

**FUNDING AGREEMENT BETWEEN THE CITY OF FRANKLIN AND
THE MID-CUMBERLAND HUMAN RESOURCE AGENCY
COF Contract No. 2019-0186**

This Funding Agreement is effective on July 1, 2019, between and among the City of Franklin, Tennessee, a political subdivision of the State of Tennessee (the "City") and THE MID-CUMBERLAND HUMAN RESOURCE AGENCY (the "Agency"), a Tennessee nonprofit corporation.

RECITALS

WHEREAS, Tennessee Code Annotated ("TCA") Section 6-54-111, as amended, authorizes a municipality's governing body to appropriate funds for the financial aid of any nonprofit charitable organization that provides year-round services benefiting the general welfare of the residents of the municipality or any nonprofit civic organization working to maintain and increase employment opportunities in the municipality; and

WHEREAS, the TCA also provides for the Comptroller of the Treasury to establish standard procedures to assist the municipal governing body in the disposition of funds so appropriated; and

WHEREAS, the municipality wishes to comply with the following laws and rules:

1. A municipality may appropriate funds for only those nonprofit charitable organizations that provide year-round services benefiting the general welfare of the residents of the municipality, or any nonprofit civic organization classified under Sections 501(c)(4) or (6) of the Internal Revenue Code working to maintain and increase employment opportunities in the municipality.
2. The governing body of each municipality shall adopt an adequate agreement stating the purpose for which the funds are being appropriated, for each nonprofit organization that is to receive municipal funds.
3. The budget document of the municipality shall include the name of each nonprofit organization and the specific amount appropriated for each organization.
4. Municipal payments to nonprofit organizations shall be limited to the amounts appropriated for such purposes and in keeping with the municipality's guidelines for how the appropriated funds may be spent.
5. Pursuant to Tennessee Code Annotated §6-54-111(c), the Agency shall file with the City a copy of the annual report of its business affairs and transactions that includes, but is not limited to:

- (a) Either a copy of the Agency's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury (a blank copy of which is attached as Exhibit A) and certified by the chief financial officer of the Agency;
- (b) A description of the program that serves the residents of the municipality (a blank copy of which is attached as Exhibit B); and
- (c) The proposed use of the municipal assistance (a blank copy of which is attached as Exhibit C).

The report filed shall be open for public inspections during regular business hours of the City.

6. For appropriations to nonprofit civic organizations, notices shall be published in a newspaper of general circulation in the municipality of the intent to make an appropriation, specifying the intended amount and purpose; and

WHEREAS, the City and the Agency intend to enter into this agreement for the purpose of defining the Agency's use of the monies received from the City in fiscal year 2019-2020.

NOW, THEREFORE, in consideration of the mutual covenants and promises, the parties agree as follows:

1. TERM

This agreement shall be effective from and after the effective date and shall extend through June 30, 2020, unless otherwise terminated in accordance herewith.

2. OBLIGATIONS OF CITY OF FRANKLIN

2.1 In accordance with City guidelines after all administrative costs are deducted therefrom, the City will contribute to the Agency the amount of SEVENTEEN THOUSAND THREE HUNDRED FIFTY-TWO and 00/100 DOLLARS (\$17,352.00), broken down as follows:

- Homemaker Program: FOUR THOUSAND SEVEN HUNDRED and 00/100 DOLLARS (\$4,700.00),
- Ombudsman Program: TWO THOUSAND FIVE HUNDRED and 00/100 DOLLARS (\$2,500.00), and
- Meals on Wheels: TEN THOUSAND ONE HUNDRED FIFTY-TWO and 00/100 DOLLARS (\$10,152.00).

2.2 Payments will be made in quarterly installments, payable at or near the beginning of each quarter and will begin only after this Agreement has been executed.

3. OBLIGATIONS OF THE AGENCY

3.1 Use of Funds. The Agency shall use the City funds for the sole and limited purpose of community and economic development of the City of Franklin according to the Statement of

Work and Program Objectives provided in Exhibit B, a copy of which is attached hereto and incorporated by reference herein.

3.2 Work Plan. In order to accomplish the objective(s) set forth in paragraph 3.1, the agency shall submit to the City a Work Plan that describes, in detail, the efforts to be undertaken by the Agency to accomplish the performance objectives set forth in Exhibit B, a copy of which is attached hereto as Exhibit C and incorporated by reference herein. At a minimum, the Work Plan shall include that information required by Exhibit B. The Agency shall coordinate its performance under this Agreement with the City. The Agency shall advise and consult with the City Administrator or his/her designee, with respect to its performance under this Agreement.

3.3 Annual Budget. The Agency shall submit an annual budget in a form and on a schedule acceptable to the City. The annual budget shall contain a detailed analysis of the project administrative expenses for operations and reasonable estimates of the projected amounts to be spent for the services to be provided and Work Plan to be implemented for the calendar year. The budget shall be submitted to the City with this agreement.

3.4 Reporting. Pursuant to Tennessee Code Annotated §6-54-111(c), the Agency shall file with the City a copy of the annual report of its business affairs and transactions that includes, but is not limited to:

- (a) Either a copy of the Agency's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury (a blank copy of which is attached as Exhibit A) and certified by the chief financial officer of the Agency;
- (b) A description of the program that serves the residents of the municipality; and
- (c) The proposed use of the municipal assistance.

The report filed shall be open for public inspections during regular business hours of the City.

3.5 Insurance. The Agency shall maintain professional liability and general liability insurance coverages as are reasonably necessary to cover any liability arising out of the acts or omissions of the Agency and its employees. The Agency shall maintain workers' compensation insurance as required by the laws of the State of Tennessee.

The Agency shall require all third parties utilized by the Agency ("Contractors") to maintain professional liability and general liability insurance coverages as are reasonably necessary to cover any liability arising out of the acts or omissions of the Contractors and its employees. The Agency shall require contractors to maintain workers' compensation as required by the State of Tennessee. The contractor's general liability insurance shall be of sufficient limits to provide defense and settlement expenses for Agency that result from the contractor liability. To the extent permissible, the Agency shall require each Contractor to endorse the Agency as an additional insured on the Contractor's general liability policies.

To the extent permitted by law, the Agency shall require such Contractor to indemnify and hold the Agency harmless against any liability caused by acts or omissions of the Contractor and its employees.

Insurance information will be provided to the City upon request. The Agency shall notify the City immediately of incidents that could lead to a major claim against the Agency.

4. RESTRICTION ON USE OF FUNDS

The Agency does hereby warrant and represent that the City Funds shall not be utilized by either the Agency or any of its Contractors for the following purposes:

4.1 Any claim or litigation against the City or any department or division of the City.

4.2 Any political or levy campaigning purposes.

5. RECORDS AND AUDITS

5.1 **Accounting.** The Agency shall maintain full, accurate and complete financial and accounting books, records and reports ("Records") of all direct and indirect uses and expenditures of the City Funds consistent with generally accepted accounting principles (GAAP).

5.2 **Maintenance of Records.** The Agency shall keep records relating to all uses and expenditures of the City Funds received pursuant to this Agreement. The Agency shall maintain a system of bookkeeping adequate for its operations hereunder and shall submit reports from such system to the City and the Agency on an annual basis for review and approval. The Agency shall keep and preserve for at least seven (7) years following each calendar year all sales slips, rental agreements, purchase orders, sales books, cash register tapes, credit card invoices, payroll records, duplicate deposit tapes and invoices, bank accounts, cash receipts and cash disbursements, bank books and other evidence of receipts and expenditures for such period.

5.3 **Audit.** The City or the City's designated representative, at the City's cost and expense, shall have the right to audit the Agency's Records at any time but shall not unreasonably interfere with the Agency's business or operations in connection with any such audit. The Agency acknowledges that this Agreement may be subject to audit by the Auditor of the State of Tennessee.

5.4 **Repayment.** If an audit discloses the Agency has received or retained City Funds in error or in excess of those to which the Agency is entitled under this Agreement or has used the City Funds for a purpose not authorized by this Agreement, the Agency agrees to promptly repay to the City the full amount of such City Funds, with interest thereon at the rate equal to the 90-day U.S. Treasury Note at the time. In the event the Agency fails to

promptly repay to the City the full amount of such City Funds, the City may elect to withhold said City Funds from any future payments to the Agency.

5.5 Additional Remedies. In addition to the repayment remedy set forth in paragraph 5.4 herein, the City may elect to terminate this Agreement as set forth in section 6, herein with a minimum of 30 days written notice to the Agency's President and Chair of the Board with opportunity to cure any breach.

6. TERMINATION

If either party hereto breaches any term, condition, representation, warranty or covenant contained in this Agreement, or if the Agency engages in any malfeasance or misfeasance with respect to the City Funds, the non-breaching party may elect to terminate this Agreement with a minimum of 30 days written notice to the other party with opportunity to cure any breach.

7. MISCELLANEOUS PROVISIONS

7.1 The Agency and the City agree that, as a condition to this Agreement, they shall not discriminate against any employee on the basis of race, color, sex, religion, natural origin, handicap, or any other factor specified in Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans with Disabilities Act, and subsequent amendments thereto, and all other federal and state laws regarding such discrimination.

7.2 The Agreement may be amended at any time, or any provision hereof may be waived, by written consent of all parties hereto.

7.3 This Agreement shall be governed by and construed under the laws of the State of Tennessee.

7.4 The Agency and the City shall conform to the requirements of all applicable laws and regulations of the State of Tennessee governing the execution of their respective duties under this Agreement.

(Signatures on next page)

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS Agreement as of
this 1 day of July, 2019 by

THE MID-CUMBERLAND HUMAN RESOURCE AGENCY

By: Jane Hamrick

Name: Jane Hamrick

Title: Executive Director

Date: 7-31-19

CITY OF FRANKLIN

By: Eric S. Stuckey
Eric S. Stuckey, City Administrator

Date: 8-6-2019

Approved as to form:

By: Shauna R Billingsley
Shauna R. Billingsley, City Attorney

EXHIBIT A

Annual Reporting Form for Nonprofit Organizations
Seeking Financial Assistance from Local Governments

Mid-Cumberland Human Resource Agency
Name of Nonprofit Organization

1101 Kermit Dr., Suite 300 Nashville Davidson, TN 37217
Street Address City County State Zip

* Annual Financial Report of Cash Receipts, Disbursements, and Balances

For the Fiscal Year from _____ through _____

Report Required by Title 5, Chapter 9, Part 1,

And Title 6, Chapter 54, Part 1, *Tennessee Code Annotated*

* Please see attached
Audit for Exhibit A.

Receipts

Federal Grants	\$ _____
State Grants	_____
Financial Assistance from Local Governments	_____
Donations and Gifts from Citizens	_____
Membership Dues	_____
Fees/Charges for Services	_____
Fundraising Events	_____
Sale of Assets	_____
Loans-Borrowed Funds	_____
Investment Income	_____
Other Receipts	_____
Total Receipts	\$ _____ (A)

Disbursements

Grants and Other Assistance Paid to Other Organizations and Individuals	\$ _____	
Salaries and Wages	_____	
Employee Benefits	_____	
Payroll Taxes	_____	
Fees for Services (non-employee)	_____	
Advertising and Promotion	_____	
Office Expenses	_____	
Leases/Rentals	_____	
Maintenance and Repairs	_____	
Supplies	_____	
Travel	_____	
Utilities	_____	
Insurance	_____	
Conferences, Conventions and Meetings	_____	
Interest	_____	
Purchase of Capital Assets – Vehicles and Equipment	_____	
Purchase of capital Assets – Property and Buildings	_____	
Loan Payments	_____	
Other	_____	
Total Disbursements		\$ _____ (B)
 Cash Receipts Less Disbursements for the fiscal Year (A-B=C)		 \$ _____ (C)
 Cash Balance - at the beginning of the fiscal year		 \$ _____ (D)
Cash Balance - at the end of the fiscal year (C+D=E)		\$ _____ (E)

Details of Cash Balance - at the end of the fiscal year

Cash on Hand	\$ _____
Cash in Bank – Checking	_____
Cash in Bank – Savings Accounts	_____

Cash in Bank – Certificates of Deposits _____
Other Cash _____
Total Cash - at the end of the fiscal year \$ _____ (E)

Please Explain Proposed Use of the Financial Assistance from Local Governments.

I certify that this report accurately presents the cash receipts, disbursements, and balances of the
_____ for the fiscal year noted above.

Name of Nonprofit Organization

Person Preparing Report _____
Printed Name Signature

Phone Number _____ Email Address _____ Date _____

**MID-CUMBERLAND HUMAN RESOURCE
AGENCY**

Nashville, Tennessee

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2018

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
Mid-Cumberland Human Resource Agency**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Cumberland Human Resource Agency, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Mid-Cumberland Human Resource Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Cumberland Human Resource Agency, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mid-Cumberland Human Resource Agency's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Tennessee, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2019, on our consideration of Mid-Cumberland Human Resource Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mid-Cumberland Human Resource Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Cumberland Human Resource Agency's internal control over financial reporting and compliance.

Johnson, Wiley & Menckem, P.C.

Chattanooga, Tennessee
March 25, 2019

**Mid-Cumberland Human Resource Agency
Management's Discussion and Analysis
For the Year Ended June 30, 2018**

Mid-Cumberland Management's Discussion and Analysis (MD&A) section provides a financial analysis for the year ended June 30, 2018. Please read this section in conjunction with the Agency's financial statements.

FINANCIAL HIGHLIGHTS

- The Agency's net position increased by \$774,074 (7%) from \$11,146,136 in 2017 to \$11,920,210 for 2018. The increase was attributed to continued performance in Governmental activities and capital outlays.
- The Agency's cash balance decreased by \$443,979 (6%) from \$7,947,831 in 2017 to \$7,503,852 for 2018. Accounts Receivable increased by \$654,626 (31%) from \$2,116,024 in 2017 to \$2,770,650 for 2018. The decrease in cash and increase in accounts receivable is attributed to slower payments from federal and state grantors.
- Total Current Assets increased by (2%) from \$10,112,626 in 2017 to \$10,304,945 in 2018. This increase is mostly attributed to increases in accounts receivable.
- The Agency's Governmental funds income before financing sources/uses decreased for 2018 compared to 2017, with a modest loss of \$82,403 due to continued reductions in TennCare revenue and challenging labor markets.
- The unrestricted net position for the Agency increased by \$147,465 (2%) from \$8,716,689 in 2017 to \$8,864,154 for 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's annual report consists of a series of financial statements. These statements include government-wide financial statements, fund financial statements, and the related notes to these statements. The report also includes additional supplementary information for these statements. Government-wide statements present the Agency's overall financial activities as a whole. Fund financial statements provide more detailed information about specific Agency funds. The remaining statements provide financial information about activities for which the Agency acts solely as a trustee.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Agency's annual report contains two government-wide financial statements; the Statement of Net Position and the Statement of Activities. These statements report, on an accrual basis, all assets and liabilities and the changes in them. This reporting provides a way to measure and assess the Agency's overall financial health. Increases or decreases in the Agency's net position provide good insight about whether the Agency's financial condition is improving or deteriorating. Other non-financial information should also be considered in this assessment.

The Statement of Net Position and the Statement of Activities have only one type of activity:

- **Governmental Activities** – The Agency’s services are reported in this activity group, including Rural Transportation services, Meals on Wheels and Senior Dining, Homemaker/Companion services, Community Corrections, Work Force Services, Misdemeanor services, Ombudsman services, WIC assistance and Representative Payee services. The general fund is also reported in this group. Federal and state grants, local governments, United Way agencies, local contributions and program income fund these activities.

FUND FINANCIAL STATEMENTS

The Agency establishes and maintains funds to manage and control monies for specific services and functions. Within the basic financial statements, fund financial statements focus on the Agency’s funds rather than the Agency as a whole. They also help assure compliance with financial laws and regulations. The Agency’s two significant fund types are as follows:

- **Governmental funds** - Most of the Agency’s services (see Governmental Activities above) are reported in the governmental funds. They are reported on the modified accrual accounting basis. These funds focus on the inflows and outflows of monies and the year-end balances, providing a view of available financial resources.
- **Proprietary fund** – The Agency’s internal service fund is reported as a proprietary fund. This fund is used to provide supplies and services for the Agency’s other programs and activities. They report activities equivalent to the reporting of the Statement of Net Position and the Statement of Activities.

THE AGENCY AS TRUSTEE

The Agency’s fiduciary activities are reported on the Statement of Changes in Fiduciary Assets and Liabilities – Agency Fund. These activities are excluded from the Agency’s other financial statements since these assets cannot be used to finance its operations.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis below focuses on net position and changes in net position of the Agency's governmental activities:

	<u>Net Position (in thousands)</u>		
	<u>2018</u>	<u>2017</u>	<u>Change Increase (Decrease)</u>
Current assets	\$ 10,305	\$ 10,113	2%
Capital assets	<u>3,056</u>	<u>2,429</u>	<u>26%</u>
Total Assets	<u>13,361</u>	<u>12,542</u>	<u>7%</u>
Current/Total Liabilities	<u>1,441</u>	<u>1,396</u>	<u>3%</u>
Net Position:			
Investment in capital assets	3,056	2,429	26%
Unrestricted	<u>8,864</u>	<u>8,717</u>	<u>2%</u>
Total Net Position	<u>\$ 11,920</u>	<u>\$ 11,146</u>	<u>7%</u>

	<u>Changes in Net Position (in thousands)</u>		
	<u>2018</u>	<u>2017</u>	<u>Change Increase (Decrease)</u>
Program Revenues:			
Charges for services	\$ 5,253	\$ 5,819	(10)%
Federal grants	8,372	7,112	18%
State grants and contributions	4,820	4,568	6%
Other revenues	<u>78</u>	<u>36</u>	<u>117%</u>
	<u>18,523</u>	<u>17,535</u>	<u>6%</u>
Program expenses:			
Agency operations and administration	1,478	2,006	(26)%
Transportation programs	8,760	8,435	4%
Nutrition programs	2,539	2,644	(4)%
Work Force Services programs	2,606	2,012	30%
Other programs	<u>2,366</u>	<u>2,349</u>	<u>1%</u>
Total Expenses	<u>17,749</u>	<u>17,446</u>	<u>2%</u>
Increase in Net Position	<u>\$ 774</u>	<u>\$ 89</u>	<u>770%</u>

The Agency's net position increased by \$774,074 (7%) in 2018 to \$11,920,210. This amount included the net decrease in fund balances for all governmental funds of (\$1,803), the net effect on disposition of assets (\$2,748), and the amount by which capital outlays exceeded depreciation \$778,625.

The Agency's total revenues (before interest income, gain (loss) on disposal of assets, and miscellaneous items) increased by \$947,202 (5%) from \$17,498,721 in 2017 to \$18,445,923 in 2018. Total expenses increased by \$303,297 (2%), from \$17,446,404 in 2017 to \$17,749,701 in 2018. These increases are attributed to the increases in Work Force Services revenues related to expansion of service areas.

Total Current Assets increased by \$192,319 (2%) from \$10,112,626 in 2017 to \$10,304,945 for 2018. Total Current Liabilities increased by \$44,854 (3%) from \$1,395,937 in 2017 to \$1,440,791 in 2018.

The Agency's cash balances decreased by \$443,979 (6%), from \$7,947,831 in 2017 to \$7,503,852 in 2018. Agency receivables (excluding internal balances) increased by \$654,626 (31%) from \$2,116,024 in 2017 to \$2,770,650 for 2018. The decrease in cash and increase in accounts receivable is attributed to slower federal and state grantor payments.

Mid-Cumberland's funding continues to be derived predominately from federal and state grants, and program service income from managed care organizations. The Agency is continually seeking cost controls and pursuing other funding sources to continue the agency's growth in delivery of services.

AGENCY FUND ANALYSIS

The Agency's operations report in one significant fund. The analysis for this fund is below:

Governmental funds – The governmental funds' financial performance decreased in 2018. The fund reported a modest loss of \$82,403 due to decrease in TennCare performance and challenging labor markets. The unassigned fund balance for 2018 was \$9,483,082.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Agency's capital outlay for 2018 was \$1,594,582. These additions were mostly attributed to vans for the transportation program. See note 3 for additional capital asset details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Mid-Cumberland contracts primarily with Agencies with the state of Tennessee and managed care organizations; therefore they are not directly affected by macroeconomic factors. However, the state, federal and local governments and managed care organizations are affected by these factors, indirectly affecting Mid-Cumberland's grant and operating budgets. These effects can be positive or negative due to the economic environment. The Agency expects continued downward pressure on transportation revenues as new MCO contracts were awarded to brokers in January 2016. The Agency expects to increase in the Work Force Services areas as Agencies continue to issue RFP's for new service providers. The Agency also continues to streamline personnel to reduce costs and implement strict cost control oversight to assure the Agency remains within its budgetary spending limits on a grant by grant basis.

BOARD OF DIRECTORS & SENIOR MANAGEMENT

Senior Management

Jane Hamrick, Executive Director
Kevin Rye, CFO/Director of Operations

BOARD OF DIRECTORS

(As of June 30, 2018)

Board Officers

County Mayor Howard Bradley, Robertson
County, Board Chair
County Mayor Rogers Anderson, Williamson
County, Vice-Chair
County Executive Anthony Holt, Sumner County,
Secretary
County Mayor Carroll Carman, Trousdale County,
Treasurer

Executive Committee Members

County Mayor Kerry McCarver, Cheatham County
County Mayor Robert Rial, Dickson County
County Mayor George E. Clark, Houston County
County Executive Jessie Wallace, Humphreys
County
County Mayor Jim Durrett, Montgomery County
County Mayor Ernest Burgess, Rutherford County
County Mayor Rick Joiner, Stewart County
County Mayor Randall Hutto, Wilson County

Cheatham County

Ms. Amber Locke, Consumer Representative
Mayor Rick Johnson, Ashland City
Mayor Tony Gross, Kingston Springs
Mayor Charles Morehead, Pegasus
Mayor Perry Keenan, Pleasant View
Mayor Kerry McCarver, Cheatham County

Dickson County

Ms. Renee Boehm, Agency Representative
Mayor Landon Mathis, Burns
Mayor William R. Davis, Charlotte
Mayor Donnie Weiss, Jr., City of Dickson
Mayor Gary Hodges, Slayden
Mayor Jason Weaver, Vanleer
Mayor Linda Hayes, White Bluff

Mayor Robert Rial, Dickson County

Houston County

Ms. Lisa Pulley, Agency Representative
Ms. Mary Bowyer, Consumer Representative
Mayor Paul Bailey, Erin
Mayor Stony Odom, Tennessee Ridge
Mayor George Clark, Houston County

Humphreys County

Mayor James C. Ross, McEwen
Mayor David Cagle, New Johnsonville
Mayor Buddy Frazier, Waverly
County Executive Jessie Wallace, Humphreys
County

Montgomery County

Mr. Jeff Taylor, Agency Representative
Mr. Jeff Truitt, Consumer Representative
Mayor Kim McMillan, Clarksville
Mayor Jim Durrett, Montgomery County

Robertson County

Ms. Margot Fosnes, Agency Representative
Mr. James Brown Jr., Consumer Representative
Mayor Mary Mantooth, Adams
Mayor David Rainwater, Cedar Hill
Mayor Glen Guyor, Coopertown
Mayor Barry Faulkner, Cross Plains
Mayor Bonnette Dawson, Greenbrier
Mayor Darrell Denton, Ridgetop
Mayor Ann Schneider, Springfield
Mayor Ricky Stark, Orlinda
Mayor Mike Arnold, White House
Mayor Howard Bradley, Robertson County

Rutherford County

Mr. Jeff Davidson, Agency Representative
Mayor Travis Brown, Eagleville
Mayor Dennis Waldron, LaVergne
Mayor Shane McFarland, Murfreesboro
Mayor Mary Esther Reed, Smyrna
Mayor Ernest Burgess, Rutherford County

Stewart County

Mr. James T. Luffman, Consumer Representative
Mayor Gary Vaughn, Cumberland City
Mayor Lesa Fitzhugh, Dover
Mayor Rick Joiner, Stewart County

Sumner County

Mr. Steve Brown, Agency Representative
Ms. Stephanie Harville, Consumer Representative
Mayor Paige Brown, Gallatin
Mayor John Combs, Goodlettsville
Mayor Jamie Clary, Hendersonville
Mayor Timothy Lassiter, Millersville
Mayor Bobby Worman, Mitchellville
Mayor Kenneth Wilber, Portland
Mayor Jerry Kirkman, Westmoreland
County Executive Anthony Holt, Sumner County

Trousdale/Hartsville County

Ms. Debbie Jenkins, Agency Representative
Mr. Craig Moreland, Consumer Representative
Mayor Carroll Carman, Trousdale County

Williamson County

Mr. Clyde Barnhill, Agency Representative
Ms. Diane Giddens, Consumer Representative
Mayor Jill Burgin, Brentwood
Mayor Patti Carroll, Fairview
Mayor Ken Moore, Franklin
Mayor Rick Graham, Spring Hill
Mayor Corey Napier, Thompson's Station
Mayor Jimmy Alexander, Nolensville
Mayor Rogers Anderson, Williamson County

Wilson County

Ms. Julie Hadlock, Agency Representative
Mayor Bernie Ash, Lebanon
Mayor Ed Hagerty, Mt. Juliet
Mayor Michael Jennings, Watertown
Mayor Randall Hutto, Wilson County

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This report is designed to provide a general overview of Mid-Cumberland's finances, comply with finance-related laws and regulations, and demonstrate the Agency's commitment to public accountability. If you have any questions or would like additional information please contact the Agency's Executive Director at 1101 Kermit Drive, Suite 300, Nashville, TN 37217.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 7,503,852
Receivables	
Grants (Federal)	1,307,748
Grants (State)	576,377
Participants and other (net)	886,525
Prepaid items	30,443
Capital assets	
Nondepreciable	150,000
Depreciable, net	<u>2,906,056</u>
 Total assets	 <u>13,361,001</u>
 LIABILITIES AND NET POSITION	
Liabilities	
Accounts payable	333,123
Accrued payroll costs	669,580
Accrued payroll taxes and withholding	47,111
Accrued paid time off	380,459
Due to grantor (Federal)	<u>10,518</u>
 Total liabilities	 <u>1,440,791</u>
 Net position	
Investment in capital assets	3,056,056
Unrestricted	<u>8,864,154</u>
 Total net position	 <u>\$ 11,920,210</u>

(The accompanying notes are an integral part of these statements.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

FUNCTION/PROGRAMS	Expenses	Indirect Expense Allocation	PROGRAM REVENUES			Net (Expenses) Revenues
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities						
Agency operations and administration	\$ 2,244,226	\$ (765,958)	\$ 1,488,673	\$ 623,235	\$ -	\$ 633,640
Transportation programs	8,334,964	424,909	3,307,623	4,101,648	1,414,875	64,273
Nutrition programs	2,403,301	135,665	347,123	2,324,988	-	133,145
Work force services programs	2,529,388	76,661	37,441	2,491,947	-	(76,661)
Other community services programs	<u>2,237,822</u>	<u>128,723</u>	<u>72,454</u>	<u>2,181,334</u>	<u>54,582</u>	<u>(58,175)</u>
Total governmental activities	<u>\$ 17,749,701</u>	<u>\$ -</u>	<u>\$ 5,253,314</u>	<u>\$ 11,723,152</u>	<u>\$ 1,469,457</u>	<u>\$ 696,222</u>

CHANGES IN NET POSITION

	Governmental Activities
Net Revenue	\$ 696,222
Gain on disposal of capital assets	<u>77,852</u>
Change in net position	774,074
Net Position	
Beginning	<u>11,146,136</u>
Ending	<u>\$ 11,920,210</u>

(The accompanying notes are an integral part of these statements.)

MID-CUMBERLAND HUMAN RESOURCE AGENCY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Transportation Programs	Nutrition Programs	Work Force Services Programs	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 7,503,852	\$ -	\$ -	\$ -	\$ -	\$ 7,503,852
Receivables						
Grants (Federal)	7,500	600,366	83,262	538,405	78,215	1,307,748
Grants (State)	-	350,961	5,443	-	219,973	576,377
Participants and other (net)	272,650	468,690	108,343	36,842	-	886,525
Prepaid items	30,443	-	-	-	-	30,443
Due from other funds	<u>2,551,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,551,079</u>
 Total assets	 <u>\$ 10,365,524</u>	 <u>\$ 1,420,017</u>	 <u>\$ 197,048</u>	 <u>\$ 575,247</u>	 <u>\$ 298,188</u>	 <u>\$ 12,856,024</u>
LIABILITIES						
Accounts payable	\$ 165,751	\$ 70,405	\$ 4,601	\$ 26,490	\$ 65,258	\$ 332,505
Accrued payroll costs	669,580	-	-	-	-	669,580
Accrued payroll taxes and withholding	47,111	-	-	-	-	47,111
Due to other funds	-	1,349,612	192,447	538,239	232,930	2,313,228
Due to grantor (Federal)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,518</u>	<u>-</u>	<u>10,518</u>
 Total liabilities	 <u>882,442</u>	 <u>1,420,017</u>	 <u>197,048</u>	 <u>575,247</u>	 <u>298,188</u>	 <u>3,372,942</u>
FUND BALANCES						
Nonspendable						
Prepaid items	30,443	-	-	-	-	30,443
Unassigned	<u>9,452,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,452,639</u>
 Total fund balances	 <u>9,483,082</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>9,483,082</u>
 Total liabilities and fund balances	 <u>\$ 10,365,524</u>	 <u>\$ 1,420,017</u>	 <u>\$ 197,048</u>	 <u>\$ 575,247</u>	 <u>\$ 298,188</u>	 <u>\$ 12,856,024</u>

(The accompanying notes are an integral part of these statements.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total governmental fund balances	\$ 9,483,082
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.	3,056,056
Internal service fund liabilities	<u>(618,928)</u>
Net position of governmental activities	<u>\$ 11,920,210</u>

(The accompanying notes are an integral part of these statements.)

MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General Fund	Transportation Programs	Nutrition Programs	Work Force Services Programs	Other Governmental Funds	Total Governmental Funds
REVENUES						
Federal grants	\$ 7,500	\$ 4,079,667	\$ 1,026,801	\$ 2,383,934	\$ 874,557	\$ 8,372,459
State grants	36,840	1,398,212	88,315	-	1,233,426	2,756,793
Local program	578,895	38,644	1,209,872	108,013	127,933	2,063,357
Program income	<u>1,467,703</u>	<u>3,307,623</u>	<u>347,123</u>	<u>37,441</u>	<u>72,454</u>	<u>5,232,344</u>
Total revenues	<u>2,090,938</u>	<u>8,824,146</u>	<u>2,672,111</u>	<u>2,529,388</u>	<u>2,308,370</u>	<u>18,424,953</u>
EXPENDITURES						
Salaries	1,251,413	3,577,841	672,432	857,435	1,257,373	7,616,494
Fringe benefits	373,423	1,444,444	148,849	257,520	369,460	2,593,696
Participant wages	42,437	-	-	272,373	-	314,810
Participant fringe benefits	4,462	-	-	27,863	-	32,325
Travel	92,735	27,807	25,400	270,112	121,339	537,393
Rent	39,438	110,710	22,701	37,913	95,291	306,053
Communications	35,517	123,832	54,859	20,457	44,296	278,961
Utilities	3,427	28,315	2,824	2,244	13,616	50,426
Printing and supplies	17,615	161,216	34,181	12,577	39,079	264,668
Equipment	80	1,540,000	-	-	54,582	1,594,662
Equipment - non capital	109,972	26,312	6,949	-	17,972	161,205
Maintenance and repairs	8,092	407,964	113	-	7,766	423,935
Professional and contracted services	46,134	268,206	96,368	41,103	99,133	550,944
Insurance, bonding and licensing	10,800	278,998	15,047	6,461	23,547	334,853
Food	-	-	1,175,268	-	-	1,175,268
Gasoline	6,863	643,985	-	-	-	650,848
Training and seminars	2,295	300	1,740	843	18,196	23,374
Specific assistance to participants	2,948	-	-	639,583	-	642,531
Other	-	-	-	-	13,861	13,861
Indirect costs	118,546	424,909	135,665	76,661	128,723	884,504
Miscellaneous	<u>8,931</u>	<u>20,530</u>	<u>16,705</u>	<u>6,243</u>	<u>4,136</u>	<u>56,545</u>
Total expenditures	<u>2,175,128</u>	<u>9,085,369</u>	<u>2,409,101</u>	<u>2,529,388</u>	<u>2,308,370</u>	<u>18,507,356</u>
Excess (deficit) of revenue over expenditures	<u>(84,190)</u>	<u>(261,223)</u>	<u>263,010</u>	<u>-</u>	<u>-</u>	<u>(82,403)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	82,387	180,623	(263,010)	-	-	-
Disposal of capital assets	<u>-</u>	<u>80,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,600</u>
Total other financing sources (uses)	<u>82,387</u>	<u>261,223</u>	<u>(263,010)</u>	<u>-</u>	<u>-</u>	<u>80,600</u>
Deficit of revenue over expenditures and other financing sources (uses)	<u>(1,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,803)</u>
FUND BALANCES						
Beginning	<u>9,484,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,484,885</u>
Ending	<u>\$ 9,483,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,483,082</u>

(The accompanying notes are an integral part of these statements.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Net change in fund balances - total governmental funds	\$ (1,803)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Depreciation expense	(815,957)	
Capital outlay	<u>1,594,582</u>	778,625

The net effect of various transactions involving the sale of capital assets	<u>(2,748)</u>
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Change in net position of governmental activities	<u>\$ 774,074</u>
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(The accompanying notes are an integral part of these statements.)

MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2018

	Governmental Activities - Internal Service Fund
ASSETS	
Capital assets	
Nondepreciable	\$ 150,000
Depreciable, net	<u>468,928</u>
Total assets	<u>618,928</u>
 LIABILITIES	
Accounts payable	618
Accrued paid time off	380,459
Internal balances	<u>237,851</u>
Total liabilities	<u>618,928</u>
 NET POSITION	
Net investment in capital assets	-
Net position - unrestricted	<u>-</u>
Total net position	<u>\$ -</u>

(The accompanying notes are an integral part of these statements.)

MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION - PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Fees for services	\$ 170,238
Total operating revenues	<u>170,238</u>
OPERATING EXPENSES	
Contracted services	9,308
Rent	7,805
Printing	3,857
Depreciation	<u>149,268</u>
Total operating expenses	<u>170,238</u>
NET OPERATING INCOME	<u>-</u>
CHANGE IN NET POSITION	-
NET POSITION	
Beginning	<u>-</u>
Ending	<u>\$ -</u>

(The accompanying notes are an integral part of these statements.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018**

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 170,238
Cash paid related to employees	(9,364)
Cash paid to suppliers for goods and services	<u>(41,765)</u>
Net cash provided by operating activities	<u>119,109</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from general fund	<u>(119,109)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
NET CHANGE IN CASH	<u>-</u>
CASH	
Beginning	<u>-</u>
Ending	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ -
Adjustments to reconcile net operating income to net cash provided by operating activities	
Depreciation	149,268
Decrease in	
Accounts payable	(20,795)
Accrued paid time off	<u>(9,364)</u>
Net cash provided by operating activities	<u>\$ 119,109</u>

(The accompanying notes are an integral part of these statements.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF NET POSITION - FIDUCIARY FUND
JUNE 30, 2018**

	<u>Agency Fund</u>
ASSETS	
Cash	\$ <u>369,639</u>
 LIABILITIES	
Amounts held in custody for others	\$ <u>369,639</u>

(The accompanying notes are an integral part of these statements.)

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Mid-Cumberland Human Resource Agency (the Agency) was established in 1974 in accordance with the Title 13, Chapter 26, as amended, of the Tennessee Code Annotated. This legislation provides a regional system to deliver human resource programs in the state's counties and cities. The Agency is governed by a Board that consists of the county mayor of each county within the Agency's service district, the mayor of each municipality within the district, a state representative and senator within the district and a local representative appointed by the county judge of each service district. The Agency is also governed by a policy council that consists of two representatives from each county served and two legislators. For financial reporting purposes, the Mid-Cumberland Human Resource Agency includes all fund types and account groups over which the Board of Directors exercises primary financial accountability.

Basis of Presentation

Government-Wide Statements

The statement of net position and the statement of activities display information about the primary government (the Agency). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are funded through federal and state grants, county and local government contributions, charitable contributions, intergovernmental revenues, and contract and program fees.

The statement of activities presents a comparison between the direct expenses and program revenues (charges for services, operating grants and contributions, and capital grants and contributions) for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. Indirect expenses have been allocated to major functions in order to present a more accurate and complete picture of the cost of services.

This government-wide focus is more on the sustainability of the Agency as an entity and the changes in the Agency's net position resulting from the current year's activities.

Governmental Fund Financial Statements

The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on the major funds in the governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Agency reports the following major funds:

General Fund

The general fund is used to account for all resources not specifically accounted for in another fund.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Governmental Fund Financial Statements (continued)

Special Revenue Funds

Transportation Programs

This fund accounts for revenues and expenditures of the Agency's various transportation operations (i.e., Public Transportation, New Freedoms and DOT Capital Grants). The fund utilizes Section 5311 of the Urban Mass Transit Act, Title III-B of the Older Americans Act and other funds available through the Tennessee Department of Transportation as its three major revenue sources. Revenues are also received through contracts with TennCare and other agencies within the region.

Nutrition Programs

This fund accounts for revenues and expenditures of the Agency's various nutritional operations (i.e., Meals-On-Wheels and congregate meals). The fund receives revenue from the Older Americans Act through the Area Agency on Aging and Disability at the Greater Nashville Regional Council. Financial support is also received from the Tennessee Commission on Aging and Disability, the State of Tennessee, United Way, United States Department of Health and Human Services, sponsors, foundations and memorials.

Work Force Services Programs

This fund accounts for revenues and expenditures of the Agency's activities of the Agency's various adult and youth work force programs. The fund receives revenue from the U.S. Department of Labor, various Tennessee Department of Labor, and Workforce Areas along with United Way, local Chambers of Commerce, local governments, and other various local sources.

Measurement Focus, Basis of Accounting

The accounts of the Agency are organized on the basis of funds. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

Government-wide financial statements include a statement of net position and statement of activities. These statements present a summary of governmental activities for the Agency. Fiduciary activities of the Agency are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the Agency's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Agency are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated. In the statement of activities, internal services fund transactions have been eliminated.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting (continued)

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Agency has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenue, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (normally 90 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Agency, are federal grants, state grants, local programs, and program income. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows. The only proprietary fund is the internal service fund. The internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. The cost of these services is allocated to the appropriate function/program in the statement of activities.

Agency Fund

Agency fund is used to account for amounts held in trust for others. These amounts are incidental and held for a short period of time. The Agency collects monies from the Social Security Administration to be given to recipients of the Social Security Program.

Cash and Cash Equivalents

The Agency considers currency on hand and demand deposits with financial institutions to be cash. The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. State statutes authorize the Agency to invest in obligations of the U.S. Treasury, bank certificates of deposit, state approved repurchase agreements and pooled investment funds, and state or local bonds rated A or higher by a nationally recognized rating service. At June 30, 2018, the Agency had no cash equivalents.

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Capital Assets

The Agency's capital assets, which include land, building and improvements, furniture and fixtures, computers, software and peripherals, and vehicles, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Capital assets of the Agency are being depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	7-25 years
Furniture and fixtures	5 years
Computers, software and peripherals	3-5 years
Vehicles	5 years

Equipment acquired with grant funds, and recorded in these financial statements, may require that the grantor retain an equity interest in the asset. Grantor agencies may also maintain the right to determine the use of the proceeds from the sale of these assets.

Compensated Absences

The Agency provides paid time off (PTO) benefits to regular full time employees. PTO is earned at the following rates:

<u>Years of Service</u>	<u>Accrual Rate</u>	<u>Maximum Accumulations</u>
0-5	1 day per month	30 days
5-10	1.5 days per month	36 days
10-20	1.75 days per month	39 days
20+	2 days per month	42 days

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

Effective May 1, 2016, the Agency's PTO benefits are provided to regular full time and part-time employees, excluding Community Corrections employees who remained under the existing PTO policy. This policy provides time off at the following rates:

<u>Years of Service</u>	<u>Monthly Accrual Rate Based on Regular Hours Paid (Up To)</u>	<u>Maximum PTO Accrued Annually</u>	<u>Maximum PTO Accumulations</u>
0-5	12 hours	144.00	240.00
5-10	16 hours	192.00	288.00
10-20	18 hours	216.00	312.00
20+	20 hours	240.00	336.00

Regular part-time employees' maximum PTO accumulation cannot exceed 80 hours.

Income Taxes

The Agency is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The Agency accounts for uncertain tax positions with provisions of FASB ASC 740-10 "*Accounting for Uncertainty in Income Taxes*" which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions within the financial statements. The Agency may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Agency does not have any uncertain tax positions as of June 30, 2018. As of June 30, 2018, the Agency did not record any penalties or interest associated with uncertain tax positions.

The Agency files information returns in the U.S. federal jurisdictions. With a few exceptions, the Agency is no longer subject to U.S. federal examinations by tax authorities for the years before 2015.

Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Budgetary Process

The Agency does not have an annual appropriated budget. The grant documents serve as the financial plans for budgetary purposes.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2018, the Agency did not have any deferred outflows or inflows of resources.

(2) CASH

Cash includes amounts in demand deposits with financial institutions.

The bank balances held in demand deposits are either insured or collateralized by the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool and are not subject to custodial credit risk.

The Agency's bank balances are categorized to give an indication of the level of risk assumed by the Agency. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized.

Deposits categorized by level of risk for the year ended June 30, 2018, are as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Category 1 - Insured or collateralized by the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool	\$ <u>8,308,871</u>	\$ <u>7,873,491</u>

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(3) CAPITAL ASSETS

Capital asset activity for the fiscal year ending June 30, 2018, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Capital assets being depreciated				
Building and improvements	631,018	-	-	631,018
Furniture and fixtures	162,823	-	-	162,823
Computers, software, and peripherals	1,658,481	-	(1,675)	1,656,806
Vehicles	<u>5,289,210</u>	<u>1,594,582</u>	<u>(1,224,827)</u>	<u>5,658,965</u>
Total capital assets being depreciated	<u>7,741,532</u>	<u>1,594,582</u>	<u>(1,226,502)</u>	<u>8,109,612</u>
Less accumulated depreciation for				
Building and improvements	(254,926)	(52,503)	-	(307,429)
Furniture and fixtures	(137,866)	(5,526)	-	(143,392)
Computers, software, and peripherals	(1,439,411)	(81,782)	1,675	(1,519,518)
Vehicles	<u>(3,629,882)</u>	<u>(825,414)</u>	<u>1,222,079</u>	<u>(3,233,217)</u>
Total accumulated depreciation	<u>(5,462,085)</u>	<u>(965,225)</u>	<u>1,223,754</u>	<u>(5,203,556)</u>
Governmental activity capital assets, net	<u>\$ 2,429,447</u>	<u>\$ 629,357</u>	<u>\$ (2,748)</u>	<u>\$ 3,056,056</u>

Governmental activities depreciation expense was as follows:

Agency operations and administration	\$ 101,140
Transportation programs	839,791
Nutrition programs	5,800
Other community service programs	<u>18,494</u>
	<u>\$ 965,225</u>

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

(4) INTERFUND ACTIVITY

Amounts due to/from other funds as of June 30, 2018, are as follows:

<u>Due to</u>	<u>Due from</u>	
General Fund	Transportation Programs	\$ 1,349,612
General Fund	Nutrition Programs	192,447
General Fund	Work Force Services Programs	538,239
General Fund	Nonmajor Governmental Funds	232,930
General Fund	Internal Service Fund	237,851

Interfund balances between governmental funds are created mainly from the general fund's payment of expenditures on behalf of other governmental funds.

Amounts transferred to/from other funds as of June 30, 2018, are as follows:

	<u>General Fund</u>	<u>Transportation Programs</u>	<u>Nutrition Programs</u>
Transfers in	\$ 82,387	\$ 180,623	\$ -
Transfers out	-	-	263,010

(5) FUND EQUITY

Fund equity at the governmental fund reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

Generally, fund balance represents the difference between the current assets and the current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed - Fund balances classification includes amounts that can be used only for the specific purposes determined by a majority vote of the Board of Directors (the Agency's highest level of decision-making authority). The Board of Directors also may modify or rescind the commitment.

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

(5) FUND EQUITY (continued)

Fund Balance (continued)

Assigned - Fund balances are reported as assigned when amounts are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the Board of Directors or by an employee or body to which the Board of Directors delegates the authority.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Agency reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other funds.

Flow Assumptions

When both restricted and unrestricted amounts of the fund balance are available for use for expenditures incurred, it is the Agency's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Agency's policy to use fund balance in the following order:

Committed
Assigned
Unassigned

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Agency has not spent) for the acquisition, construction or improvement of those assets. Net position reported as restricted is as described in the fund balance section above. All other net position are reported as unrestricted.

(6) PENSION PLANS

The Mid-Cumberland Human Resource Agency Profit Sharing Plan (the Plan) provides pension benefits for all its eligible employees through a defined contribution plan administered by Wells Fargo, N.A. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after 12 months and 1,000 hours of employment. Under the Plan, the Agency currently contributes 6.5% of each employee's eligible compensation. The Plan does not permit employee contributions. A participant is 100% vested after two years of credited service in the Agency's contribution to their account. Contributions are forfeited upon termination of employment and such forfeitures are used to reduce the Agency's contribution. The Plan provisions and contribution requirements are established and may be amended by the Agency's Board. The Agency's total contribution was \$371,439 with no forfeitures reducing this amount for the year ended June 30, 2018. As of June 30, 2018 the Agency had accrued pension expense of \$26,619, included in accrued payroll costs.

The Agency also has Mid-Cumberland Human Resource Agency 457 Retirement Savings Plan that allows employees to defer a portion of their annual compensation pursuant to Section 457 of the Internal Revenue Code. This plan is administered by John Hancock. Employees are immediately vested for all their contributions.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(7) COMMITMENTS AND CONTINGENCIES

Operating Lease Agreements

The Agency currently leases office space for the central administrative office in Nashville, Tennessee. The Agency also entered into short-term leases for other space as needed by the individual programs throughout the geographic area served. This space includes program offices, storage space, and program training sites. Total rental payments for these properties and miscellaneous office equipment, for the year ended June 30, 2018, was \$360,500.

Future minimum lease payments with initial or remaining periods of one year or more (including renewal options) at June 30, 2018, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Property</u>	<u>Equipment</u>
2019	\$ 215,626	\$ 12,599
2020	178,164	12,199
2021	180,529	7,805
2022	185,065	5,203
2023	<u>182,735</u>	<u>-</u>
	<u>\$ 942,119</u>	<u>\$ 37,806</u>

Risk Management

The Mid-Cumberland Human Resource Agency is exposed to various risks of loss related to general liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency carries commercial insurance for general liability, loss of assets, employee dishonesty, and injuries to employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Agency elected to provide basic health, dental and vision insurance coverage for its employees through several commercial group insurance plans. The Agency's obligation under these insurance plans is limited to a maximum \$635 per month per employee for individual coverage, \$896 per month per employee for individual plus child(ren) coverage, \$1,175 per month per employee for individual plus spouse coverage and \$1,443 per month per employee for family coverage, based on the plan selected by the employee.

Litigation

The Agency is subject to claims and suits arising principally in the normal course of operations. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for in the basic financial statements.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

(7) COMMITMENTS AND CONTINGENCIES (continued)

Grant Programs

The Agency participates in numerous federal and state grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Agency has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018, may be impaired. In the opinion of the Agency, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

(8) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2019, the date which this financial statement was available for issue.

SUPPLEMENTARY INFORMATION

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	SPECIAL REVENUE				Total Nonmajor Funds
	Community Corrections	VOCA	Homemaker	Ombudsman	
ASSETS					
Receivables					
Grants (Federal)	\$ -	\$ 15,202	\$ 54,255	\$ 8,758	\$ 78,215
Grants (State)	<u>219,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,973</u>
Total assets	<u>\$ 219,973</u>	<u>\$ 15,202</u>	<u>\$ 54,255</u>	<u>\$ 8,758</u>	<u>\$ 298,188</u>
LIABILITIES					
Accounts payable	\$ 63,567	\$ 485	\$ -	\$ 1,206	\$ 65,258
Due to other funds	<u>156,406</u>	<u>14,717</u>	<u>54,255</u>	<u>7,552</u>	<u>232,930</u>
Total liabilities	<u>219,973</u>	<u>15,202</u>	<u>54,255</u>	<u>8,758</u>	<u>298,188</u>
FUND BALANCES					
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 219,973</u>	<u>\$ 15,202</u>	<u>\$ 54,255</u>	<u>\$ 8,758</u>	<u>\$ 298,188</u>

MID-CUMBERLAND HUMAN RESOURCE AGENCY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE				Total Nonmajor Funds
	Community Corrections	VOCA	Homemaker	Ombudsman	
REVENUES					
Federal grants	\$ -	\$ 15,202	\$ 754,255	\$ 105,100	\$ 874,557
State grants	1,172,426	-	45,000	16,000	1,233,426
Local program	221	-	71,580	56,132	127,933
Program income	72,288	166	-	-	72,454
Total revenues	1,244,935	15,368	870,835	177,232	2,308,370
EXPENDITURES					
Salaries	621,443	8,614	513,407	113,909	1,257,373
Fringe benefits	166,225	1,847	176,328	25,060	369,460
Travel	16,864	527	88,531	15,417	121,339
Rent	79,730	287	13,551	1,723	95,291
Communications	31,547	463	9,428	2,858	44,296
Utilities	12,524	-	1,092	-	13,616
Printing and supplies	32,282	302	3,978	2,517	39,079
Equipment	54,582	-	-	-	54,582
Equipment - non capital	16,533	742	697	-	17,972
Maintenance and repairs	7,614	-	152	-	7,766
Professional and contracted services	85,253	302	9,174	4,404	99,133
Insurance, bonding and licensing	18,894	5	3,786	862	23,547
Training and seminars	16,747	-	948	501	18,196
Other	13,861	-	-	-	13,861
Indirect costs	68,312	791	49,639	9,981	128,723
Miscellaneous	2,524	1,488	124	-	4,136
Total expenditures	1,244,935	15,368	870,835	177,232	2,308,370
Deficit of revenue under expenditures	-	-	-	-	-
FUND BALANCES					
Beginning	-	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ -	\$ -

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUND
YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>SSI RECIPIENT TRUST FUND</u>				
ASSETS				
Cash	<u>\$ 430,518</u>	<u>\$ 2,339,786</u>	<u>\$ 2,400,665</u>	<u>\$ 369,639</u>
LIABILITIES				
Amounts held in custody for others	<u>\$ 430,518</u>	<u>\$ 2,339,786</u>	<u>\$ 2,400,665</u>	<u>\$ 369,639</u>

COMPLIANCE



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

**To the Board of Directors of
Mid-Cumberland Human Resource Agency**

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 the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Cumberland Human Resource Agency, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Mid-Cumberland Human Resource Agency's basic financial statements, and have issued our report thereon dated March 25, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-Cumberland Human Resource Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Cumberland Human Resource Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mid-Cumberland Human Resource Agency'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mid-Cumberland Human Resource Agency'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 determination of financial statement amounts. 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.

Johnson, Wiley & Menckem, P.C.

Chattanooga, Tennessee
March 25, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

**To the Board of Directors of
Mid-Cumberland Human Resource Agency**

Report on Compliance for Each Major Federal Program

We have audited Mid-Cumberland Human Resource Agency's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mid-Cumberland Human Resource Agency's major federal programs for the year ended June 30, 2018. Mid-Cumberland Human Resource Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Mid-Cumberland Human Resource Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-Cumberland Human Resource Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mid-Cumberland Human Resource Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, Mid-Cumberland Human Resource Agency, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of Mid-Cumberland Human Resource Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mid-Cumberland Human Resource Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mid-Cumberland Human Resource Agency's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Johnson, Wiley & Menckem, P.C.

Chattanooga, Tennessee
March 25, 2019

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number
U.S. Department of Labor		
WIA Cluster		
Passed through Upper Cumberland Development District		
WIA - Adult Program (Area 7) (06/18)	17.258	18-07-999-600-18-01
WIA - Dislocated Worker (Area 7) (06/18)	17.278	18-07-999-600-18-01
WIA - Youth Activities (Area 7) (06/17)	17.259	17-07-999-010-9010
WIA - Youth Activities (Area 7) (PWI:) (06/17)	17.259	17-07-999-010-9010
WIA - Youth Activities (Area 7) (06/18)	17.259	18-07-999-600-18-01
Passed through Nashville Career Advancement Center		
WIA - Youth Activities (Area 9) (04/13-06/17) (06/17)	17.259	320458
WIA - Youth Activities (Area 9) (07/16-06/17) (06/17)	17.259	388574
WIA - Youth Activities (Area 9) (PWI:) (07/16-07/17) (06/17)	17.259	388574
WIA - Youth Activities (Area 9) (04/13-06/17) (06/18)	17.259	388574
Passed through Workforce Essentials, Inc.		
WIA - Youth Activities (Area 8) (06/17)	17.259	WIOA-16-08-Youth
WIA - Youth Activities (Area 8) (PWI:) (06/17)	17.259	WIOA-16-08-Youth
WIA - Youth Activities (Area 8) (06/18)	17.259	WIOA-17-08-Youth
Passed through Southwest Human Resource Agency		
WIA - Youth Activities (Area 11) (06/17)	17.259	16-11-000-001-20-82
WIA - Youth Activities (Area 11) (PWI:) (06/17)	17.259	16-11-000-001-20-82
Total WIA Cluster		
Passed through Nashville Career Advancement Center		
Reemployment Services and Eligibility Assessment (Area 7) (06/18)	17.225	18-07-999-600-18-01
Senior Community Service Employment (Area 7) (06/18)	17.235	18-07-999-600-18-01
Total U.S. Department of Labor		
U.S. Department of Transportation		
Passed through Tennessee Department of Transportation		
Transit Services Programs Cluster		
Public Transportation (Section 5316) (07/12-06/17) (06/17)	20.516	GG-15-43107-00
Public Transportation (5317) (07/13-12/17) (06/17)	20.521	Z-14-41483-00
Public Transportation (5317) (07/13-12/17) (06/18)	20.521	Z-14-41483-00
Public Transportation (5317) (07/17-12/18) (06/18)	20.521	GG-18-58741
Total Transit Services Programs Cluster		
Public Transportation (Section 5311) (07/16-06/17) (06/17)	20.509	Z-17-R10006-00
Public Transportation (Section 5311) (07/17-06/18) (06/18)	20.509	Z-18-R10006-00
Public Transportation (Section 5310) (07/16-07/17) (06/18)	20.509	Z-17-EMSP19-00
Public Transportation (Section 5309) (01/14-12/18) (06/17)	20.509	GG-14-41902-00
Public Transportation (RPO) (06/17)	20.205	GG-17-50658
Public Transportation (RPO) (06/18)	20.205	GG-17-50658
Public Transportation (Section 5339) (07/16-12/17) (06/17)	20.526	GG-17-52646
Public Transportation (Section 5339) (07/16-12/17) (06/18)	20.526	GG-17-52646
Total U.S. Department of Transportation		

(See accompanying notes to schedules of expenditures of federal and state awards.)

(Deferred) Accrued Revenue June 30, 2017		Receipts or Revenues Recognized	Disbursements/ Expenditures	Adjustments	(Deferred) Accrued Revenue June 30, 2018	
\$	-	\$ 640,379	\$ 757,036	\$ -	\$	116,657
	-	122,531	194,584	-		72,053
	33,272	33,272	-	-		-
	21,216	21,216	-	-		-
	-	230,228	408,744	-		178,516
	1,447	1,447	-	-		-
	85,792	85,792	-	-		-
	31,732	31,732	-	-		-
	-	654,474	767,638	-		113,164
	50,543	50,543	-	-		-
	22,379	22,379	-	-		-
	-	51,968	67,497	-		15,529
	35,476	35,476	-	(8,669)		(8,669)
	40,420	40,420	-	(1,849)		(1,849)
	<u>322,277</u>	<u>2,021,857</u>	<u>2,195,499</u>	<u>(10,518)</u>		<u>485,401</u>
	-	36,468	43,063	-		6,595
	-	75,939	108,714	-		32,775
	<u>322,277</u>	<u>2,134,264</u>	<u>2,347,276</u>	<u>(10,518)</u>		<u>524,771</u>
	88,949	88,949	-	-		-
	12,721	12,721	-	-		-
	-	11,550	11,550	-		-
	-	-	14,749	-		14,749
	<u>101,670</u>	<u>113,220</u>	<u>26,299</u>	<u>-</u>		<u>14,749</u>
	36,964	36,964	-	-		-
	-	1,953,395	2,515,649	-		562,254
	-	308,000	308,000	-		-
	55,241	55,241	-	-		-
	2,828	2,828	-	-		-
	-	21,557	35,505	-		13,948
	30,611	30,611	-	-		-
	-	966,014	966,014	-		-
	<u>227,314</u>	<u>3,487,830</u>	<u>3,851,467</u>	<u>-</u>		<u>590,951</u>

(See accompanying notes to schedules of expenditures of federal and state awards.)

MID-CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number
U.S. Department of Agriculture		
Passed through Upper Cumberland Development District Emergency Food Assistance Program (Admin) (Area 7)	10.569	18-07-999-600-18-01
U.S. Department of Homeland Security		
Passed through Local Emergency Food and Shelter Boards Emergency Food and Shelter (Phase 33) (06/17)	97.024	Various
Emergency Food and Shelter (Phase 33) (06/18)	97.024	Various
Total U.S. Department of Homeland Security		
U.S. Department of Justice		
Passed through Tennessee Department Human Services VOCA (06/18)	16.575	57734
U.S. Department of Health & Human Services		
Passed through Greater Nashville Regional Council Aging Cluster		
Nutrition Program for the Elderly (06/17)	93.053	2017-40
Nutrition Program for the Elderly (06/18)	93.053	2018-40
Special Programs for the Aging		
Title III-C Nutrition Services (06/17)	93.045	2017-40
Title III-C Nutrition Services (06/18)	93.045	2018-40
Title III-B Transportation Services (06/17)	93.044	2017-40
Title III-B Transportation Services (06/18)	93.044	2018-40
Title III-B Ombudsman (06/17)	93.044	2017-40
Title III-B Ombudsman (06/18)	93.044	2018-40
Total Aging Cluster		
Special Programs for the Aging		
Title VII Ombudsman Funds (06/17)	93.042	2017-40
Title VII Ombudsman Funds (06/18)	93.042	2018-40
Passed through Tennessee Department Human Services Social Services Block Grant		
Homemaker SSBG (06/17)	93.667	%-17-49313
Homemaker SSBG (06/18)	93.667	%-18-4931318
Homemaker SSBG (06/18-09/18) (06/18)	93.667	%-18-49313A
Total U.S. Department of Health & Human Services		
U.S. Department of Housing and Urban Development		
Passed through Tennessee Department Human Services		
Work Force Services (06/17)	14.228	
Work Force Services (06/18)	14.228	
Homemaker (06/18)	14.228	
Total U.S. Department of Housing and Urban Development		
Total federal awards		

(See accompanying notes to schedules of expenditures of federal and state awards.)

(Deferred) Accrued Revenue June 30, 2017	Receipts or Revenues Recognized	Disbursements/ Expenditures	Adjustments	(Deferred) Accrued Revenue June 30, 2018
-	17,542	20,658	-	3,116
19,195	25,088	7,442	(1,549)	-
-	20,228	20,228	-	-
19,195	45,316	27,670	(1,549)	-
-	-	15,202	-	15,202
13,230	13,230	-	-	-
-	151,192	164,937	-	13,745
69,651	69,651	-	-	-
-	764,677	834,194	-	69,517
16,559	16,559	-	-	-
-	218,785	228,200	-	9,415
3,958	3,958	-	-	-
-	43,542	47,500	-	3,958
103,398	1,281,594	1,274,831	-	96,635
4,800	4,800	-	-	-
-	52,800	57,600	-	4,800
85,471	85,471	-	-	-
-	700,000	700,000	-	-
-	-	54,255	-	54,255
193,669	2,124,665	2,086,686	-	155,690
5,519	5,519	-	-	-
-	16,000	16,000	-	-
-	-	7,500	-	7,500
5,519	21,519	23,500	-	7,500
\$ 767,974	\$ 7,831,136	\$ 8,372,459	\$ (12,067)	\$ 1,297,230

(See accompanying notes to schedules of expenditures of federal and state awards.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Agency or Pass-Through Number
Tennessee Department of Transportation	
Public Transportation (Section 5311) (07/16-06/17) (06/17)	Z-17-RT0006-00
Public Transportation (Section 5311) (07/17-06/18) (06/18)	Z-18-RT006-00
Public Transportation (Section 5310) (08/15-07/18) (06/17)	Z-17-EMSP19-00
Public Transportation (Section 5339) (07/16-12/17) (06/17)	GG-17-52646
Public Transportation (Section 5339) (07/16-12/17) (06/18)	GG-17-52646
Public Transportation (Section 5309) (01/14-12/18) (06/17)	GG-14-41902-00
Public Transportation (RPO) (06/17)	GG-17-50658
Public Transportation (RPO) (06/18)	GG-17-50658
Public Transportation (5317) (03/12-02/17) (06/17)	Z-14-41483-00
Public Transportation (5317) (07/13-12/17) (06/18)	Z-14-41483-00
Public Transportation (5317) (07/17-12/18) (06/18)	GG-18-58741
Public Transportation (5316) (07/12-06/17) (06/17)	GG-15-43107-00
Tennessee Department of Corrections	
Community Corrections (06/17)	41760
Community Corrections (06/18)	55210
Title III-C Nutrition Services (06/17)	2017-40
Title III-C Nutrition Services (06/18)	2018-40

Total state awards

Note - Governors' appropriation to human resource agencies was \$120,840 for this period. The appropriation is not shown on this schedule and is reported as state grant revenue.

(See accompanying notes to schedules of expenditures of federal and state awards.)

(Deferred) Accrued Revenue June 30, 2017	Receipts or Revenues Recognized	Disbursements/ Expenditures	Adjustments	(Deferred) Accrued Revenue June 30, 2018
\$ 223,608	\$ 223,608	\$ -	\$ -	\$ -
-	915,044	1,256,887	-	341,843
-	38,500	38,500	-	-
2,701	2,701	-	-	-
-	85,237	85,237	-	-
5,657	5,657	-	-	-
354	354	-	-	-
-	2,695	4,438	-	1,743
6,361	6,361	-	-	-
-	5,775	5,775	-	-
-	-	7,375	-	7,375
9,110	9,110	-	-	-
188,302	187,894	-	(408)	-
-	952,453	1,172,426	-	219,973
5,443	5,443	-	-	-
-	59,872	65,315	-	5,443
<u>\$ 441,536</u>	<u>\$ 2,500,704</u>	<u>\$ 2,635,953</u>	<u>\$ (408)</u>	<u>\$ 576,377</u>

(See accompanying notes to schedules of expenditures of federal and state awards.)

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2018**

(1) BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (schedules) include the federal and state activity of Mid-Cumberland Human Resource Agency (the Agency) for the year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) and the State of Tennessee. Because the schedules present only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedules are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) SUBRECIPIENTS

The Agency did not provide federal or state assistance to any subrecipients.

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 Material weakness(es) identified? ☐ Yes ☒ No
 Significant deficiency(ies) identified? ☐ Yes ☒ None reported
 Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:
 Material weakness(es) identified? ☐ Yes ☒ No
 Significant deficiency(ies) identified? ☐ Yes ☒ None reported

 Type of auditors' report issued on compliance for
 major federal programs: Unmodified

 Any audit findings disclosed that are required to
 be reported in accordance with Section 2
 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.509	Formula Grants for Other Than Urbanized Areas
20.526	Bus and Bus Facilities Formula Program
93.667	Social Services Block Grant

Dollar threshold used to distinguish between type
 A and type B programs: \$750,000

 Auditee qualified as low-risk auditee? ☒ Yes ☐ No

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENT FINDINGS

No prior audit findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No prior audit findings.



MIDCUMBERLAND

In-Home Services

EXHIBIT B – Homemaker

STATEMENT OF WORK AND PROGRAM OBJECTIVES

The Agency 2019-2020 Statement of Work and Program Objectives (description of program) shall include:

1. The Homemaker Program will accept referrals from Doctor's offices, Community Partners, and individuals at large. The caller will be given resource and referral information as needed. Each potential client will be screened to determine need and possible eligibility for in-home services. When the client may be eligible for other funding a referral will be made to that entity as MCHRA seeks not to duplicate any services that are available elsewhere. If clients do not meet eligibility criteria for other funding sources they will be screened and prioritized on the MCHRA waitlist for homemaker services.
2. Essential in-home services will be provided to resident of Franklin with 80% of service recipients remaining SAFE and independent within their own homes, free of abuse, neglect, or exploitation.
3. The Homemaker Program will make referrals on behalf of clients to other community organizations that may assist in enabling senior to remain SAFELY within own home.

The Homemaker Program's objective is to safely enable elderly and/or disabled persons to remain in the home for as long as possible; free of abuse, neglect, or exploitation. This is accomplished by assisting clients with a unique plan of care that addresses their needs. Service might include routine household tasks, budgeting and bill paying, meal preparation, shopping, transportation to appointments, assistance with resources, and personal care. The Homemaker also provides emotional support to clients who are suffering from depression or loneliness. Without the help of the Homemaker Program, elderly and disabled residents of Williamson County would not be able to maintain their independence and might be forced to enter a nursing home prematurely. Additionally, the MCHRA Homemaker Program is the only provider charged with caring for adults that have been identified as victims of abuse, neglect, or exploitation. Without the Homemaker Program's efforts for these individuals the results can be much worse.

EXHIBIT C - Homemaker

WORK PLAN

The Agency 2019-2020 Annual Work Plan (how the funds will be used) shall include:

1. Resource & Referral services will be provided
2. Essential in-home services will be provided by paraprofessionals
3. Assessments of need and eligibility will be completed by a Regional Coordinator as needed but at least semi-annually

Agency: Mid-Cumberland Homemaker/In Home Services

A. Revenue	FY 2019 or '19/'20
1. Contributions, Gifts & Grants:	
1a. United Way of Williamson	\$75,000.00
1b. Other United Ways	
1c. Membership dues	
1d. Government Grants	\$67,264.00
1e. All Other Contributions	\$40,000.00
1f. TOTAL Contributions	\$182,264.00
2. Program Services	\$15,000.00
3. Investment Income (Dividends & Interest)	
4. Royalties	
5. Net Rental Income	
6. Net Gain (Loss) on Sale of Assets Other than Inventory	
7. Net Income (Loss) from Fundraising Special Events	
8. Net Income (Loss) from Gaming	
9. Net Income (Loss) from Sale of Reserve	
11. Total Revenue:	\$197,264.00
B. Functional Expenses	FY 2019 or '19/'20
12. Grants & Other Assistance:	
12a. Organizations & Governments	
12b. Individuals	
13. Employee Salaries	\$128,592.00
14. Employee Benefits	\$37,292.00
15. Payroll Taxes	Included Above
16. Service Fees	\$2,680.00
17. Advertising & Promotion	
18. Office Expenses	
19. Information Technology	
20. Royalties	
21. Occupancy	\$4,500.00
22. Travel & Entertainment	\$13,000.00
23. Conferences & Meetings	\$250.00
24. Interest	
25. Payment to Affiliates	
26. Depreciation & Amortization	\$500.00
27 . Insurance	\$950.00
Admin/Other	\$9,500.00
29. Total Functional Expenses Exp	\$197,264.00



MIDCUMBERLAND

Meals-On-Wheels

EXHIBIT B – Meals-On-Wheels

STATEMENT OF WORK AND PROGRAM OBJECTIVES

The Agency 2019-20 Statement of Work and Program Objectives (description of program) shall include:

1. Meals-On-Wheels will accept referrals from Doctor's offices, Community Partners, and individuals at large.
2. Meals-On-Wheels will serve 2,094 home delivered meals to eligible seniors in Franklin.
3. Meals-On-Wheels will recruit volunteers to deliver meals and assist with Holiday projects and Nourishing Notes to foster a sense of family with home bound seniors.

Nearly 1 in 5 Tennessee seniors is hunger insecure, and 2,094 meals will be served to residents of Franklin. These nutritious meals provide 1/3 of the Required Daily Intake. By having a nutritious meal, the health of the seniors is maintained or increased helping seniors be able to stay at home longer and independent without institutionalization. Furthermore, by having Meals-on-Wheels, they should be able to take money they were using for food and use it for medicine and utilities, also assisting to maintain or improve their health.

The meals are delivered by caring, dedicated volunteers who often foster a sense of family for a lonely senior. On average, 45-50% of the seniors served by the program live alone so the volunteer visit is extremely important. In a 2012 study by the University of California, it was determined that seniors have a 45% greater chance of death and a 59% greater chance of some type of decline if they reported themselves as lonely. The impact of the volunteer visit is a catalyst in helping seniors feel less lonely which can improve both their emotional and physical health.

EXHIBIT C – Meals-On-Wheels

WORK PLAN

The Agency 2019-20 Annual Work Plan (how the funds will be used) shall include:

1. 2,094 meals will be served from the Franklin meal site on Tuesdays and Thursdays to eligible seniors in Franklin.
2. Volunteers will deliver the meals with new volunteers continually recruited throughout the year.
3. Assessments of need and eligibility will be completed by Site Manager upon entry to Program and again annually.

Agency Name: Mid-Cumberland Meals-on-Wheels	
A. Revenue	FY 2019 or '19/'20
1. Contributions, Gifts & Grants:	
1a. United Way of Williamson	\$80,000.00
1b. Other United Ways	
1c. City/County Funding	\$24,774.00
1d. Government Grants	\$135,598.00
1e. All Other Contributions	\$33,475.00
1f. TOTAL Contributions	\$273,847.00
2. Program Services	\$37,661.00
3. State Appropriation	\$3,420.00
4. Program Income	\$8,000.00
5. Net Rental Income	
6. Net Gain (Loss) on Sale of Assets Other than Inventory	
7. Net Income (Loss) from Fundraising Special Events	
8. Net Income (Loss) from Gaming	
9. Net Income (Loss) from Sale of Reserve	\$2,000.00
11. Total Revenue:	\$324,928.00
B. Functional Expenses	FY 2019 or '19/'20
12. Grants & Other Assistance:	
12a. Organizations & Governments	
12b. Individuals	
13. Employee Salaries	\$84,876.00
14. Employee Benefits	\$18,673.00
15. Payroll Taxes	
16. Professional Fees/Contracted	\$11,970.00
17. Supplies	\$2,850.00
18. Office Expenses	\$7,552.00
19. Information Technology	
20. Equipment Rental	
21. Occupancy	\$3,078.00
22. Travel & Entertainment	\$3,420.00
23. Conferences & Meetings	\$513.00
24. Raw Food	\$165,000.00
25. Payment to Affiliates	
26. Depreciation & Amortization	\$1,056.00
27 . Insurance	\$2,000.00
28. Admin	\$23,940.00
29. Total Functional Exp.	\$324,928.00



MIDCUMBERLAND

Ombudsman

EXHIBIT B – OMBUDSMAN

STATEMENT OF WORK AND PROGRAM OBJECTIVES

The Agency 2019-2020 Annual Work Plan shall include:

Direct client services delivered by paid and volunteer staff through the following activities:

1. Recruiting, training, and retaining certified Volunteer Ombudsman Representatives to work directly with long-term care facility residents in helping paid staff resolve their complaints and improve their quality of life.
2. Investigation and resolution of long-term care resident complaints and providing information to residents, facility staff, and community members regarding the Ombudsman Program and its services and how to access services and how to navigate the long-term care system.
3. Improving the health, safety and quality of life for long term care residents by visiting each facility in Franklin at least four times per year (once per quarter) to monitor conditions, address health, care and safety issues and investigate and resolve resident complaints.
4. Educating facility residents and city/county citizens on the Ombudsman Program and how to access Ombudsman services and navigate the long-term care system.

EXHIBIT C – OMBUDSMAN

Work Plan

The Agency 2019-2020 Annual Work Plan shall include:

1. Recruiting, training, and retaining certified Volunteer Ombudsman Representatives. Volunteer training is offered quarterly.
2. Investigation and resolution of resident complaints and providing information to residents, facility staff, and community members regarding the Ombudsman Program and its services and how to navigate the long-term care system.
3. Improving the health, safety and quality of life of long term care residents by visiting each facility in Franklin at least four times per year (once per quarter) and identifying and addressing complaints, care issues and safety and quality of life issues.
4. Educating facility residents and city/county citizens on the Ombudsman Program and how to access Ombudsman services and how to navigate the long-term care system.

EXHIBIT D - Ombudsman
Budget for Current Year

Ombudsman

The \$2,500 grant will fund 111 hours of staff time which will be devoted to the following direct client services to long-term care facility residents and citizens of the City of Franklin:

- Recruiting and training Volunteers to assist with resident complaint investigation and resolution in long-term care facilities.
- Providing monthly in-service training for volunteers serving City of Franklin facilities.
- Staff visitation to each long-term care facility at least four times a year to monitor conditions, investigate and resolve resident complaints, and address care and safety issues affecting resident health, safety and quality of life.
- Providing information and referral services to the citizens of the City of Franklin on navigating the long-term care system.
- Educating long-term care facility residents and City of Franklin citizens on the Ombudsman Program and how to access Ombudsman services.