and related purposes, and fundraising cost.

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management has evaluated its tax positions taken and believes that the total amount of unrecognized tax benefits is not material to the financial statements as a whole. Therefore, no tax liability has been recorded. Additionally, the Organization files a Federal Form 990 informational tax returns. The Organization is currently open to examinations by the relevant taxing authorities for a period of three years from the date the return was filed or its due date (including approved extensions).

Use of Estimates

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

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Advertising Costs

Costs related to advertising are expensed as incurred. Advertising costs were \$14,457 in 2021.

**NOTE B - INVESTMENTS**

The Organization owns interest in sole purpose Corporations and Limited Liability Companies which are the general partners of the following limited partnerships with a minor ownership in Limited Liability Companies. These sole purpose entities are recorded at cost.

NAME	Ownership %	Investment
Cedar Creek Apartments, LP	0.01 %	\$ 1,000
Crockett Manor, LP	0.01%	11,109
Woodbine Cumberland Meadows, LP	0.01 %	1,000
Ellington View Apartments, LP	0.01 %	380,864
Hamilton Creek Apartments, LP	0.02 %	1,000
Townhomes at Nashboro Village, LP	0.01 %	1,000
The Parks at Leigh Springs, LP	0.01 %	1,000
Hallmark Selma, LP (Alabama)	0.01 %	1,000
Woodbine Meadows, LLC (Virginia)	0.01 %	7,449
Woodbine Willow Oaks, LLC. (Virginia)	0.01 %	33,834
Woodbine Oaks of Gallatin, LLC	100.00 %	97,700
Woodbine Magnolia Gardens GP, Inc.	100.00 %	16,132 <sup>1</sup>
WCO Oakwood Manor, LLC	100.00 %	108,068 <sup>1</sup>
WCO Elm Hill Flats, LLC	100.00 %	2,866,844 <sup>1</sup>
WCO Algood Manor, LLC	100.00 %	328,676 <sup>1</sup>
WCO Cumberland Place, LLC	100.00 %	650,550 <sup>1</sup>
WCO Kareday, LLC	100.00 %	12,000 <sup>1</sup>
WCO AL DP, LLC	100.00 %	100 <sup>1</sup>
WCO Village Green Apartments, LLC	100.00 %	100
WCO Cumberland Manor, LLC	100.00 %	100
WCO River City North, LLC	100.00 %	100
WCO Spence Lane, LLC	100.00 %	100
Woodbine Crocket Manor GP, Inc.	100.00 %	100
WCO Hermitage Flats GP, Inc.	100.00 %	100
WCO Patterson Flats GP, Inc.	100.00 %	<u>100</u>
Total		4,520,026
Less, consolidating elimination of wholly owned <sup>1</sup>		<u>( 3,982,271)</u>
Net Investments		<u>\$ 537,755</u>



**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE C – LOANS TO AFFILIATES**

The Organization has lent monies to one of its affiliates. This is a multi-family low-income apartment complex. It is shown as loan to affiliates in the amount of \$82,922. The loan is a non-interest-bearing loan.

The Organization loaned its one of its affiliates \$625,000 during 2021. At December 31, 2021 the amount outstanding was \$625,000. Future minimum payments cannot be determined at this time. The note bears interest at 0%.

As part of Grant Contract between the Organization and the Metropolitan Housing Trust Fund, the Organization has entered into a promissory note to lend \$3,500,000 to an affiliate. The affiliate will utilize the funds to build low-income apartments. At December 31, 2021, the amount outstanding was \$3,500,000. Future minimum payments cannot be determined at this time. The stated interest rate of the loan is 0%.

**NOTE D – NOTES PAYABLE**

As of December 31, 2021, long-term debt and notes payable consist of the following:

Direct borrowings of **WCO, Inc.** are:

Notes payable with Bank of Tennessee with principal payments of \$3,474 monthly plus interest at a rate of 1.29% per annum. Collateral for this note is the 12 <sup>th</sup> Avenue property, matures October 25, 2024.	47,787
<u>Subtotal of notes payable-WCO, Inc.</u>	\$ 47,787

Borrowings of the Organization’s subsidiaries are:

<b>WCO AL DP, LLC</b>	
0% subordinated promissory note payable, dated April 1, 2015, amended July 1, 2017. Principal and unpaid interest due on maturity date of April 27, 2030.	1,914,896
Note payable, monthly payments of \$33,750, plus interest at 7.25%. Matures April 20, 1933. (Note J).	6,351,498
\$10.4 million Series 2016B tax-exempt bond payable dated July 1, 2017, with principal plus interest at 7.5%. Matures June 20, 2046.	9,416,295

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE D – NOTES PAYABLE (continued)**

Note payable, monthly principal payments plus interest at 8.22%. Balloon payment is due December 2023  
Collateral includes all rent receivables and the property and equipment owned by the company. 15,408,627

Subtotal of notes payable-WCO AL DP, LLC \$ 33,091,316

**WCO Elm Hill Flats, LLC**

Note payable with Pinnacle Bank with principal payments of \$13,000 monthly. The note bears interest at 4.75%. Collateral for this note are the buildings of WCO Elm Hill Flats, LLC. 4,615,000

Subtotal of long term debt-WCO Elm Hill Flats, LLC \$ 4,615,000

**Oaks of Gallatin, LLC**

Note payable to Pinnacle Bank with principal payments of \$4,500 monthly. The note bears interest at 0.0%. Collateral for this note is land, buildings, and equipment of Woodbine Oaks of Gallatin, LLC., Gallatin, TN. 686,405

Subtotal of notes payable-Oaks of Gallatin, LLC \$ 686,405

**Woodbine Cumberland Meadows, L.P.**

Note payable with payments of \$3,385.97 monthly. Interest at 4.876%. Collateral includes the real property of Woodbine Cumberland Meadows, L.P. 369,759

Subtotal of notes payable-Woodbine Cumberland Meadows \$ 369,759

**Oakwood Manor, LLC**

Note payable in monthly installments of \$1,814 including interest at a rate of 0.00% per annum for 10 years. Matures September 9, 2027. Collateral includes the land, buildings, and equipment of Woodbine Oakwood Manor, LLC., Milan, TN. 127,036

Note payable in monthly installments of \$1,111 including interest at a rate of 0.0% per annum for 5 years. A balloon payment of \$69,945 will be due August 21, 2024. 105,726

Subtotal of notes payable-Oakwood Manor, LLC \$ 232,762

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE D – NOTES PAYABLE (continued)**

**Trinity-TN, LP**

Mortgage including interest of 3.2% per annum, over a thirty-five (35) year amortization. Monthly installments of principal and interest are \$7,325 until August 1, 2048. Collateral is the real property of Algood Manor Apartments located in Algood, TN.

1,575,492

Subtotal of notes payable-WCO Algood Manor \$ 1,575,492

**Cumberland Place CCA, CP**

Mortgage including interest of 3.2% per annum, over a thirty-five (35) year amortization. Monthly installments of principal and interest are \$6,261 until August 1, 2048. Collateral is the real property of Cumberland Place Apartments in Winchester, TN.

1,346,674

Subtotal of notes payable-WCO Cumberland Place \$ 1,346,674

**WCO Kareday, LLC**

Mortgage including interest of 3.75% per annum, amortized over thirty-five (35) years. Monthly payments are \$5,380 until August 1, 2048. Collateral is the real property located in Oak Ridge, TN.

1,052,642

Subtotal of notes payable-WCO Kareday LLC \$ 1,052,642

**WCO Magnolia Gardens, LLC**

Note payable

Note payable to related party. Note bears interest of 0%.

Due on demand.

360,780

Note payable

Mortgage including interest of 1.5% per annum. Monthly payments are \$2,017 until April 1, 2030. Collateral is the real property located in Chattanooga, TN.

224,633

Subtotal of notes payable – WCO Magnolia Gardens, LLC \$ 585,413

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE D – NOTES PAYABLE (continued)**

Total Notes Payable	\$ 43,603,250
Less: current portion	<u>( 2,140,923)</u>
Long-term portion	<u>\$ 41,462,327</u>

The payoff on these notes are as follows:

2022	\$ 2,140,923
2023	15,855,110
2024	1,344,341
2025	1,312,328
2026	1,362,976
Thereafter	<u>21,587,572</u>
Total Notes Payable	<u>\$ 43,603,250</u>

**NOTE E – MISCELLANEOUS LONG-TERM LIABILITIES**

The Organization, through its wholly owned entities, has loan agreements funded with tax credit exchange (TCE) funds from Tennessee Housing Development Agency (THDA) pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009 (Section 1602). Under Section 1602, state housing agencies can exchange allocations of low-income housing tax credits (LIHTC) which have been allocated to their state under Section 42 of the Internal Revenue Code (Section 42) for cash at a prescribed rate of up to \$.85 for each dollar of LIHTC. In turn, the state housing agencies can use Section 1602 funds to make forgivable loans to properties that qualify for LIHTC.

Loan proceeds funded with Section 1602 program funds are intended to assist with the payment of development costs of LIHTC properties. In exchange for the funds received, the entities have agreed to operate low-income properties in accordance with Section 42. Portions of the loan which have been amortized are not subject to recapture and are considered government assistance related to assets.

The non-interest-bearing notes mature in fifteen (15) years, with repayment due only upon the certain events of default as noted in the Loan Agreement. Under the Loan Agreement, loan principal is reduced annually at the rate of 6.67% over the fifteen (15) year tax credit compliance period. Recapture of the unamortized balance is subject to the subsidiaries maintaining compliance with Section 42. The notes are secured by a Deed of Trust, which represents a second lien on certain real property.

As of December 31, 2021, the outstanding balance of the Section 1602 loans was \$2,779,168. The reduction in recapture risk on the loans for 2021 was \$681,383. No principal payments are required to be paid during the loan term. Amounts by entity are as follows:

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE E – MISCELLANEOUS LONG-TERM LIABILITIES (continued)**

	<u>1602 Loan Balance</u> <u>(Subject to Recapture)</u>
WCO Algood Manor GP, LLC	\$ 976,266
WCO Cumberland Place GP, LLC	1,126,498
WCO Kareday, LLC	<u>676,404</u>
Total	<u>\$ 2,779,168</u>

**NOTE F - DEBT ISSUANCE COSTS**

Deferred mortgage costs incurred in obtaining mortgages are amortized on a straight-line basis over the life of the mortgages. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from results obtained under the effective yield method. Amortization expense for the year ended December 31, 2021 was \$36,218. Estimated amortization expense related to financing fees for each of the ensuing years through December 31, 2026 and thereafter is as follows:

2022	\$ 34,896
2023	34,896
2024	34,896
2025	34,896
2026	34,896
Thereafter	<u>393,192</u>
TOTAL	<u>\$ 567,672</u>

**NOTE G – FORGIVABLE LOAN RECEIVED UNDER THE SBA PAYCHECK PROTECTION PROGRAM**

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, we obtained a PPP loan for \$177,375 which was included on our balance sheet as a liability as of December 31, 2021. The note was forgiven in 2021. In accordance with generally accepted accounting principles, the forgiveness of the PPP loan is recognized as income on its 2021 statement of activities. Management believes all of the proceeds from the note were used for qualifying expenses.

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE H - DEPRECIATION**

Depreciation for the year ended December 31, 2021 is \$2,369,050. The building, furniture & fixtures, and equipment are depreciated with lives as follows:

Buildings	27 ½ - 40 years
Furniture & fixtures	5 - 7 years
Equipment	5 years

Impairment of Long-Lived Assets –Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined by an appraisal, discounted cash flows analysis or other valuation technique. No impairment losses are recognized in 2021.

**NOTE I - NET ASSETS WITH DONOR RESTRICTIONS**

The Organization has received monies from the Metropolitan Development and Housing Agency (MDHA) to enable it to buy, or build, and rehabilitate houses, land or apartment complexes. The monies have restrictions that the Organization must meet for 15 to 20 years to enable the monies to become a grant. The monies are amortized over the 15 to 20-year period. The remaining amount may be payable with interest if the restrictions are not met.

Currently the Organization has a Neighborhood Stabilization Program (NSP1) agreement to rehab the 12<sup>th</sup> Avenue property to be used to house low-income tenants. The amount of this agreement is \$900,000. The Organization also has a NSP2 agreement in the amount of \$10,949,133 to buy houses, land, and apartment complexes to rehab or construct as needed. At December 31, 2021, the Organization has purchased such items using \$10,949,133. Amortization of the NSP1 agreement in the amount of \$45,000 has been released to unrestricted net assets during 2021. Amortization of the NSP2 agreement in the amount of \$811,267 has been released to unrestricted net assets at December 31, 2021. Total funds released from restriction in 2021 were \$856,267.

**NOTE I – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

The net assets with donor restrictions for the parent company are as follows:

Net assets with donor restrictions, beginning of year	\$ 6,181,718
Incurred during the year (including subsidiaries)	-
Released to unrestricted during 2021	<u>( 856,267)</u>
Net assets with donor restrictions, end of year	<u>\$ 5,325,450</u>

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE J – SALE-LEASEBACK TRANSACTION**

The Organization purchased real property and equipment of an unrelated party for \$11,514,298. The purchase was made through entering two loan agreements. \$9,599,403 was borrowed from Facilities Funding Group, LLC and \$1,914,895 in a seller/tenant financed loan with Open Arms Care Corporation (See Note D). In conjunction with the purchase, the Organization entered into thirty-six (36) lease agreements to leaseback the property and equipment to the seller. The leases are for terms of 15 years and can be extended at the option of the tenant for two additional years.

The Organization also completed construction on nine (9) new homes in 2017 in Chattanooga, Knoxville and Greeneville. The Organization entered into nine (9) lease agreements to lease the facilities to Open Arms Care Corporation. The leases are for terms of 15 years from the date of occupancy and can be extended at the option of the tenant for an additional five (5) years.

During 2020, the Organization completed construction and financing on ten (10) replacement homes in Knoxville. Six (6) homes remain under construction and will be transferred to WCO AL DP LLC upon completion. The Organization entered into ten (10) lease agreements to lease the facilities to Open Arms Care Corporation. The leases are for terms of 15 years from the date of occupancy and be extended at the option of the tenant for an additional five (5) years.

Rent income under these leases totaled approximately \$3,903,730 in 2021. A summary of future minimum lease payments under the leases as of December 31, 2021, is as follows:

2022	\$ 4,490,000
2023	4,780,000
2024	4,610,000
2025	4,480,000
2026	4,365,000
Thereafter	<u>42,305,000</u>
Total	<u>\$ 65,030,000</u>

As of December 31, 2021, the tenant owed approximately \$2,742,030 of accrued rent. These amounts will be paid in 2022 subsequent to the tenant filing its annual cost report filing. The lease agreements allow for remedies for changes to the allowed facility rental reimbursement in the annual cost report.

During 2017, the Organization amended its existing loan agreements with Facilities Funding Group and entered into a tax-exempt financing bond (Series 2016A) with the Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee. The Board sold the bonds to Facilities Funding Group, LLC and the payment terms effectively remained the same. The interest rate decreased to 7.5%.

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE J – SALE-LEASEBACK TRANSACTIONS (continued)**

Proceeds from the loan were used as follows: \$800,000 to establish a debt service fund, \$375,000 for loan closing costs, and \$9,202,086 for land and building construction. There was a cost overrun of \$345,000 and Facilities Funding Group agreed to amend the loan agreement to include this amount in 2018. The total loan balance as of December 31, 2021 was \$6,351,498.

The Organization also entered a second tax-exempt financing bond (Series 2016B) for \$10,400,000 for the acquisition, construction, installation and equipping of nine (9) new facilities to provide immediate care services for individuals with intellectual disabilities (ICF/IID). During 2021, additional costs incurred increased the loan balance to \$9,416,295 at December 31, 2021.

**NOTE K – RELATED PARTY TRANSACTIONS**

The Organization engages in certain transactions with related parties from time to time. The Organization has entered into a loan agreement to loan \$3,500,000 to ECG Hermitage, LP, a limited partnership to assist with the development of Hermitage Flats Apartments (“the Project”). The general partner of ECG Hermitage, LP is WCO Hermitage Flats, GP, Inc., a wholly owned subsidiary of the Organization. The loan agreement is funded from monies obtained from the Metropolitan Housing Trust Fund Commission. The terms of the loan specify annual payments from net cash flows of the Project, as defined by the LP Agreement. The term of the loan is thirty (30) years, payable beginning on the first (1<sup>st</sup>) anniversary of the Completion Date as defined in the LP Agreement. Interest thereon will be computed at the annual rate of zero percent (0.0%). The entire unpaid principal and all other charges shall be due and payable on December 31, 2047. Management anticipates the loan to be repaid in full within 15 years. As of December 31, 2021, the outstanding loan balance was \$3,500,000.

During 2019, the Organization received a grant from the Metropolitan Housing Trust Fund Commission in the amount of \$1,400,000. The Organization invested these funds in its wholly owned subsidiary, WCO Elm Hill Flats, LLC (“EHF”) which used the funds to purchase property located at 825 Elm Hill Pike in Nashville, TN. EHF will build a 71-unit apartment building and offer affordable housing. As outlined in Note L, the cost of the apartment building was approximately \$5,100,000 and is financed by EHF with a loan of \$4,680,000, with the Organization guaranteeing the debt. The loan balance at December 31, 2021 was \$4,615,000.

**NOTE L – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Management has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash or cash equivalents. At December 31, 2021, \$17,652,203 was uninsured.



**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE L – CONCENTRATION OF CREDIT RISK (continued)**

The Organizations operations are concentrated in the low-income, multi-family real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulation of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including administrative burden, to comply with a change.

**NOTE M – COMMITMENTS AND CONTINGENCIES**

The Organization receives a substantial amount of its support from the government. A reduction in the level of this support, if it were to occur, may end such programs and activities related to such support.

The Organization conducts numerous activities as a developer of multi-family affordable housing. The Organization materially participates in each project in which it has an interest. Most of the activities are conducted through single-purpose entities controlled by the Organization. As part of its role as the developer or sponsor of these facilities, the Organization is required to meet certain performance and fiscal obligations, such as construction completion, rental agreements, debt service, and fraud and misconduct by entities controlled by the Organization. It is not possible to quantify the potential liabilities with respect to these obligations.

**NOTE N – LIQUIDITY AND AVAILABILITY**

The Company regularly monitors liquidity to meets its operating needs and other commitments. A substantial portion of financial assets represent housing assistance payments received or receivable for the purpose of providing low-income housing. The Company manages liquidity by ensuring financial assets are available as its general expenditures, liabilities, and other obligations become due. Financial assets available for general expenditures within one year of the statement of position date are:

Cash and cash equivalents	\$ 18,067,151
Other receivables, currently due	3,047,826
Prepaid expenses	<u>133,976</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 21,248,953</u>

As part of our liquidity management, it invests cash in excess of daily requirements in an interest bearing, short-term money market investment account, which is a cash equivalent.

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE O – COVID-19 PANDEMIC**

As of the date this report was available to be issued, the COVID-19 pandemic has minimal impact on the overall operations and activities of the Organization. While it is not possible to predict the impact of the outbreak on the Company's financial condition and results of operations, disruptions to key business drivers, such as supply chain, workforce, and production were noticeable. Currently, the pandemic does not present a significant threat nor is experiencing issues in meeting current obligations. However, COVID-19 remains active. Management continues to monitor the situation and is prepared to develop strategies designed to mitigate any impact.

**NOTE P – FAIR VALUE**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. The framework provides a three-tier fair value hierarchy of pricing inputs used to report assets and liabilities that are adjusted to fair value. Level 1 includes inputs such as quoted prices which are available in active markets for identical assets or liabilities as of the report date. Level 2 includes inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the report date. Level 3 includes unobservable pricing inputs that are not corroborated by market data or other objective sources. The Organization's investments would all be real estate related and would be classified as Level 3 inputs.

The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy. At the end of 2021, the fair value of the Organization's other financial instruments approximates their carrying amounts, either because the expected collection or repayment period is relatively short or because the terms are similar to market terms.

**NOTE Q - FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

**NOTE R - RECENT ACCOUNTING STANDARD**

In May 2014 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 *Revenue from Contracts with Customers* which was codified in the FASB Accounting Standards Codification ("ASC") as topic 606 ("ASC 606"). The guidance eliminated the transaction and

**WOODBINE COMMUNITY ORGANIZATION (WCO), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**NOTE R - RECENT ACCOUNTING STANDARD (Continued)**

industry-specific revenue recognition guidance under previous accounting principles generally accepted in the United States of America (“GAAP”) and replaced it with a principles-based approach. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

ASC 606 an entity to exercise more judgement and recognize revenue using a five-step process. The five-step model defined by ASC 606 requires the entity to (1) identify the contract(s) with a customer, (2) identify the performance obligations of the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. ASC 606 also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance is effective for the year ending December 31, 2019. Management has determined ASC 606 does not have a significant impact on the financial statements.

**NOTE S – SUBSEQUENT EVENTS**

Management has evaluated subsequent events as of May 16, 2022, the date the financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

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

To the Board of Directors  
Woodbine Community Organization (WCO), Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Woodbine Community Organization (WCO), Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 16, 2022.

### **Report on Internal Control over Financial Reporting**

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

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

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

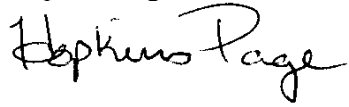
### **Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

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A handwritten signature in black ink that reads "Hopkins Page". The signature is written in a cursive, flowing style.

Nashville, Tennessee

May 16, 2022