



City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615)791-3217

Meeting Agenda Budget & Finance Committee

Thursday, April 11, 2019

1:00 PM

Board Room

Call To Order

1. [19-0378](#) Approval of Minutes from the March 25, 2019 Finance Committee meeting.
2. [19-0340](#) FY 2020 Budget Presentation - Cool Springs Conference Center
Sponsors: Kristine Brock
Attachments: [FY 2019-2020 Department Budget Presentation V2 - Cool Springs Conference](#)
3. [19-0341](#) FY 2020 Budget Presentation - Transit Fund
Sponsors: Kristine Brock
Attachments: [FY 2020 Department Budget Presentation - Transit](#)
[FINAL FY 2020 Operating Budget - Transit - COF Format](#)
4. [19-0342](#) FY 2020 Budget Presentation - Law
Sponsors: Shauna Billingsley
Attachments: [FY 2020 Department Budget Presentation Law Department](#)
[FY2020 Budget - 41400 - Law - B&F](#)
[FY 2020 - Law - PER Summary](#)
5. [19-0343](#) FY 2020 Budget Presentation - Planning & Sustainability
Sponsors: Emily Hunter
Attachments: [FY 2020 Department Budget Presentation - Planning](#)
[FY2020 Budget - 41700 - Planning Sustainability - B&F](#)
[FY 2020 - Planning - PER Summary](#)
6. [19-0344](#) FY 2020 Budget Presentation - Human Resources
Sponsors: Kevin Townsel
Attachments: [FY 2020 Budget Presentation - HR - B&F](#)
[FY2020 Budget - 41650 - Human Resources - B&F](#)
[FY 2020 - HR - PER Summary](#)

7. [19-0345](#) FY 2020 Budget Presentation - Information Technology
- Sponsors:** Jordon Shaw
- Attachments:** [FY 2020 Budget Presentation - Information Technology - B&F](#)
 [FY2020 Budget - 41350 - Information Technology - B&F](#)
 [FY 2020 - IT - PER Summary](#)
8. [19-0346](#) FY 2020 Budget Presentation - Revenue Management & City Court
- Sponsors:** Lawrence Sullivan
- Attachments:** [FY 2020 Department Budget Presentation - Revenue Management & City Court](#)
 [FY 2020 Budget - 41310 - Revenue Management - B&F](#)
 [FY 2020 Budget - 41200 - City Court - B&F](#)
9. [19-0347](#) FY 2020 Budget Presentation - Project & Facilities Management
- Sponsors:** Brad Wilson
- Attachments:** [FY 2020 Department Budget Presentation - Facilities](#)
 [FY2020 Budget - 41320 - Project & Facilities Management - B&F](#)
 [FY 2020 - PFM - PER Summary](#)
10. [19-0348](#) FY 2020 Budget Presentation - Purchasing
- Sponsors:** Brian Wilcox
- Attachments:** [FY 2020 Department Budget Presentation - Purchasing](#)
 [FY2020 Budget - 41340 - Purchasing - B&F](#)
 [FY 2020 - Purchasing - PER Summary](#)
11. [19-0349](#) FY 2020 Budget Presentation - Finance
- Sponsors:** Kristine Brock, Mike Lowe and Michael Walters Young
- Attachments:** [FY 2020 Department Budget Presentation - Finance](#)
 [FY2020 Budget - 41500 - Finance - B&F](#)
 [FY 2020 - Finance - PER Summary](#)

12. [19-0350](#) FY 2020 Budget Presentation - Appropriations
- Sponsors:** Michael Walters Young
- Attachments:** [FY 2020 Budget Presentation - Appropriations - B&F](#)
 [FY2020 Budget - 45920 - Appropriations - B&F](#)
 [FY 2020 Arc](#)
 [FY 2020 Boys & Girls Club](#)
 [FY 2020 Bridges](#)
 [FY 2020 Community Child Care](#)
 [FY 2020 Community Housing Partnership](#)
 [FY 2020 Gentry's Education Center](#)
 [FY 2020 Graceworks](#)
 [FY 2020 - Mid Cumberland \(All Programs\)](#)
 [FY 2020 Second Harvest Food Bank](#)
 [FY 2020 Tenn Rehab Center](#)
 [FY 2020 Transit Alliance](#)
 [FY 2020 Waves](#)
 [FY 2020 WilCo Animal Control](#)
 [FY 2020 WilCo Health Department](#)
 [FY 2020 WilCo Library](#)
13. [19-0351](#) FY 2020 Budget Presentation - Economic Development
- Sponsors:** Eric Stuckey
- Attachments:** [FY 2019 Budget Presentation - Economic Development - B&F](#)
 [FY 2020 - 45925 - Economic Development - B&F](#)
 [FY 2020 Franklin Blank Program Enhancement - Eco Devo](#)
14. [19-0352](#) FY 2020 Budget Presentations - Miscellaneous General Fund
 Departments (General Expenses, Interfund Transfers)
- Sponsors:** Michael Walters Young
- Attachments:** [FY 2020 Departmental Budget Presentation - Misc. GF Dept](#)
 [FY2020 Budget - 45900 - General Expenses - B&F](#)
 [FY2020 Budget - 45930 - Transfers - B&F](#)

15. [19-0353](#) FY 2020 Budget Presentation - Development & Growth related funds (City Facilities Tax Fund, County Facilities Tax Fund, Road Impact Fund, Hotel/Motel Tax Fund & Parkland Dedication Fund)

Sponsors: Michael Walters Young

Attachments: [FY 2020 Departmental Budget Presentation - Development Funds](#)
[FY2020 Budget - City Facilities Tax - B&F](#)
[FY2020 Budget - County Facilities Tax - B&F](#)
[FY2020 Budget - Road Impact Fund - B&F](#)
[FY2020 Budget - 150 Hotel Motel - B&F](#)
[FY2020 Budget - 155 - In Lieu of Parkland Fund - B&F](#)

16. [19-0354](#) FY 2020 Budget Presentation - Debt Service Fund

Sponsors: Kristine Brock

Attachments: [FY 2020 - Departmental Budget Presentation - Debt Service Fund](#)
[FY2020 Budget - 210 - Debt Service Fund- B&F - Preliminary](#)

17. [19-0368](#) Monthly Reports for April 2019

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

Attachments: [Monthly Reports - April 2019.pdf](#)

Other Business

Adjournment

ANYONE REQUESTING ACCOMMODATIONS DUE TO DISABILITIES SHOULD CONTACT A.D.A. COORDINATOR, AT 791-3277 AT LEAST 10 DAYS PRIOR TO THE MEETING, IF POSSIBLE.



City of Franklin, Tennessee
FY 2020 Operating Budget

Cool Springs Conference Center

Matthew Lahiff, General Manager
Franklin Marriott, Cool Springs



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Outline

- Operational Summary**
- Organization Structure/Relation to City**
- Financial & Budget Overview**



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Operational Summary

- Connected to the Marriott Hotel
- Built in 1999; last major renovation August of 2015
- 297 guest rooms; 3 suites
- 29,000 square feet of flexible meeting space including ballroom space for up to 1,100 guests
- 2018 / 2019 produced an anticipated 202,083 covers (guests) with a combined average check of \$23.79 (up from \$22.07 prior fiscal year)



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Organizational Structure / Relation to City

- Hotel managed by Chartwell Hospitality, Franklin, TN.
- Management of the facility began in November 1, 2018.
- Property Improvement Plan (PIP) will be due by Nov. 2021 as a result of the hotel sale which will include replacing ceiling tiles, renovation of the bathrooms, new doors, frames, RFID locks & hardware along with new LED lighting.
- Conference Center and Hotel Revenues are not shared.
- Most expenses are shared between the hotel and conference center.
 - Admin and General & Engineering: Split as a percentage of total revenue
 - Sales: 50-50 Split
 - Catering and Event Management: 100% conference center
 - Food and Beverage: most expenses split as a percentage of food revenue



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Financial & Budget Overview:

3 Year Financial Summary

- **2017 / 2018 Actual:**
 - Revenue: \$7.47M (+\$450K to budget)
 - NI: \$817K (+407K to budget)
- **2018 / 2019 Projected:**
 - Revenue: \$7.64M (-\$42K to current budget)
 - NI: \$834K (+\$29K to current budget)
- **2019 / 2020 Budget:**
 - Revenue: \$7.99M (\$349K year over year)
 - NI: \$874K (+\$40K year over year)



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Financial & Budget Overview: p.2

Items Impacting Current FY Revenue Budget

- No new revenue generators entering market. Supply has increased and will continue to increase further with additional hotel rooms planned.
- New hotels in Franklin and Nashville (Hilton Franklin, JW Nashville & Westin Nashville) are providing direct competition that we have not previously experienced.
- Hotel Horizons forecast shows the following:
 - Metro Nashville hotel market forecasted less than 1% increase in occupancy year over year 2018 to 2019.
 - National forecast for Upper Upscale market negative 1% growth in RevPar in 2020 with .7% increase in demand.
- Additional free standing event venues in Franklin / Williamson & Rutherford Co. continue to take local social events.



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Financial & Budget Overview: p.3

Items Impacting Current FY Expense Budget

- Available labor continues to be a struggle. The additional supply that has and will be coming online has limited available personnel and continues to drive wages higher due to demand and overtime as well as a heavy reliance on contract labor.
- Marriott and Starwood merger has given the loyal Marriott client more options for rewards points when booking meetings.
- A&G Payroll (-\$11K): Controller position replaced with an Acct. MGR.
- A&G Other Expenses (-\$32K): Chartwell fee structure is different than previous management company. Relocation of Davidson GM in 2018 not recurring.



City of Franklin, Tennessee - FY 2020 Budget Request **Cool Springs Conference Center**

Financial & Budget Overview: p.4

- Overall Employee Benefits (+\$53K): Chartwell benefit plans are being reviewed and we anticipate offering enhanced hourly benefit options in January 2020.
- Audio Visual revenue slightly increasing with expense decreasing due to new AV company (PSAV) starting in May 2019.
- Sales Payroll (+\$32K): increase due to open positions & maternity leave in 18/19.
- Repairs and Maint. Payroll (+\$8,300): open position in 18/19. Chief Engineer now shared with Hilton Franklin.
- Laundry Cleaning & Dishwasher Supplies expense (+\$16K): Different contract with Ecolab after sale of hotel resulting in increase chemical expense.



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Franklin Transit Authority

Debbie Henry – Executive Director, TMA



City of Franklin, Tennessee - FY 2020 Budget Request **Franklin Transit Authority**

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget Request**
 - Operations**
 - Capital**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request **Franklin Transit Authority**

Purpose of Department

Mission: The Franklin Transit Authority connects people and places by providing efficient, safe and affordable transportation services.

Responsibilities:

The planning, operations and management of the small urban public transit system. Operating six days a week, featuring fixed route service as well as Transit on Demand (TODD, a pre-arranged curb to curb service within the City of Franklin.)

The TMA Group is the contractor of record for the operations and management of the Franklin Transit Authority. The TMA Group is a regional leader in customized innovative, environmentally friendly, multimodal transportation solutions for employers and communities.



City of Franklin, Tennessee - FY 2020 Budget Request

Franklin Transit Authority

Highlights

- Increased ridership, increased employer partners, & improved customer satisfaction due to expansion
- Offering free fixed routes service rides to our Veterans & Active Military
- Transit partnership with CSCC-WC campus beneficial to both entities; installed 2 new shelters on campus
- Transit technology acquisition continues, i.e. mobile app, transit software, plus working with COF in signalization of Franklin Transit vehicles, all laying the foundation for a Transit Technology Corridor in Franklin
- TMA secured a \$2M Regional Park & Ride grant that will benefit our area, Franklin Transit and Southern Corridor

80,314,000 passenger trips (est.) +7.5% increase

55% - employment trips

20% - student trips

10% - medical appointments

10% - City events

Main Street Festival, Pumpkinfest

Dickens of a Christmas

Pilgrimage, etc.

5% - shopping and social activities

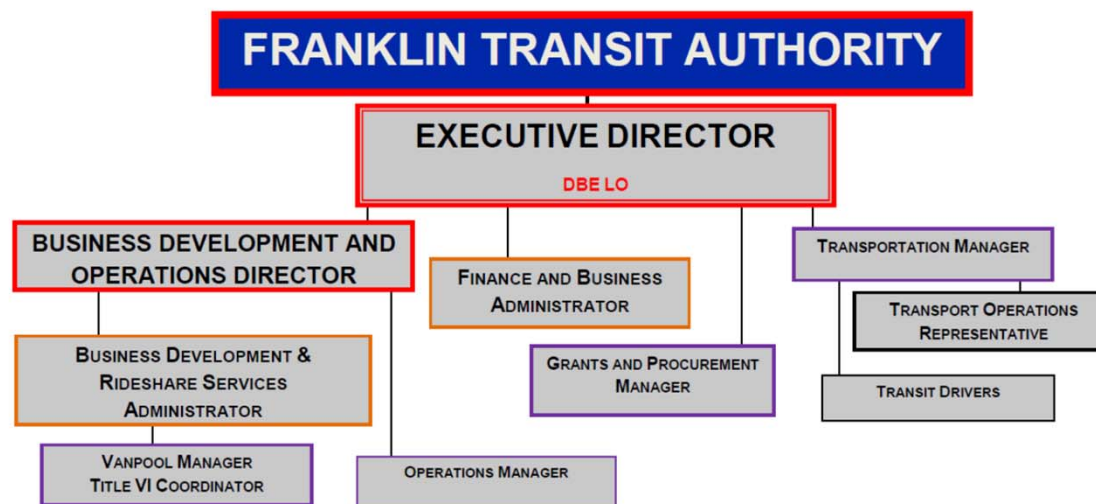




City of Franklin, Tennessee - FY 2020 Budget Request Franklin Transit Authority

Organization Chart

THE TMA GROUP ORGANIZATIONAL CHART 2019



The TMA Group is the operator and manager of contract for the Franklin Transit Authority. All personnel are employed by TMA.

708 Columbia Avenue, Franklin, Tennessee 37064
(615) 628-0260 www.tmagroup.org



City of Franklin, Tennessee - FY 2020 Budget Request **Franklin Transit Authority**

Base Budget Request: Personnel

Operational Personnel Budget \$1,365,693

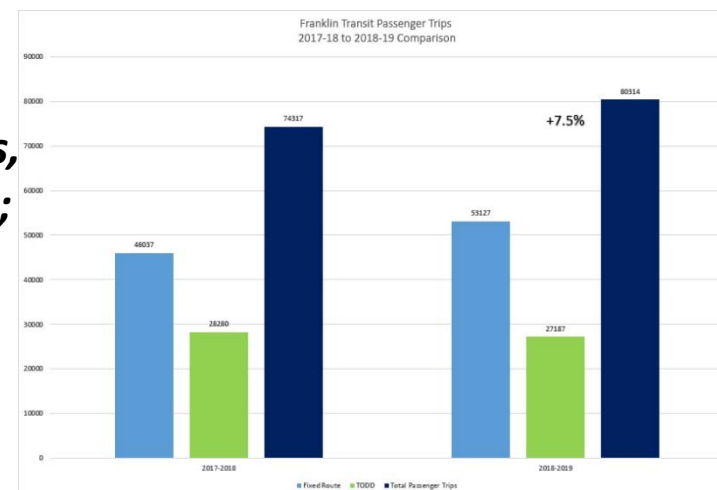


City of Franklin, Tennessee - FY 2020 Budget Request Franklin Transit Authority

Base Budget Request: Operations

Accomplishments for current year:

- ***Increased ridership, increased employer partners, & improved customer satisfaction due to expansion;***
- ***Offering free fixed routes rides to our Veterans & Active Military;***
- ***Transit partnership with CSCC-WC beneficial to both entities; installed 2 new shelters on campus;***
- ***Transit technology acquisition continues, i.e. Mobile app, transit software, plus working with COF in signalization of Franklin Transit vehicles, all laying the foundation for a Transit Technology Corridor in Franklin;***
- ***TMA secured a \$2M Regional Park & Ride grant that will benefit our area, Franklin Transit and Southern Corridor.***



Operations Budget

\$2,408,560

Includes Personnel



City of Franklin, Tennessee - FY 2020 Budget Request **Franklin Transit Authority**

Base Budget Request: Capital

Planning Budget	\$137,500
City of Franklin Budget Request	\$13,750 (10% match)

Capital Equipment Budget	\$582,000
City of Franklin Budget Request	\$58,200 (10% match)



City of Franklin, Tennessee - FY 2020 Budget Request **Franklin Transit Authority**

Summary

Franklin Transit Total Budget **\$3,128,060**

Request from City of Franklin **\$1,003,371** (32% of total)

Operations Request: \$931,421 (same as FY 18-19)

Planning: \$13,750 (same as FY 18-19)

Capital: \$58,200

Laying the foundation for a Transit Technology Corridor in Franklin is a major emphasis, as transit technology acquisition continues for the service, i.e., mobile app, transit software, plus working with COF in signalization of Franklin Transit vehicles. Additional shelters will enhance the corridor as well as growth continues.



City of Franklin, Tennessee

FY 2020 Operating Budget

Transit

Debbie Henry, Executive Director

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Balance	\$ 374,758	\$ 374,758	\$ 817,649	\$ 817,649	\$ 953,077		
Revenues	\$2,136,228	\$2,528,989	\$ 2,908,885	\$ 2,399,489	\$ 3,128,060	\$ 219,175	7.53%
Expenditures	\$2,136,228	\$2,086,098	\$ 2,908,885	\$ 2,264,061	\$ 3,128,060	\$ 219,175	7.53%
Ending Balance	\$ 374,758	\$ 817,649	\$ 817,649	\$ 953,077	\$ 953,077		

Department Mission:

The Franklin Transit Authority connects people and places by providing efficient, effective and affordable transportation services.

Department Objectives:

- The planning, operations, and management of the small urban public transit system.
- Operating six days a week, service us comprised of: fixed routes service, as well as Transit On Demand (TODD) a pre-arranged curb-to-curb service, within the City of Franklin including Cool Springs.
- The TMA Group is the contractor of record for the operations and management of the transit system on behalf of the Franklin Transit Authority. The TMA Group is a regional leader in customizing innovative,



Department Accomplishments:

- **Increased ridership, increased employer partners, and improved customer satisfaction due to expansion of fixed routes service, doubling number of stops, increased frequency, and moving of Hub to Transit Center.**
- **Offering free rides on the fixed routes service to our Veterans and Active Military members.**
- **Transit partnership with CSCC-WC campus has been beneficial to both; installed 2 new shelters on campus**
- **Transit technology, i.e.. mobile app, transit software, as well as working in concert with COF in the signalization of Franklin Transit vehicles (where available) will lay foundation for a Transit Technology Corridor in Franklin.**
- **TMA secured a \$2M Regional Park & Ride grant that will benefit our area, Franklin Transit, and**





City of Franklin, Tennessee

FY 2020 Operating Budget

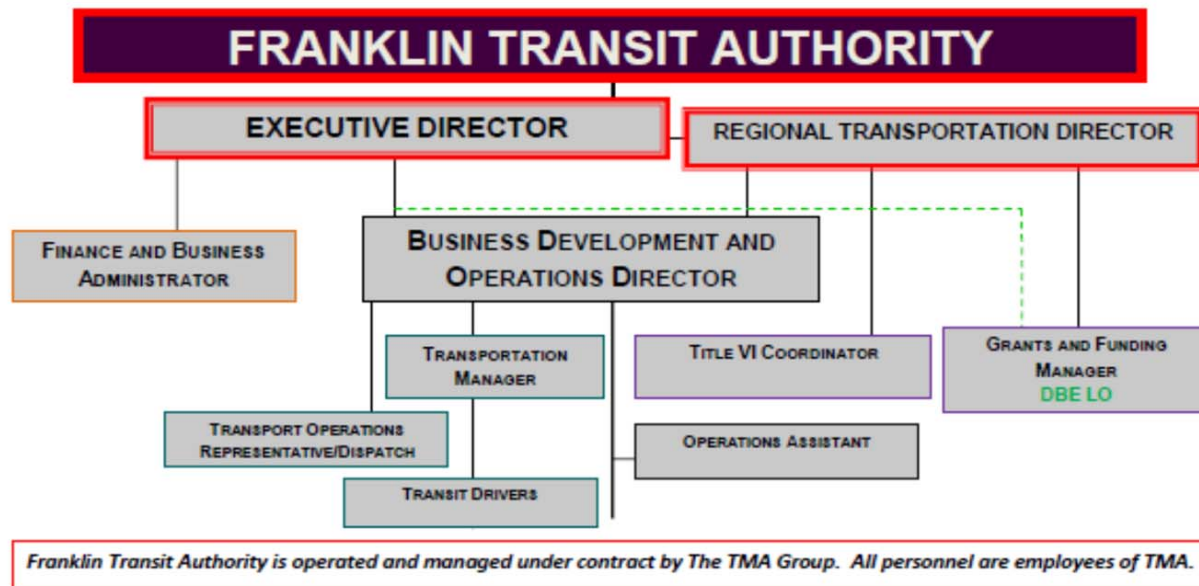
Performance Measures (con't)

Franklin Citizens Survey		(Fall 2016)			
		Excellent	Good	Fair	Poor
☒	% rating the quality of bus or transit service	14%	28%	28%	30%

How likely, if at all, would you be to use a limited mass transit route if the following improvements were made?

		Very Likely	Somewhat Likely	Somewhat Unlikely	Very Unlikely
☒	Expanded weekday schedule	16%	22%	9%	52%
☒	Additional pick-up and drop-offs	18%	25%	9%	47%
☒	Decreasing fares	14%	20%	13%	53%
☒	Enhanced Park & Ride facilities	17%	25%	10%	48%
☒	Enhanced connections via walking, cycling, etc	20%	25%	10%	45%
☒	Expanded weekend schedule	19%	26%	8%	47%

Organizational Chart





City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: Quality Life Experiences



To reduce energy costs, road congestion and improve air quality by better use of alternative transportation services

Goal: To increase inventory of transit hubs, park-and-ride sites, and alternative services in Franklin.

Baseline: Inventory of current transit hubs, number of park-and-ride parking lots, and description of alternative transportation services available in Franklin. (TMA)

Goal: To increase the number of riders using the Franklin Transit Authority.

Baseline: 52,034 riders in 2009 (Last data available on Nashville MPO site).

Outcome Measures

	2016	2017	2018	2019*	2020*
Increase the Inventory of transit hubs, park-and-ride sites, and alternative services in Franklin.					
Transit hubs, Park& Ride sites	74	74	136	136	136
Total	74	74	136	136	136
<i>Increase from Prior year?</i>	Yes	No	54.00%	0.00%	0.00%
<i>Meeting Goal?</i>	Yes	Yes	Yes	Yes	Yes
Increase the number of riders using the Franklin Transit Authority.					
Ridership					
Franklin Transit Fixed Route	46,468	52,363	46,037	53,127	60,000
Transit On DemanD (TODD)	26,219	33,151	28,280	27,187	29,000
Total	72,687	85,514	74,317	80,314	89,000
<i>Increase from Prior year?</i>	No	Yes	No	Yes	TBD
<i>Meeting Goal?</i>	No	Yes	No	Yes	TBD

All numbers shown are Fiscal Year (July 1- June 30).

*2019 and 2020 are estimated

Statistics:

80,314 passenger trips (approx.) +7.5% increase in trips

55% are employment trips

20% are student trips

10% are medical appointments

10% are for City events

5% trips are for shopping and social activities



City of Franklin, Tennessee FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Opening Balance	374,758	374,758	817,649	817,649	953,077		
Revenues							
DEPT OF TRANSPORTATION (FEDERAL)	1,163,679	983,103	1,386,664	976,776	1,586,255	199,591	14.4%
TDOT (STATE)	380,361	272,005	374,350	340,014	376,234	1,884	0.5%
TRANSIT FARES	104,648	112,418	143,000	139,064	149,000	6,000	4.3%
INTEREST INCOME	7,610	7,465	-	-	3,500	3,500	100.0%
RENTAL INCOME	9,700	9,600	9,700	9,700	9,700	-	0.0%
SALE OF SURPLUS ASSETS	11,475	-	10,000	-	-	(10,000)	-100.0%
TRANSFER FROM GENERAL FUND*	458,755	1,144,398	985,171	933,936	1,003,371	18,200	1.8%
Total Available Funds	2,136,228	2,528,989	2,908,885	2,399,489	3,128,060	219,175	7.5%
Expenses (Operations)							
VEHICLE LICENSES & TITLES	-	162	-	-	-	-	0.0%
TRANSIT OPERATIONS	1,730,130	2,085,936	2,371,385	2,238,921	2,408,560	37,175	1.6%
TRANSIT PLANNING	160,237	-	137,500	13,104	137,500	-	0.0%
MACHINERY & EQUIPMENT (>\$25,000)	245,861	-	400,000	12,036	582,000	182,000	45.5%
Total Expenditures	2,136,228	2,086,098	2,908,885	2,264,061	3,128,060	219,175	7.5%
Ending Balance	374,758	817,649	817,649	953,077	953,077		

Notes & Objectives

Overall, the FTA distributes its expenses between the Federal government, State government and City of Franklin as follows:

- Capital Expenditures: 80% federal, 10% state, 10% local;
- Preventive Maintenance Expenses: 80% federal and 20% local;
- Planning Expenses: 80% federal, 10% state, and 10% local.

Description	2019 Estimated		2020 Budget
	2019 Budget	Actual	
COF Transit Operating	931,421.00	931,421.00	931,421.00
Fares	143,000.00	139,064.00	149,000.00
Vehicle Auctions	10,000.00	-	-
Rent - Building & Equipment	9,700.00	9,700.00	9,700.00
Transit-Interest		-	3,500.00
State Grant Funds	320,600.00	337,500.00	304,284.00
Federal Grant Funds	956,664.00	956,664.00	1,010,655.00
Total Revenues	2,371,385.00	2,374,349.00	2,408,560.00
Salaries	903,100.00	897,944.92	1,030,621.72
Fica/Med	69,020.00	68,692.79	78,842.56
Employee Benefits	189,000.00	197,493.92	198,715.32
Futa/Suta	11,325.00	11,615.34	13,547.66
Workers Comp	34,050.00	37,485.92	43,965.96
Uniforms	12,000.00	13,520.16	13,500.00
Professional Services	66,440.00	82,203.12	92,900.00
Maintenance and Repairs	161,000.00	136,190.93	130,600.00
Cleaning - Transit Center	6,000.00	5,646.86	5,500.00
Transit Security	1,100.00	8,480.57	8,000.00
Promotional Products	2,000.00	-	-
Marketing/Education/Community Outreach	10,000.00	3,857.14	4,000.00
Print Advertising	5,150.00	6,454.00	6,500.00
Radio Advertising	6,150.00	3,575.00	3,725.00
Web/Digital Advertising	5,000.00	105.41	1,000.00
Recruitment		2,775.14	2,500.00
Collateral Materials	28,000.00	-	6,500.00
Legal Fees	2,500.00	-	2,500.00
Transit-DAM Compliance	3,000.00	3,289.71	3,000.00
Fuel	115,600.00	107,326.78	127,025.00
Supplies	16,600.00	12,567.10	12,875.00
Utilities	29,000.00	28,549.53	29,500.00
Vehicle Liability	107,000.00	89,707.54	97,500.00
Insurance-Gen. Liability	27,400.00	26,344.34	28,881.50
Payouts for Insured Liab Damag		3,649.13	-
Errors & Omissions Liability	8,000.00	8,284.66	9,000.00
Vehicle Licensing & Registrati	100.00	-	100.00
Dues, Subs, Tuition	12,000.00	8,114.33	8,000.00
Meetings	2,000.00	165.57	1,000.00
Travel & Training	12,000.00	6,061.46	10,000.00
Equipment - Transit Other	400.00	3,474.88	500.00
Bank/Credit Card Charges	1,300.00	772.81	750.00
Rent-Fleet Facility	41,000.00	40,256.04	40,500.00
Depreciation - Transit Off Equ		4,253.49	4,250.00
Total Direct Expenditures	1,887,235.00	1,818,858.59	2,015,799.72
Total Indirect Expenditures	484,150.00	420,012.94	392,760.28
Total Expenditures	2,371,385.00	2,238,871.53	2,408,560.00
Net Income/Loss	-	135,477.47	-
Revenue			
Federal 5307 Planning	110,000.00	10,482.86	110,000.00
State 5307 Planning	13,750.00	1,310.40	13,750.00
COF Planning Cost Share	13,750.00	1,310.74	13,750.00
Total Revenue	137,500.00	13,104.00	137,500.00
Planning/Transit Expenditures	137,500.00	13,104.00	137,500.00
Revenue			
Federal 5307 Capital Expenditu	320,000.00	9,629.00	465,600.00
State 5307 Capital Expenditure	40,000.00	1,203.64	58,200.00
COF Capital Cost Share	40,000.00	1,203.77	58,200.00
Total Revenue	400,000.00	12,036.41	582,000.00
Equipment - Transit Expenditures	400,000.00	12,036.41	582,000.00



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Law Department

Shauna R. Billingsley, City Attorney



City of Franklin, Tennessee - FY 2020 Budget Request **Law Department**

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget Request
 - Personnel**
 - Operations****
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request

Law Department

Purpose of Department

The Law Department provides legal advice to the Mayor, Aldermen, City Administrator, department directors, boards, commissions, committees, and other city officials.

In 2018-2019, the Law Department completed the following:

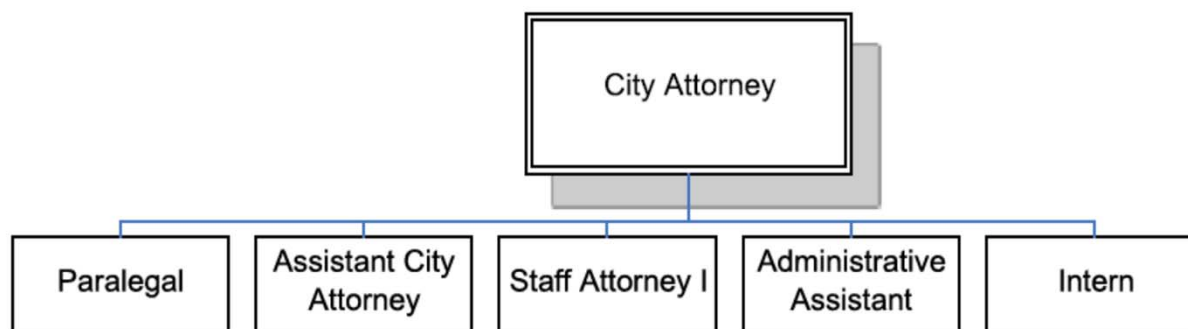
- 73 ordinances
- 102 resolutions
- 275 contracts
- 1,257 separate research or drafting requests (not an ordinance, resolution, or contract)
- 84 closed litigation cases (mostly City Court)



City of Franklin, Tennessee - FY 2020 Budget Request

Law Department

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request

Law Department

Base Budget Request: Personnel

Position	Pay Grade
City Attorney	Grade N
Assistant City Attorney	Grade K
Staff Attorney	Grade J
Paralegal	Grade G
Legal Assistant	Grade E
Intern	---



City of Franklin, Tennessee - FY 2020 Budget Request **Law Department**

Base Budget Request: Operations

The Law Department's budget has remained consistent through the Department's inception in 2006.

The Law Department is tasked with providing training to elected and appointed officials and City staff.

The Attorneys are required to obtain hours of continuing education annually. Further, in order to be up to date with current law, the Attorneys attend seminars and conferences directly related to the practice of municipal law.

The Budget contains a line item for consultant services, which is used generally for the City's lobbyists.



City of Franklin, Tennessee - FY 2020 Budget Request **Law Department**

Program Enhancement Requests

The Law Department has one Enhancement request this year. The Law Department would like to purchase its own larger printer/scanner similar to the one used by Administration. The Law Department represents the City in litigation. When responding to discovery, we may need the printer for a day or two, causing issues for other users. Additionally, the Law Department deals with confidential matters and we need to ensure the copies do not get inadvertently taken with another user's print job.



City of Franklin, Tennessee - FY 2020 Budget Request **Law Department**

Summary

The Law Department appreciates your careful consideration of this budget.



City of Franklin, Tennessee

FY 2020 Operating Budget

Law

Shauna R. Billingsley, City Attorney

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	492,368	501,025	556,168	526,935	556,160	-8	0.0%
Operations	5,765	-47,632	70,436	69,616	70,335	-101	-0.1%
Capital	0	0	0	0	0	0	0.0%
Total	498,133	453,393	626,604	596,551	626,495	-109	0.0%

Departmental Summary

The Law Department provides legal advice to the Mayor, Aldermen, City Administrator, department directors, boards, commissions, committees, and other City officials. These duties include:

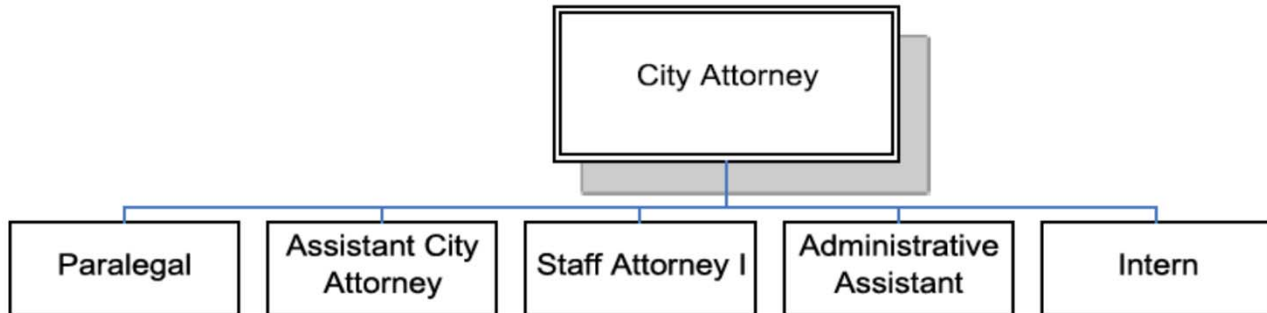
- 1) to direct professional and other employees in the Law Department in the provision of legal services to the City;
- 2) to supervise preparation and review of contracts, deeds, bonds, ordinances, resolutions, real estate transactions and agreements for the City by rendering opinions relative to substance, form, and propriety of such documents;
- 3) to attend and provide legal counsel to Board of Mayor and Aldermen meetings and committee meetings as may be required;
- 4) to direct the management of all litigation in which the City is a party or is interested, including the functions of prosecuting attorney in City Court appeals;
- 5) to apply in the name of the City for injunctive or other extraordinary relief as authorized by law;
- 6) to assist in development of administrative policies, rules, and regulations;
- 7) to represent the City in legal issues at administrative hearings, in meetings with government officials, and in professional educational organizations; and
- 8) to recommend and arrange for retention of special counsel in cases involving extensive or specialized litigation.



City of Franklin, Tennessee

FY 2020 Operating Budget

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
City Attorney	Grade N	1	0	1	0	1	0	1	0	1	0
Assistant City Attorney	Grade K	1	0	1	0	1	0	1	0	1	0
Staff Attorney I	Grade J	0	0	0	0	1	0	1	0	1	0
Paralegal	Grade G	1	0	2	0	1	0	1	0	1	0
Legal Assistant	Grade E	1	0	1	0	1	0	1	0	1	0
Intern	---	0	1	0	1	0	1	0	1	0	1
TOTALS		4	1	5	1	5	1	5	1	5	1



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme:

The Law Department supports all four themes of the Strategic Plan.

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	

Workload (Output) Measures

		2016	2017	2018	2019*	2020*
	Number of Ordinances Drafted/Reviewed	45	53	73	all	all
	Number of Resolutions Drafted/Reviewed	85	80	102	all	all
	Number of Contracts Drafted/Reviewed	299	360	275	all	all
	Legal Opinions Distributed (<i>Goal : Distribute 1 every month</i>)	12	9	1	12	12
	Total Number of Litigation Cases Opened/Closed	109/87	123/88	140/84	as many as needed	as many as needed
	Number of Other Tasks Created/Completed	1075/1037	1282/1127	1356/1257	as many as needed	as many as needed

Efficiency Measures

		2016	2017	2018	2019*	2020*
	TBD	TBD	TBD	TBD	TBD	TBD

Outcome (Effectiveness) Measures

		2016	2017	2018	2019*	2020*
	TBD	TBD	TBD	TBD	TBD	TBD

*2019 and 2020 estimated



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	379,901	387,901	428,292	405,613	430,193	1,901	0.4%
Officials Fees	-	201	56	300	300	244	435.7%
Employee Benefits	112,467	112,923	127,820	121,022	125,667	(2,153)	-1.7%
Total Personnel	492,368	501,025	556,168	526,935	556,160	(8)	0.0%
Operations							
Transportation Services	587	987	1,400	1,400	1,400	-	0.0%
Operating Services	3,803	8,340	12,750	12,837	12,845	95	0.7%
Notices, Subscriptions, etc.	17,413	14,930	23,250	23,250	23,250	-	0.0%
Utilities	3,862	3,296	4,770	3,870	3,870	(900)	-18.9%
Contractual Services	55,468	21,389	111,940	111,940	111,940	-	0.0%
Employee programs	2,386	185	4,450	4,450	4,450	-	0.0%
Professional Development/Travel	13,055	17,031	19,500	19,500	21,500	2,000	10.3%
Office Supplies	2,678	2,993	4,810	4,810	4,850	40	0.8%
Operating Supplies	-	549	800	800	800	-	0.0%
Fuel & Mileage	-	-	420	420	500	80	19.0%
Machinery & Equipment (<\$25,000)	23,973	8,108	14,300	14,300	15,500	1,200	8.4%
Repair & Maintenance Supplies	-	-	150	150	150	-	0.0%
Property & Liability Costs	2,841	2,770	4,119	4,112	4,293	174	4.2%
Financial Fees	529	685	750	750	750	-	0.0%
Permits	2,436	2,430	6,550	6,550	6,550	-	0.0%
Miscellaneous	-	(1,564)	-	-	-	-	0.0%
Interfund Services Reimbursement	(123,266)	(129,761)	(139,523)	(139,523)	(142,313)	(2,790)	2.0%
Total Operations	5,765	(47,632)	70,436	69,616	70,335	(101)	-0.1%
Capital	-	-	-	-	-	-	0.0%
Total Law Department	498,133	453,393	626,604	596,551	626,495	(109)	0.0%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	377,548	387,554	439,931	246,196	404,368	442,418	464,538	487,765
	81120	OVERTIME PAY	2,353	347	2,200	829	1,245	2,200	2,200	2,200
	81150	TEMPORARY WORK BY NON-CITY EMPLOYEES			1,060			1,060	1,060	1,060
	81199	VACANCY ADJUSTMENT			(14,899)			(15,485)	(16,259)	(17,072)
=	XWAGE	TOTAL WAGES	379,901	387,901	428,292	247,025	405,613	430,193	451,539	473,953
	81250	JUDICIAL COMMISSION-WARRANTS		201	56	204	300	300	300	300
=	XOFF	TOTAL OFFICIALS FEES		201	56	204	300	300	300	300
=	81410	FICA (EMPLOYER'S SHARE)	26,595	27,454	30,929	17,239	30,934	31,627	35,537	37,314
=	81420	MEDICAL PREMIUMS	70,541	63,585	67,634	23,063	56,042	54,049	59,454	65,399
=	81425	VISION PREMIUMS				183	264	379	417	459
=	81430	GROUP INSURANCE PREMIUMS	4,663	4,659	6,443	2,184	3,985	6,713	7,049	7,401
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(14,399)	(12,808)	(14,203)	(7,265)	(12,243)	(12,564)	(13,820)	(15,202)
!	81450	RETIREMENT CONTRIBUTIONS	18,228	20,962	28,775	16,562	28,775	31,653	34,818	38,300
	81455	DEFERRED COMP MATCH	4,262	6,561	5,775	6,418	10,709	11,245	11,807	12,397
	81470	WORKERS COMPENSATION PREMIUMS	177	110	66	156	156	164	172	181
	81475	WORKERS COMPENSATION CLAIMS								
	81482	CAR ALLOWANCE	2,400	2,400	2,400	1,477	2,400	2,400	2,400	2,400
=	XBEN	TOTAL BENEFITS	112,467	112,923	127,820	60,017	121,022	125,667	137,834	148,649
=	XPER	TOTAL PERSONNEL	492,368	501,025	556,168	307,246	526,935	556,160	589,673	622,902
		Operations								
	82110	MAILING & OUTBOUND SHIPPING SERVICES	587	987	1,400	197	1,400	1,400	1,475	1,550
	82120	FREIGHT FOR INBOUND PURCHASED ITEMS								
=	XTRC	TOTAL TRANSPORTATION CHARGES	587	987	1,400	197	1,400	1,400	1,475	1,550
	82210	PRINTING & COPYING SERVICES, OUTSOURCED	106	246	2,000	53	2,000	2,000	2,100	2,200
	82230	ARCHIVING/RECORDS MANAGEMENT SERVICES	1,750	1,750	2,500		2,500	2,500	3,000	3,000
!	82240	TRANSCRIPTION FEES	1,769	5,982	8,000	3,190	8,000	8,000	8,400	8,400
	82250	TESTING & PHYSICALS	178	362	250	229	250	250	250	250
	82299	OTHER OPERATING SERVICES				87	87	95	100	100
=	XOPSV	TOTAL OPERATING SERVICES	3,803	8,340	12,750	3,559	12,837	12,845	13,850	13,950
	82310	LEGAL NOTICES	170	57	1,000		1,000	1,000	1,000	1,000
	82350	DUES FOR MEMBERSHIPS	5,878	3,951	6,000	605	6,000	6,000	6,400	6,400
	82370	PROMOTIONS & SPECIAL EVENTS (NOT CITY SPONSORED)	8	277	250		250	250	250	250
	82390	PUBLICATIONS, NON-TRAINING	11,357	10,645	16,000	5,152	16,000	16,000	16,000	16,000
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	17,413	14,930	23,250	5,757	23,250	23,250	23,650	23,650
	82450	TELEPHONE SERVICE	222	229	370	181	370	370	400	400
	82455	CELLULAR TELEPHONE SERVICE	3,177	2,707	3,900	1,319	3,000	3,000	3,000	3,000
	82470	INTERNET & RELATED SERVICES	463	360	500	247	500	500	500	500
=	XUTIL	TOTAL UTILITIES	3,862	3,296	4,770	1,747	3,870	3,870	3,900	3,900
	82510	COMPUTER SERVICES			440	155	440	440	440	440
	82520	LEGAL SERVICES	31,851	17,355	66,000	24,530	66,000	66,000	70,000	70,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
!	82560	CONSULTANT SERVICES	23,617	4,034	40,000	16,050	40,000	40,000	40,000	40,000
	82599	OTHER CONTRACTUAL SERVICES			5,500	4,349	5,500	5,500	5,500	5,500
=	XCTS	TOTAL CONTRACTUAL SERVICES	55,468	21,389	111,940	45,084	111,940	111,940	115,940	115,940
	82740	EMPLOYEE WELLNESS PROGRAM	33		100		100	100	100	100
	82750	EMPLOYEE RECOGNITION/RECEPTIONS	94	178	350		350	350	350	350
	82780	TRAINING, OUTSIDE	2,125	(20)	3,000		3,000	3,000	3,000	3,000
	82790	TRAINING, IN-HOUSE	134	27	1,000	853	1,000	1,000	1,000	1,000
=	XEPG	TOTAL EMPLOYEE PROGRAMS	2,386	185	4,450	853	4,450	4,450	4,450	4,450
	82810	REGISTRATIONS	4,833	4,916	6,000	2,923	6,000	6,000	7,000	7,000
	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	996	1,171	1,500	410	1,500	2,000	1,750	2,000
	82830	AIR TRAVEL	1,637	2,362	4,000	652	4,000	4,000	5,500	5,500
	82840	LODGING	3,984	8,025	6,500	1,760	6,500	7,000	7,000	7,000
	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	1,605	557	1,500	149	1,500	2,500	2,500	2,500
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	13,055	17,031	19,500	5,894	19,500	21,500	23,750	24,000
	83110	OFFICE SUPPLIES	2,071	2,294	3,500	686	3,500	3,500	3,500	3,500
	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)	19	70	250		250	250	250	250
	83130	EMPLOYEE BENEVOLENCE ITEMS	154	173	460		460	500	525	500
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	434	456	600	359	600	600	700	600
=	XOFS	TOTAL OFFICE SUPPLIES	2,678	2,993	4,810	1,045	4,810	4,850	4,975	4,850
	83210	TRAINING SUPPLIES		333	500		500	500	500	500
	83260	UNIFORMS PURCHASED		216	300		300	300	300	300
=	XOPS	TOTAL OPERATING SUPPLIES		549	800		800	800	800	800
	83320	MILEAGE (INSIDE WILLIAMSON COUNTY)			420		420	500	500	500
=	XFUEL	TOTAL FUEL & MILEAGE			420		420	500	500	500
	83510	FURNITURE, FIXTURES (<\$25,000)	14,752	2,896	3,300	2,678	3,300	3,500	3,500	3,500
	83530	MACHINERY & EQUIPMENT (<\$25,000)	2,595	7	3,000	33	3,000	3,000	3,000	3,000
	83540	COMPUTER HARDWARE (<\$25,000)	5,860	4,451	6,000	(2,632)	6,000	7,000	7,000	7,000
	83550	COMPUTER SOFTWARE (<\$25,000)	766	754	2,000	115	2,000	2,000	2,000	2,000
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	23,973	8,108	14,300	194	14,300	15,500	15,500	15,500
	83620	EQUIPMENT PARTS & SUPPLIES			150		150	150	150	150
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES			150		150	150	150	150
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		105	446	446	446	468	492	516
	85112	INLAND MARINE INSURANCE	30	30	36	29	29	30	32	34
	85113	AUTO PHYSICAL DAMAGE								
	85115	LIABILITY INSURANCE	1,519	411	480	480	480	504	529	556
	85116	E&O LIABILITY INSURANCE		889	1,051	1,051	1,051	1,104	1,159	1,217
	85119	UMBRELLA LIABILITY	287	344	413	413	413	434	455	478
	85120	PROPERTY DAMAGE COSTS								
	85140	SURETY/NOTARY BONDS	50	50	500	100	500	500	500	500
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	2,841	2,770	4,119	3,712	4,112	4,293	4,482	4,682

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	85320	STATE FEES	2,415	1,728	1,600	204	1,600	1,600	1,800	1,800
	85325	FEDERAL FEES	21	265	250		250	250	300	300
	85340	RECORDING & FILING FEES		437	4,700	1,112	4,700	4,700	4,900	4,900
=	XPERM	TOTAL PERMITS	2,436	2,430	6,550	1,316	6,550	6,550	7,000	7,000
	85530	E-COMMERCE FEES	29	185	250	94	250	250	300	300
	85590	BOND COMPLIANCE	500	500	500	500	500	500	500	500
=	XFLF	TOTAL FINANCIAL FEES	529	685	750	594	750	750	800	800
	85990	MISCELLANEOUS		(1,564)		(54)				
=	XOBE	TOTAL OTHER BUSINESS EXPENSES		(1,564)		(54)				
	87510	REIMB OF INTERFUND SERVICES	(123,266)	(129,761)	(139,523)	(139,523)	(139,523)	(142,313)	(145,160)	(148,063)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS	(123,266)	(129,761)	(139,523)	(139,523)	(139,523)	(142,313)	(145,160)	(148,063)
=	XOP	TOTAL OPERATIONS	5,765	(47,632)	70,436	(69,625)	69,616	70,335	76,062	73,659
		Capital								
=	XTOT	TOTAL EXPENDITURES	498,133	453,393	626,604	237,621	596,551	626,495	665,735	696,561



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Law						
1	Copier/Printer	\$ -	\$ -	\$ 9,800	\$ 9,800	\$ -
Total		\$ -	\$ -	\$ 9,800	\$ 9,800	\$ -
Total G/F Requests						
		\$ -	\$ -	\$ 9,800	\$ 9,800	\$ -

FranklinForward Allocations

	A Safe, Clean, Livable City	\$ -
	A Effective and Fiscally Sound City Government Providing High Quality Service	\$ 9,800
	Quality Life Experiences	\$ -
	Sustainable Growth & Economic Prosperity	\$ -
Totals		\$ 9,800

Traditional Allocations

	Personnel	\$ -
	Operations	\$ 9,800
	Equipment	\$ -
	Capital	\$ -
Total		\$ 9,800

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City of Franklin, Tennessee
FY 2020 Operating Budget Request

Department of Planning & Sustainability

Emily Hunter, Director



City of Franklin, Tennessee - FY 2020 Budget Request **Planning & Sustainability Department**

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget Request**
 - Personnel**
 - Operations**
 - Capital**
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request **Planning & Sustainability Department**

Purpose of Department

The Planning and Sustainability Department will strive to protect and enhance the built and natural environment by providing a comprehensive vision for future growth, protection of historic and natural resources, and excellent planning services for businesses and residents of Franklin.

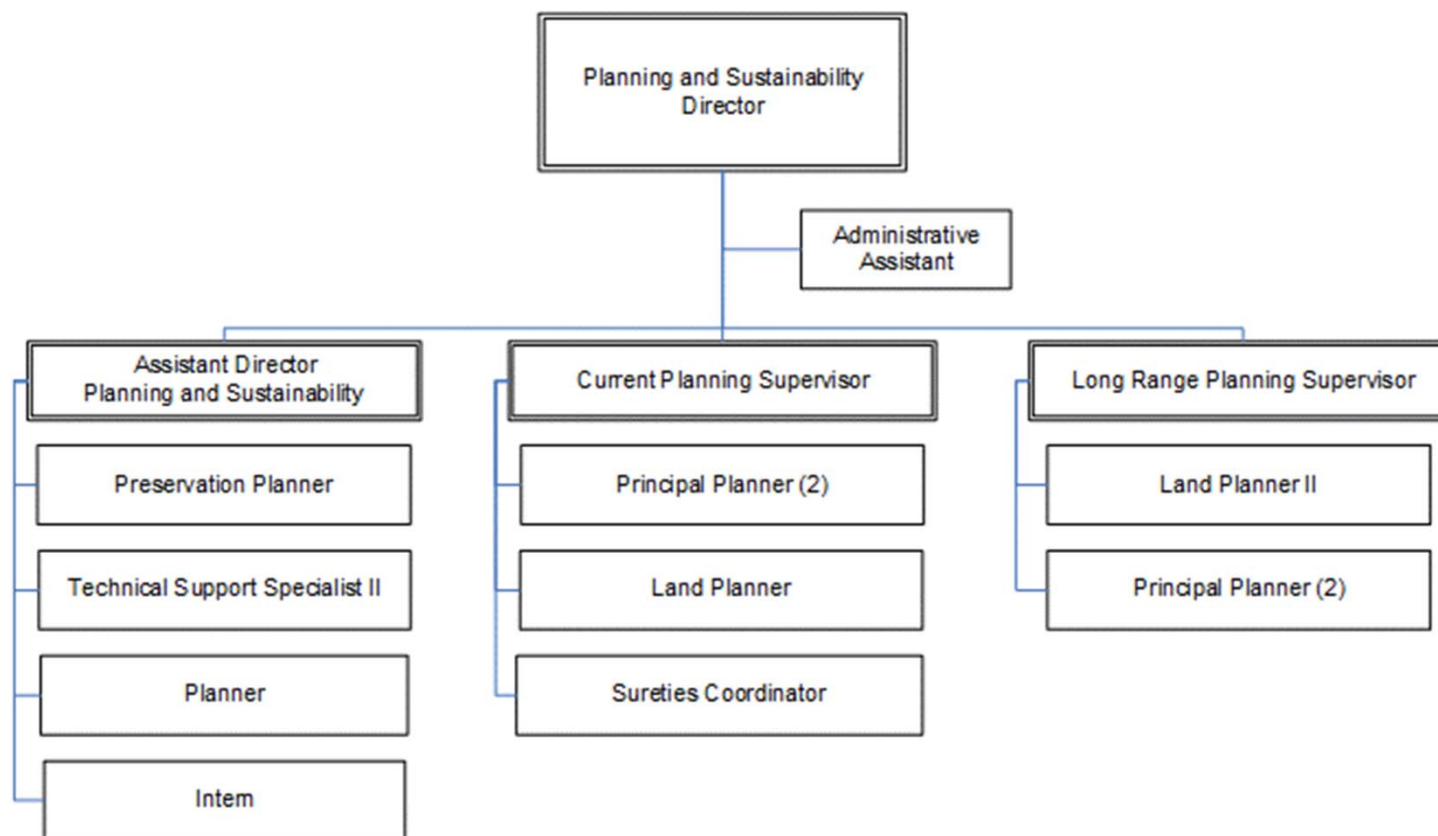
- Works with the Planning Commission to identify and complete long range planning initiatives**
- Processes annexation requests and current development applications in order to continue quality growth**
- Provides assistance to Historic Zoning Commission, the Franklin Civil War Historical Commission, the Board of Zoning Appeals, the Sustainability Commission, and several other entities**



City of Franklin, Tennessee - FY 2020 Budget Request

Planning & Sustainability Department

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request **Planning & Sustainability Department**

Base Budget Request: Personnel

Increase of \$54,143, or 4.0% over FY 2019.

Increase due to increases in Medical Premiums for Planning & Sustainability employees

No proposed budget changes to personnel



City of Franklin, Tennessee - FY 2020 Budget Request **Planning & Sustainability Department**

Base Budget Request: Operations

Decrease of \$66,480 over FY 2019. Decrease driven by lesser need for Consultant Services in FY 2020.

- Continued Consultant Services for assistance with the New Zoning Ordinance**
- Planning Commission computer tablet upgrades for review of electronic plan submittals**
- Continued emphasis on continuing professional education in order to develop urban design skills and observe best planning practices for the City staff and officials. Includes participation in this year's State Planning Conference being held in Franklin.**



City of Franklin, Tennessee - FY 2020 Budget Request **Planning & Sustainability Department**

Base Budget Request: Capital

No proposed budget requests for capital

Program Enhancement Requests

Historic Preservation Plan Consultant	\$ 30,000
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Continuing Education-DRT Peer City Travel \$ 16,000-25,000

Total **\$ 55,000**



City of Franklin, Tennessee - FY 2020 Budget Request **Planning & Sustainability Department**

Summary

It continues to be a busy and exciting time for the Department of Planning and Sustainability as we focus on:

- Managed growth and annexation practices**
- A long-term, vibrant economy**
- Housing choices and quality of place**
- Regional transportation and local mobility**

A new Zoning Ordinance that achieves a mix of uses and designs that enhance the lives of both new and existing citizens is our top priority, closely followed by a focus on updating the Preservation Plan and continuing to grow our Sustainability initiatives.

We have a department of talented and dedicated professionals, and we expect to have an intense year filled with lots of Zoning discussions.



City of Franklin, Tennessee

FY 2020 Operating Budget

Planning & Sustainability

Emily Hunter, Planning & Sustainability Director

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	1,407,954	1,270,629	1,340,082	1,363,829	1,394,225	54,143	4.0%
Operations	152,573	201,127	269,968	266,126	203,488	-66,480	-24.6%
Capital	0	0	0	0	0	0	0.0%
Total	1,560,527	1,471,756	1,610,050	1,629,955	1,597,714	-12,336	-0.8%

Departmental Summary

The Franklin Planning and Sustainability Department (P&SD) works with the Franklin Municipal Planning Commission in providing information and advice to the Board of Mayor and Aldermen and other City departments in order to assist them in making decisions concerning the growth and development of the City.

The P&SD also provides the following:

- Expertise, technical assistance, and staff support to the Planning Commission, the Board of Zoning Appeals, the Historic Zoning Commission, the Battlefield Commission, the Sustainability Commission, the Franklin Tree Commission, and various ad-hoc committees.
- Administration and Maintenance of Envision Franklin (the Land Use Plan) and the Zoning Ordinance in order to provide policies and regulations that continually strive to improve the built environment while protecting the City's natural and historic resources.
- Long-range planning initiatives to analyze, forecast, and guide future development.
- A leadership role in sustainability efforts for the City and the region.
- Implementation of processes in order to provide effective and efficient development review.
- Oversees performance agreements and sureties and coordinates inspections associated with improvements to new developments, including, but not limited to, drainage, landscaping, sidewalks, streets, and water/wastewater.
- Performs landscaping inspections and reviews.
- Seeks Federal and State funding opportunities in order to assist with activities and projects.
- Serves boards and committees related to regional and local transportation, including the MPO Board, the Technical Coordinating Committee to the MPO, and the RTA Board, and the TMA Board.
- Assists the Franklin Special School District, the Williamson County School System, and other cities within Williamson County in analyzing growth patterns.
- Assists the school system in introducing concepts of urban planning, historic preservation, and energy efficiency to students.



City of Franklin, Tennessee

FY 2020 Operating Budget

Planning & Sustainability

Emily Hunter, Planning & Sustainability Director

FY 2020 Outlook

Drafting, discussion, public outreach, and final approval of the new Zoning Map and Ordinance will continue and remain the department's top priority for FY2020. Regular meetings will be held to present and discuss the new Zoning Ordinance. An update to the Subdivision Regulations will be presented, as well.

Reviewing and recommending plans and rezoning requests is an ongoing responsibility of the P&SD, based on Envision Franklin and the Zoning Ordinance, to the Planning Commission and the Board of Mayor and Aldermen.

Long-range planning efforts continue to be a priority in the P&SD, but capacity to do such studies will be limited on a temporary basis until the new Zoning Ordinance is adopted since staff resources will be primarily focused on the zoning revamp.

Increased involvement with the Nashville Area MPO will continue. The P&SD will continue to consider the importance of regional transportation for Franklin and how to plan and design land uses that support sustainable local and regional transportation. The P&SD will also work closely with RTA and TMA/Franklin Transit to identify potential long-term park and ride lots or transit hub locations.

Sustainability initiatives continue to be a primary focus. Through the LEED for Cities designation process in FY19, the City was able to gauge what areas need more attention in the coming years. The Sustainability Commission looks to reevaluate their Action Plan to focus on these areas.

Following the heels of updates to the Downtown National Register Listing in FY2018 and the Hincheyville National Register Listing in FY19, future updates to the remaining three districts are planned for FY2021-23. Preservation activities planned for FY20 include a survey of HPO residents and an update to the Preservation Plan, which dates back to 2001.

There will be a continued emphasis on continuing professional education in order to develop urban design skills and observe best planning practices for the City staff, Planning Commissioners, Board members, and design professionals. A trip focusing on utilities in an urban environment is proposed for member of the Departmental Review Team (DRT).

The P&SD anticipates another year of increasing development demand and annexation requests. Non-contiguous annexation and its opportunities and challenges will be continued to be evaluated by staff.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: A Safe and Livable City



Franklin will enhance the value and character of our community through progressive and responsive development and neighborhood services.

Goal: Franklin will increase the percentage of residents who rate their neighborhoods as either good or excellent in an annual, biannual, or other specified periodic citizen survey

Baseline: Establish a baseline for measuring citizen satisfaction via Citizen, HOA, or social media surveys.

Franklin will be a model for environmental quality and a sustainable city.

Goal: Franklin will be named as a "Smarter City" by the Natural Resources Defense Council for sustainability (the first in Tennessee).

Baseline: To review the criteria for becoming a "Smarter City" and apply for recognition. See:

<http://smartercities.nrdc.org/rankings/scoring-criteria>

Goal: Increase the number of LEED certified buildings to attract energy friendly businesses and increase tax revenues.

Baseline: Franklin has nine (9) LEED certified buildings currently as of 2013 (www.usgbc.org/LEED).

Theme: Quality Life Experiences



Meeting transportation needs: Franklin will have a diverse transportation network that promotes, provides, and supports safe and efficient mobility choices for all, including driving, public transit, walking, and biking.

To be a community that promotes walking, jogging, and cycling.

Goal: To increase the Walkability Index Score for Franklin.

Baseline: Current walkability Index Score is 32. Achieved an Honorable Mention in walkfriendly.org.

Goal: To become a more bicycle friendly community.

Baseline: To become a bicycle-friendly designated community through assessment by the League of American Bicyclists.

To reduce energy costs, road congestion and improve air quality by better use of alternative transportation services

Goal: To reduce the number of days of air quality nonattainment in the City of Franklin.

Baseline: [none: need data point related to air quality].

Creating desirable life experiences: Franklin will continue to be a destination to live and work that ranks among the best in the nation.

Goal: To improve ranking as one of the top 10 communities providing for historic preservation in the U.S.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Baseline: Rank as 4th in nation for historic preservation (Preservation Network, 2012)

Baseline: Citizen Perception reported through community survey.

Theme: Sustainable Growth & Economic Prosperity



Franklin will strategically manage its growth and the value of its assets.

Goal: Update the Land Use Plan tied to transportation and infrastructure availability.

Baseline: The current Land Use Plan needs to include infrastructure planning and costs as components of Land Use updates. (Planning and Sustainability)

Goal: To increase the assessed valuation per square mile for land in City of Franklin

Baseline: Current assessed valuation per square mile is \$77,787,427 (Based on 41.28 sq. miles and property assessed value of 2012 of \$3,211,064,976. Finance Department)

Franklin will pursue growth and development that embraces its historic context and encourages revenue generation.

Goal: To increase private investment in Franklin's Historic Area.

Baseline: Franklin issued 94 Certificates of Appropriateness for construction in 2014 (Planning and Sustainability).

Baseline: The value of investment dollars from COA's for 2014. (This number only reflects the valuations associated with the permits that been pulled as of this date and not projects without application for building permits. Planning and Sustainability)

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	
	2016 Franklin Citizens Survey	

Workload (Output) Measures

	2016	2017	2018	2019*	2020*
Net Acreage Changes	218	50	0	TBD	TBD
Base Zoning Changes					
Acreage Zoned Due to Annexation	218	50	0	TBD	TBD
Acreage Rezoned	351	319	303	TBD	TBD
Development Process Approval Measures					
Development Plans	16	17	17	17	17
Site Plans	80	80	68	76	76
Plats	67	60	67	64	64
Residential Approvals					
Total Units	1028	861	305	731	731
Cases heard by BOZA	23	17	17	22	22
Residential site plans reviewed	86	87	54	75	75
Preliminary plats reviewed	6	3	2	3	3
Final plats reviewed	58	86	79	74	74
Municipal planner FTEs	8	8	8	8	8



City of Franklin, Tennessee

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Performance Measures

Planning and zoning administrative and support FTEs	5	3	3	3	3
Engineering FTEs	3	4	4	4	4
Total planning and zoning revenues	\$ 172,184	\$ 130,464	\$ 168,458	\$ 157,035	\$ 157,035

Efficiency Measures

	2016	2017	2018	2019*	2020*
Average number of days for preliminary plat review	73	48	35	52	52

Outcome (Effectiveness) Measures

	2016	2017	2018	2019*	2020*
 Franklin will be a model for environmental quality and a sustainable city. Increase the percentage of residents who rate their neighborhoods as either good or excellent in an annual, biannual, or other specified periodic citizen survey Establish a baseline for measuring citizen satisfaction via Citizen, HOA, or social media surveys.					
Baseline established?	Yes	Yes	Yes	Yes	Yes
Survey Conducted?	Yes	Yes	Yes	TBD	TBD
Target: 93%	93.0%	93.0%	93.0%	TBD	TBD
Meets Target?	Yes	Yes	Yes	TBD	TBD
 Franklin will be named as a "Smarter City" by the Natural Resources Defense Council for sustainability (the first in Tennessee). Baseline: To review the criteria for becoming a "Smarter City" and apply for recognition. See: http://smartercities.nrdc.org/rankings/scoring-criteria					
Target: Named "Smarter City"	No	No	No	TBD	TBD
Meets Target?	No	No	No	TBD	TBD
Increase the number of LEED certified buildings to attract energy friendly businesses and increase tax revenues.					
# of LEED Certified buildings in Franklin	18	22	27	27	27
Target (Source: www.usgbc.org)	11	12	12	12	12
Meets Target?	Yes	Yes	Yes	Yes	Yes
Franklin will enhance the value and character of our community through progressive and responsive development and neighborhood services.					
The citizens of Franklin will be benefactors of City services that reflect efficiency while preserving the personal touch and engagement they have come to expect in our community.					
 Franklin will develop a quality level of service expectation for its citizens. 90% citizen satisfaction rated excellent/good for services as reported by community survey.					
Baseline: Data to be collected in next community survey.	93%	93%	93%	TBD	TBD
Meets Target?	Yes	Yes	Yes	TBD	TBD
Meeting transportation needs: Franklin will have a diverse transportation network that promotes, provides, and supports safe and efficient mobility choices for all, including driving, public transit, walking, and biking.					



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

	To be a community that promotes walking, jogging, and cycling.					
	Increase the Walkability Index Score for Franklin.	Score: 23	Score: 23	Score: 23	TBD	TBD
	Meets Target?	TBD	No	No	TBD	TBD
	Become a more bicycle friendly community.					
	Baseline: To become a bicycle-friendly designated community through assessment by the League of American Bicyclists.					
	Meets Target?	N/A	No	No	TBD	TBD
	Reduce the number of days of air quality nonattainment in the City of Franklin.					
	Baseline: 0 days of non-attainment	0	0	0	0	0
	Actual Days of non-attainment	0	0	0	TBD	TBD
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Creating desirable life experiences: Franklin will continue to be a destination to live and work that ranks among the best in the nation.					
	Improve ranking as one of the top 10 communities providing for historic preservation in the U.S.					
	Current Ranking	4	4	4	TBD	TBD
	Target	4	4	4	TBD	TBD
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Franklin will strategically manage its growth and the value of its assets.					
	Update a minimum of one Land Use Plan character area with infrastructure capabilities every year.					
	Baseline: The current Land Use Plan needs to include infrastructure planning and costs as components of Land Use updates. (Planning and Sustainability)					
	Target: At least 1 updated	All Areas	1 Annual	0	TBD	TBD
	Meets Target?	Yes	Yes	No	TBD	TBD
	Reduce the poverty for citizens of Franklin to a rate at least 50% below the state average (State average is 16.9%) (2010 Census).					
	Franklin Poverty Rate	7.4%	7.0%	7.0%	TBD	TBD
	State Poverty Rate	17.2%	15.0%	15.0%	TBD	TBD
	Target	8.6%	7.5%	7.5%	TBD	TBD
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Increase the assessed valuation per square mile for land in City of Franklin					
	Current Assessed Value	\$ 4,638,233,867	\$ 4,819,676,437	\$ 4,989,169,301	TBD	TBD
	Square Miles	41.78	42.15	42.15	TBD	TBD
	Target	\$ 105,000,000	\$ 111,015,650	\$ 118,367,006	TBD	TBD
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Franklin will pursue growth and development that embraces its historic context and encourages revenue generation.					
	Increase private investment in Franklin's Historic Area.					
	# of Certificates of Appropriateness issued for construction	106	73	36	70	70
	Value of investment dollars from COA's	\$ 20,688,515	\$ 81,085,071	\$ 25,932,803	\$ 7,000,000	\$ 7,000,000
	Meets Target?	Yes	Yes	Yes	TBD	TBD



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

*Includes Residential and Commercial site plans.

**City engineers who are involved in development plan review but are housed in the Engineering Department.

Franklin Citizens Survey

(Fall 2016)

		Excellent	Good	Fair	Poor
☒	% rating the value of Land use, planning and zoning	16%	43%	28%	13%
☒	% rating Your neighborhood as a place to live	55%	38%	7%	1%
☒	% rating Franklin as a place to live	73%	24%	3%	0%
☒	% rating the Quality of the overall natural environment in Franklin as it relates to Franklin as a whole	37%	50%	10%	2%
☒	% rating the Overall "built environment" of Franklin (including overall design, buildings, parks and transportation systems) as it relates to Franklin as a whole	25%	53%	18%	5%
☒	% rating the Sense of community in Franklin as it relates to Franklin as a whole	36%	46%	15%	2%
☒	% rating how important the Quality of the overall natural environment in Franklin is for the Franklin community to focus on in the next two years	41%	46%	13%	1%
☒	% rating how important the Overall "built environment" of Franklin (including overall design, buildings, parks and transportation systems) is for the Franklin community to focus on in the next two years	39%	44%	16%	1%

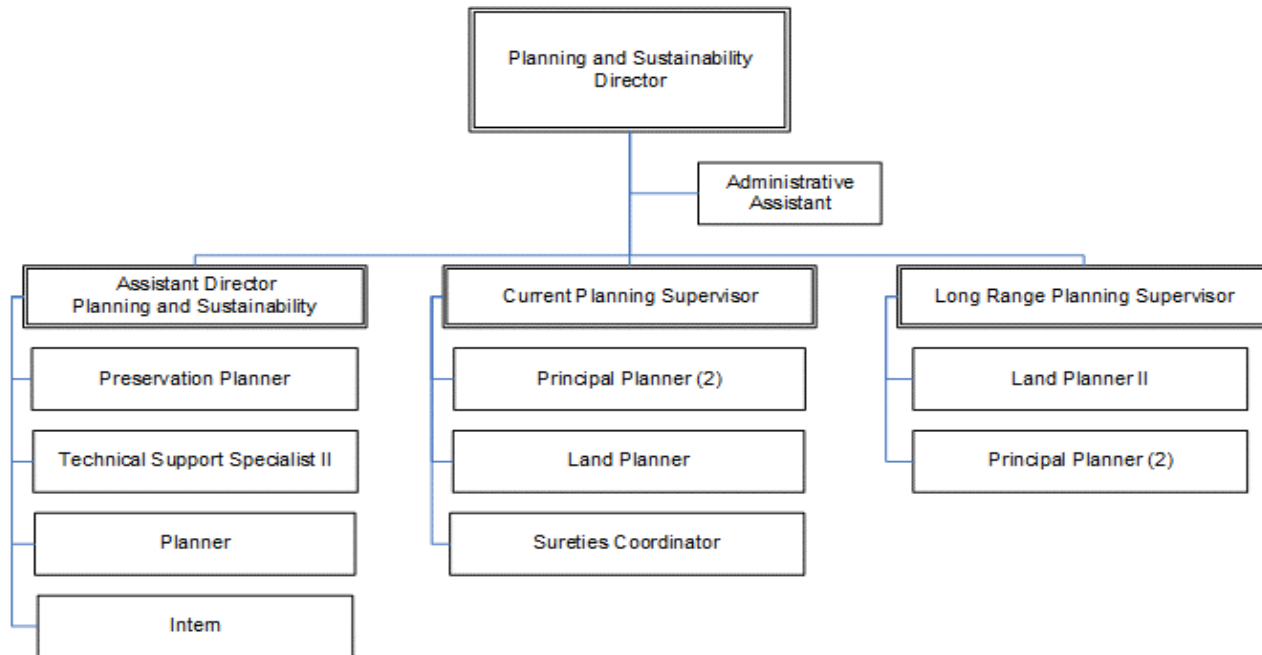
		Very Satisfied	Somewhat Satisfied	Somewhat Important	Not at all Important
☒	% rating their level of satisfaction with the City's management of growth	29%	55%	15%	1%



City of Franklin, Tennessee

FY 2020 Operating Budget

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
ACA Community Development	Grade N	1	0	1	0	0	0	0	0	0	0
Planning Director	Grade L	1	0	1	0	1	0	1	0	1	0
Assistant Planning Director	Grade J	0	0	0	0	1	0	1	0	1	0
Planning Supervisor	Grade I	2	0	2	0	2	0	2	0	2	0
Principal Planner	Grade H	2	1	3	1	3	0	4	0	4	0
Preservation Planner	Grade H	0	0	1	0	1	0	1	0	1	0
Land Planner II	Grade H	0	0	0	0	0	0	1	0	1	0
Planning Senior	Grade G	2	0	1	0	1	0	0	0	0	0
Dev. Serv. Oper. Analyst	Grade G	1	0	1	0	0	0	0	0	0	0
Land Planner	Grade G	2	0	2	0	2	0	1	0	1	0
Surities Coordinator	Grade G	1	0	1	0	1	0	1	0	1	0
Technical Support Specialist	Grade F	1	0	1	0	1	0	1	0	1	0
Planner	Grade F	0	0	0	0	0	0	1	0	1	0
Technical Support Specialist	Grade E	1	0	1	0	1	0	0	0	0	0
Planning Assistant	Grade E	1	0	0	0	0	0	0	0	0	0
Administrative Assistant	Grade D	1	0	1	0	1	0	1	0	1	0
Administrative Secretary	Grade B	0	1	0	0	0	0	0	0	0	0
Intern	---	0	1	0	1	0	1	0	1	0	1
Total Authorized Staffing		16	3	16	2	15	1	15	1	15	1



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Personnel							
Salaries & Wages	1,082,254	933,093	1,009,061	1,011,180	1,007,089	(1,972)	-0.2%
Officials Fees	10,300	10,450	14,000	11,000	14,000	-	0.0%
Employee Benefits	315,400	327,086	317,021	341,649	373,136	56,115	17.7%
Total Personnel	1,407,954	1,270,629	1,340,082	1,363,829	1,394,225	54,143	4.0%
Operations							
Transportation Services	2,044	3,091	3,000	1,000	3,000	-	0.0%
Operating Services	1,750	3,241	6,000	5,650	6,000	-	0.0%
Notices, Subscriptions, etc.	23,487	26,165	32,650	19,750	25,250	(7,400)	-22.7%
Utilities	7,437	6,032	7,500	7,500	8,000	500	6.7%
Contractual Services	11,970	27,750	117,000	136,680	52,000	(65,000)	-55.6%
Repair & Maintenance Services	3,718	5,361	5,500	3,750	4,500	(1,000)	-18.2%
Employee programs	621	793	6,500	2,800	4,500	(2,000)	-30.8%
Professional Development/Travel	45,790	34,457	47,400	47,500	52,000	4,600	9.7%
Office Supplies	12,895	14,035	15,300	14,400	14,300	(1,000)	-6.5%
Operating Supplies	2,054	244	500	1,200	500	-	0.0%
Fuel & Mileage	340	284	1,100	550	1,100	-	0.0%
Machinery & Equipment (<\$25,000)	10,058	62,920	14,500	13,500	23,500	9,000	62.1%
Repair & Maintenance Supplies	22,030	-	-	-	-	-	-
Operational Units	-	9,823	4,000	4,000	-	(4,000)	-100.0%
Property & Liability Costs	8,367	6,931	8,518	7,846	8,338	(180)	-2.1%
Permits	12	-	400	-	400	-	0.0%
Other Business Expenses	-	-	100	-	100	-	0.0%
Total Operations	152,573	201,127	269,968	266,126	203,488	(66,480)	-24.6%
Capital	-	-	-	-	-	-	-
Total Planning & Sustain.	1,560,527	1,471,756	1,610,050	1,629,955	1,597,713	(12,337)	-0.8%

Notes & Objectives

- Complete the new Zoning Ordinance to implement Envision Franklin, with input from the FMPC and BOMA.
- Complete a new set of Subdivision Regulations (current set adopted in 1966).
- Conduct extensive education/discussion sessions with the BOMA and FMPC for a variety of topics addressed in the new Zoning Ordinance.
- Focus on Historic Preservation and Sustainability efforts, through updates to the Preservation Plan and the Sustainability Commission Action Plan.
- Conduct the annual review and update of Envision Franklin (December 2019).
- Incorporate education opportunities for members of the Planning Commission and BOMA.
- Concentrate on continuing education for City officials and staff regarding urban design and best planning practices.
- Continued improvement of workspace and technology in the P&SD.

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	1,043,158	931,644	1,038,072	627,091	1,010,180	1,038,072	1,089,976	1,144,474
	81120	OVERTIME PAY	5,461	1,449	5,350	630	1,000	5,350	5,350	5,350
	81160	CENSUS WORKERS	33,635							
	81199	VACANCY ADJUSTMENT			(34,361)			(36,333)	(38,149)	(40,057)
=	XWAGE	TOTAL WAGES	1,082,254	933,093	1,009,061	627,721	1,011,180	1,007,089	1,057,177	1,109,767
	81230	PLANNING COMMISSION & BOZA	10,300	10,450	14,000	6,250	11,000	14,000	14,000	14,000
=	XOFF	TOTAL OFFICIALS FEES	10,300	10,450	14,000	6,250	11,000	14,000	14,000	14,000
=	81410	FICA (EMPLOYER'S SHARE)	80,141	68,565	75,103	45,949	77,279	79,413	83,383	87,552
=	81420	MEDICAL PREMIUMS	153,896	173,737	166,068	79,837	192,121	207,403	228,143	250,958
=	81425	VISION PREMIUMS				475	1,143	1,047	1,152	1,267
=	81430	GROUP INSURANCE PREMIUMS	13,027	12,494	14,532	7,456	13,384	17,240	18,012	19,007
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(31,063)	(36,229)	(33,360)	(25,536)	(41,386)	(39,425)	(43,368)	(47,704)
	81441	CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNT		2,400						
!	81450	RETIREMENT CONTRIBUTIONS	72,912	83,849	70,586	49,685	70,586	77,645	85,409	93,950
	81455	DEFERRED COMP MATCH	20,247	20,781	23,741	16,070	25,770	27,059	28,411	29,832
	81460	UNEMPLOYMENT CLAIMS								
	81470	WORKERS COMPENSATION PREMIUMS	656	566	351	338	338	354	373	391
	81475	WORKERS COMPENSATION CLAIMS				14	14			
	81482	CAR ALLOWANCE	2,584	923		1,477	2,400	2,400	2,400	2,400
	81490	MOVING EXPENSES	3,000							
=	XBEN	TOTAL BENEFITS	315,400	327,086	317,021	175,765	341,649	373,136	403,915	437,653
=	XPER	TOTAL PERSONNEL	1,407,954	1,270,629	1,340,082	809,736	1,363,829	1,394,225	1,475,092	1,561,420
		Operations								
	82110	MAILING & OUTBOUND SHIPPING SERVICES	2,035	3,091	3,000	553	1,000	3,000	3,000	3,000
	82120	FREIGHT FOR INBOUND PURCHASED ITEMS								
	82130	VEHICLE LICENSES & TITLES	9							
=	XTRC	TOTAL TRANSPORTATION CHARGES	2,044	3,091	3,000	553	1,000	3,000	3,000	3,000
	82210	PRINTING & COPYING SERVICES, OUTSOURCED	1,109	2,806	5,000	512	5,000	5,000	5,000	5,000
	82250	TESTING & PHYSICALS	641	435	1,000		650	1,000	1,000	1,000
	82299	OTHER OPERATING SERVICES				87				
=	XOPSV	TOTAL OPERATING SERVICES	1,750	3,241	6,000	599	5,650	6,000	6,000	6,000
	82310	LEGAL NOTICES	8,501	8,297	10,000	3,469	9,000	10,000	10,000	12,000
	82350	DUES FOR MEMBERSHIPS	8,352	7,186	10,150	2,903	8,500	10,000	10,500	10,500
!	82360	PUBLIC RELATIONS & EDUCATION (CITY SPONSORED)	3,751	10,518	12,000		2,000	5,000	10,000	10,000
	82370	PROMOTIONS & SPECIAL EVENTS (NOT CITY SPONSORED)								
	82373	RECRUITMENT	2,555							
	82385	SPECIAL CENSUS	232							
	82390	PUBLICATIONS, NON-TRAINING	96	164	500		250	250	500	500
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	23,487	26,165	32,650	6,372	19,750	25,250	31,000	33,000
	82450	TELEPHONE SERVICE	1,540	1,560	2,000	1,175	2,000	2,000	2,000	2,000
	82455	CELLULAR TELEPHONE SERVICE	3,117	2,311	3,000	864	3,000	3,000	3,000	3,000
	82470	INTERNET & RELATED SERVICES	2,780	2,161	2,500	1,484	2,500	3,000	3,000	3,500
=	XUTIL	TOTAL UTILITIES	7,437	6,032	7,500	3,523	7,500	8,000	8,000	8,500

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	82510	COMPUTER SERVICES			2,000	2,553		2,000	2,000	2,000
+	82560	CONSULTANT SERVICES	11,970	27,750	115,000	17,200	136,680	50,000	30,000	30,000
	1	Various	11,970	27,750						
	2	On-Call Consultant			20,000				30,000	30,000
	3	In-Fill Consultant			10,000					
	4	FY 2019 PER - Franklin Zoning Ordinance On-Call Consultant			85,000		136,680	50,000		
	*	Amount missing from detail				17,200				
	82599	OTHER CONTRACTUAL SERVICES								
=	XCTS	TOTAL CONTRACTUAL SERVICES	11,970	27,750	117,000	19,753	136,680	52,000	32,000	32,000
	82610	VEHICLE REPAIR & MAINTENANCE SERVICES	137	226	500	23	250	500	1,500	1,500
	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES	3,581	2,635	5,000	899	3,500	4,000	5,000	5,000
	82660	BUILDING REPAIR & MAINTENANCE SERVICES		2,500						
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	3,718	5,361	5,500	922	3,750	4,500	6,500	6,500
	82750	EMPLOYEE RECOGNITION/RECEPTIONS	621	293	500	274	300	500	500	500
	82780	TRAINING, OUTSIDE			4,000		2,000	4,000	5,000	5,000
	82790	TRAINING, IN-HOUSE		500	2,000	81	500		2,500	2,000
=	XEPG	TOTAL EMPLOYEE PROGRAMS	621	793	6,500	355	2,800	4,500	8,000	7,500
+	82810	REGISTRATIONS	9,112	17,979	12,500	5,665	12,500	14,000	14,500	14,500
	1	various	9,112	17,979	12,500	5,665	12,500	14,000	14,500	14,500
	*	Amount missing from detail								
	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	5,879	3,190	4,200	788	3,500	4,000	4,000	4,000
	82830	AIR TRAVEL	4,720	4,283	6,500	1,669	6,500	6,500	6,500	6,500
	82840	LODGING	19,048	7,351	17,000	5,953	20,000	20,000	21,500	21,500
	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	6,972	1,644	7,000	584	5,000	7,000	7,000	7,000
	82890	OTHER TRAVEL EXPENSES	59	10	200			500	500	500
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	45,790	34,457	47,400	14,659	47,500	52,000	54,000	54,000
	83110	OFFICE SUPPLIES	4,994	3,901	5,000	879	4,500	4,000	5,000	5,000
!	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)	41	585	100			100	100	100
	83130	EMPLOYEE BENEVOLENCE ITEMS	180	275	200		400	200	200	200
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	7,680	9,274	10,000	2,392	9,500	10,000	10,000	10,000
=	XOFS	TOTAL OFFICE SUPPLIES	12,895	14,035	15,300	3,271	14,400	14,300	15,300	15,300
	83260	UNIFORMS PURCHASED	2,054	244	500		1,200	500	1,500	500
=	XOPS	TOTAL OPERATING SUPPLIES	2,054	244	500		1,200	500	1,500	500
	83310	GASOLINE & DIESEL FOR FLEET (INSIDE WILLIAMSON COUNTY)	318	284	1,000	99	500	1,000	1,000	1,000
	83320	MILEAGE (INSIDE WILLIAMSON COUNTY)	22		100		50	100	100	100
=	XFUEL	TOTAL FUEL & MILEAGE	340	284	1,100	99	550	1,100	1,100	1,100
!	83510	FURNITURE, FIXTURES (<\$25,000)	1,949	9,017	2,500		1,500	1,000	1,000	1,500
	83520	VEHICLES (<\$25,000)		24,577						
+	83530	MACHINERY & EQUIPMENT (<\$25,000)								
	1	Various								
!	2	Smartboard - CDCR								
!	3	Smartboard - PCR								
	*	Amount missing from detail								
+	83540	COMPUTER HARDWARE (<\$25,000)	6,210	24,612	7,500		7,500	18,000	25,000	7,500
	1	Various	6,210	24,612	7,500		7,500	2,000		
	4	Microsoft Surface Pros-FMPC and Director						12,500		
	5	Staff Computer Replacements						3,500	25,000	7,500
	*	Amount missing from detail								
!	83550	COMPUTER SOFTWARE (<\$25,000)	1,899	4,714	4,500		4,500	4,500	5,000	5,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	10,058	62,920	14,500		13,500	23,500	31,000	14,000
	83620	EQUIPMENT PARTS & SUPPLIES	206							
	83660	BUILDING MAINTENANCE SUPPLIES	21,824							
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES	22,030							
!	84950	GRANT PROGRAMS		9,823	4,000		4,000		4,000	4,000
=	XOPU	TOTAL OPERATIONAL UNITS		9,823	4,000		4,000		4,000	4,000
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		328	1,134	1,134	1,134	1,191	1,250	1,313
	85112	INLAND MARINE INSURANCE	85	78	93	88	88	92	97	102
	85113	AUTO PHYSICAL DAMAGE	19	20	20	20	20	21	22	23
!	85115	LIABILITY INSURANCE	5,714	1,285	1,220	1,220	1,220	1,281	1,345	1,412
	85116	E&O LIABILITY INSURANCE		2,782	2,669	2,669	2,669	2,802	2,943	3,090
	85117	VEHICLE LIABILITY INSURANCE	514	419	1,041	474	474	498	523	549
	85119	UMBRELLA LIABILITY	1,080	1,078	1,048	1,048	1,048	1,100	1,155	1,213
	85120	PROPERTY DAMAGE COSTS								
	85140	SURETY/NOTARY BONDS			100			100	100	100
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	8,367	6,931	8,518	7,846	7,846	8,338	8,750	9,183
	85340	RECORDING & FILING FEES	12		400			400	400	400
=	XPERM	TOTAL PERMITS	12		400			400	400	400
	85990	MISCELLANEOUS			100			100	100	100
=	XOBE	TOTAL OTHER BUSINESS EXPENSES			100			100	100	100
=	XOP	TOTAL OPERATIONS	152,573	201,127	269,968	57,952	266,126	203,488	210,650	195,083
		Capital								
=	XTOT	TOTAL EXPENDITURES	1,560,527	1,471,756	1,610,050	867,688	1,629,955	1,597,713	1,685,742	1,756,503



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Planning & Sustainability						
1	Historic Preservation Plan	\$ -	\$ -	\$ 30,000	\$ 30,000	
2	DRT Peer City Travel	\$ -	\$ -	\$ 25,000	\$ 25,000	
Total		\$ -	\$ -	\$ 55,000	\$ 55,000	
		<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>	<u>Total</u>	
Total G/F Requests		\$ -	\$ -	\$ 55,000	\$ 55,000	

FranklinForward Allocations

	A Safe, Clean, Livable City	\$ -
	A Effective and Fiscally Sound City Government Providing High Quality Service	\$ -
	Quality Life Experiences	\$ 30,000
	Sustainable Growth & Economic Prosperity	\$ 25,000
Totals		\$ 55,000

Traditional Allocations

	Personnel	\$ -
	Operations	\$ 55,000
	Equipment	\$ -
	Capital	\$ -
Total		\$ 55,000

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **2**

Department:

41700 PLANNING & SUSTAINABILITY

Division:

Historic Preservation

FranklinForward Theme:

Quality Life Experiences

Title:

Historic Preservation Plan

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82560 CONSULTANT SERVICES	\$30,000		\$30,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$30,000	\$0	\$30,000

PURPOSE / DESCRIPTION OF REQUEST

In a continued commitment to the vitality of the downtown area and historical and traditional neighborhood areas in our City, the Planning & Sustainability Department proposes to update the City's Preservation Plan. The purpose of a community historic preservation plan is to clearly articulate the community's preservation goals and to develop a set of strategies that will help the community to achieve those goals. The existing plan dates to 2001 and needs to be reevaluated.

SERVICE IMPLICATION

An updated plan may reinforce growth management strategies by identifying areas that are appropriate for preservation through Historic Preservation Overlay expansion or character and diversified housing conservation through Neighborhood Conversation Overlay creation.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 2 of 2

Department: **41700 PLANNING & SUSTAINABILITY**
 Division: **Current Planning**
 FranklinForward Theme: **Sustainable Growth & Economic Prosperity**
 Title: **Continuing Education-DRT Peer City Travel**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82820 GROUND TRANSPORTATION (OUTSIDE WILLIAMSON)	\$4,500		\$4,500
82840 LODGING	\$8,000		\$8,000
82850 MEALS (OUTSIDE WILLIAMSON COUNTY)	\$4,500		\$4,500
82830 AIR TRAVEL	\$8,000		\$8,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$25,000	\$0	\$25,000

PURPOSE / DESCRIPTION OF REQUEST

The goal of the trip is to meet with other municipalities with similar demographics, to gain insight as to how they deal with issues related to growth and the environment. Specifically, the goal is to see how other cities have addressed an array of issues, from stormwater management, infill and growth pressures, aging infrastructure, changing transportation trends, and quality design standards, to name a few. **The trip accounts for 22 participants, and the cost of the trip ranges from \$16,000-\$25,000, based on destination and travel method.** Georgetown, TX offers DRT a great opportunity to inquire on all of these topics: Georgetown is a wealthy suburb of Austin and was ranked the 6th fastest growing US city in 2016-2017; it just recieved a grant to develop a solar panel lease program thoutout the city; it has adopted stormwater management plans; it has a transit system similar to TMA; it is currently reviewing mobile food vendor permits; Austin has been doing stormwater BMP's since the 1980's and offer a fee-in-lieu option; they have introduced Accessory Dwelling Units into their permitted housing types; they have adopted a "McMansion" ordinance to deal with scale issues in their older neighborhoods; they learned from the adoption/implementation process for a new Zoning Ordinance. Louisville, KY is also a viable, closer, non-flight option, which hosts a variety of sustainability initiatives, and re-investment plan for aging infrastructure, and a proposal to increase tree canopy retention.

SERVICE IMPLICATION

Gaining insight from other cities allows DRT to find creative solutions for construction, which ultimately helps the city grow smarter, more efficiently, and with an even higher expectation for quality.



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Human Resources

Kevin Townsel, J.D.



City of Franklin, Tennessee - FY 2020 Budget Request

Human Resources

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget Request**
 - Personnel**
 - Operations**
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request

Human Resources

Purpose of Department

The Human Resources Department provides services to other City departments and the citizens of the City of Franklin. Those responsibilities include:

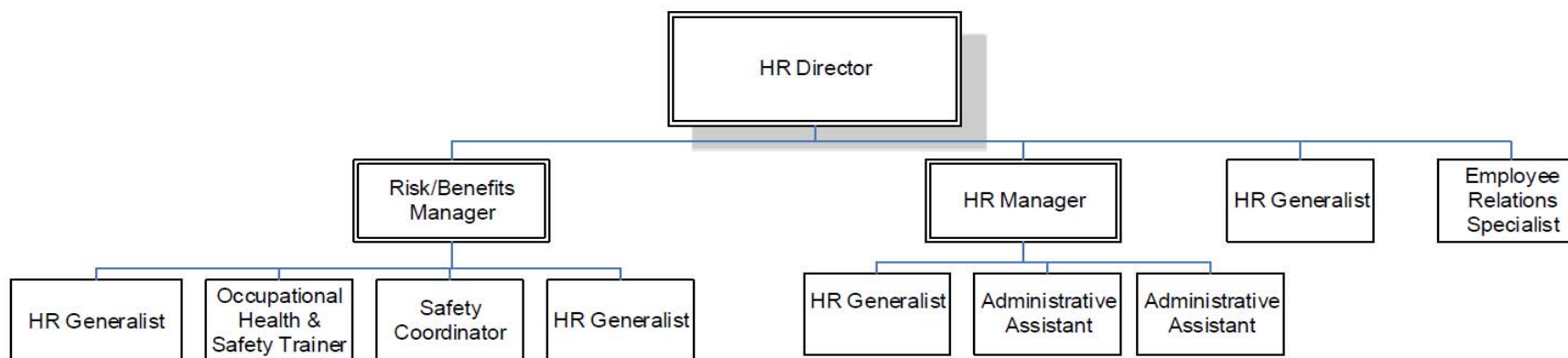
- City's recruitment, hiring and onboarding processes
- Administering the City's Defined Benefit, Defined Contribution Plan and TCRS
- Creating and implementing the personnel rules and regulations
- Managing the training of all City employees in OSHA regulations, Civil Treatment and other areas as required/needed
- Procuring and administering all Property and Casualty insurance
- Managing Safety Program for all City employees
- Managing employee benefits
- Conducting workplace investigations



City of Franklin, Tennessee - FY 2020 Budget Request

Human Resources

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request **Human Resources**

Base Budget Request: Personnel

The Personnel Base Budget Request is for the Human Resources Department is \$1,072,487, which is an \$32,468 (3.1%) increase over 2018-2019 budget.

Human Resources will maintain the current number of 12 Full-Time employees.

There are no Program Enhancements pertaining to Personnel.



City of Franklin, Tennessee - FY 2020 Budget Request **Human Resources**

Base Budget Request: Operations

The Operations Base Budget Request is for the Human Resources Department is \$239,153*, which is a \$31,804 (15.3%) increase over the 2018-2019 budget. The increase is attributable mostly to increases in Consulting Services.

**Total amount of budget includes interfund services reimbursements and lease/loan payments.*



City of Franklin, Tennessee - FY 2020 Budget Request

Human Resources

Program Enhancement Requests

The Human Resources Department has six (6) program enhancement requests.

Supervisor Training	\$ 50,000
Online Training Program	\$ 8,835
New Copier	\$ 11,421
Office Remodel	\$ 25,000
Office Furniture	\$ 10,000
New Vehicle	\$ 36,000
Total	\$141,256



City of Franklin, Tennessee - FY 2020 Budget Request **Human Resources**

Summary

The Human Resources Department will continue the good work in FY 2019 serving our most important resource – our employees!

Highlights of the last year included:

- Reduction by 50% the number of days in the recruitment process through utilization of the online Kronos Talent Acquisition system.
- City received \$706,306 in pharmacy rebates in the past 12 months
- City received “mod” rate of 0.70 – resulting in lower worker’s compensation premiums in FY 2019.
- Continued to offer flu shots, the annual health and wellness fair, Group Fitness and Yoga classes, and a number of departmental contests such as the walking challenge and the risk assessment health challenge.
- Implemented Kronos self-service for timesheet accuracy & efficiency.
- Completed the third annual evaluation cycle through Trakstar.
- Continued to utilize an employee perks program called AccessPerks.



City of Franklin, Tennessee

FY 2020 Operating Budget

Human Resources

Kevin G. Townsel, J.D., Director

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	1,024,588	913,585	1,040,019	1,043,833	1,072,487	32,468	3.1%
Operations	140,461	73,795	207,349	201,285	239,153	31,804	15.3%
Capital	0	0	0	0	0	0	0.0%
Total	1,165,049	987,380	1,247,368	1,245,118	1,311,640	64,272	5.2%

Departmental Summary

The goal of the Human Resources Department is to administer a comprehensive human resources program for all City of Franklin employees.

Functions include

- (1) recruitment, testing, selection and orientation of new employees,
- (2) procurement and administration of the comprehensive fringe benefit package,
- (3) review, update and implementation of the Human Resources Policies and Procedures,
- (4) classification and compensation administration,
- (5) employee and supervisory training, and
- (6) procurement and administration of all lines of risk insurance.

Assistance is provided to department heads and supervisors to assure fairness and consistency among hiring and promotional practices, disciplinary and termination practices and for day-to-day policy interpretation.

Franklin:

- The HR Department continues to utilize Kronos Talent Acquisition to assist in job requisitions and applicant tracking. It has helped HR in reducing (by 50%) the number of days required in the recruitment process and dramatically reduces the amount of paper previously used. Kronos Talent Acquisition allows us to onboard a new employee without paper. All documents are stored within the system.
- The City has received \$706,305.76 in pharmacy rebates in the past 12 months which will directly reduce the total medical plan expenditures.
- We have received our experience modification rate from NCCI for the FY2018 insurance period and it is 0.70. The “mod” rate is a factor that is developed between the insured’s actual past experience and the expected or actual experience of the WC class code. When it is applied to our manual premium, it produces a premium that is more representative of our actual loss experience. Since we are below 1.0 (which is average) we will pay less premium for FY2019.



City of Franklin, Tennessee

FY 2020 Operating Budget

Human Resources

Kevin G. Townsel, J.D., Director

Department Summary (Continued)

- The Human Resources Department believes that health and wellness is an important component of maintaining sustainable communities. This year, we offered flu shots, held the annual health and wellness fair, offered group fitness and yoga classes, and offered a number of departmental contests such as the walking challenge and the risk assessment health challenge.
- The City of Franklin continues to use Kronos self-service. This software eliminates entering data into numerous spreadsheets increasing efficiency and improving accuracy. City of Franklin employees continue to use the second phase of Kronos, which is the time keeping piece, allowing employees to clock in via timeclocks, computer and/or mobile app.
- The City of Franklin has completed its third annual evaluation cycle through Trakstar. All employee evaluations have been completed in Trakstar which is a totally paperless system. 660 employees completed a self-appraisal this evaluation cycle, which engages the employee in the appraisal process. Trakstar enables supervisors and employees to record performance issues in real time allowing immediate feedback. Trakstar is also used for inputting employee goals and allows that employee to track and complete their progress of each goal. Since implementing Trakstar, we have noticed an increase in employee participation and many departments have encouraged their employees to use the system regularly.
- The Human Resources department continues to utilize an employee perks program called AccessPerks. It allows employees to log on via a created username and password to have access to discounted products

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: An Effective and Fiscally Sound City Government Providing High Quality Service



The City of Franklin will have a talented, diverse, and engaged workforce.

Franklin will seek to attract and retain high quality employees whose diversity fully reflects the community.

Goal: To attract talented workers, the City of Franklin's salaries will target to the 70th percentile of the equivalent job expectations as reflected in the marketplace.

Baseline: 2012 average salary is 92.1% of target market index.

Goal: To actively recruit and retain a workforce representative of the community.

Baseline: 2012 demographic employment profile for City of Franklin: 21% female (City population average is 52%); 6.6% minority (15.6% for city population). City data based on 2010 U.S. Census data. Minority includes all census group classifications which was 9,774 of 62,487 population.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Franklin will develop a Continuous Improvement Program using quantitative and qualitative methods to improve the effectiveness, efficiency and safety of service delivery processes and systems.

Goal: To have a safe and healthy workplace.

Baseline: 69 Franklin employees had accidents in FY2013.

Baseline: Number of lost work days by employees in

Goal: To have effective training and development objectives within every employee's work plan.

Baseline: Number of credit hours reimbursed

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	
	2016 Franklin Citizens Survey	

Workload (Output) Measures

		2016	2017	2018	2019*	2020*
Organization-Wide						
	Number of Budgeted Positions Full-Time	717	708	736	736	736
	Number of Budgeted Positions Part-Time	61	58	31	31	31
	Total FTEs (entire organization)	664	711	707	707	707
	Number of exempt FTEs	112	122	133	133	133
	Number of non-exempt FTEs	552	589	574	574	574
	Employee Turnover for Full-Time Positions (Not Including Retirees)	11.2%	7.9%	9%	7%	5%
	Tennessee Statewide Benchmarking Average	8.96%	7.60%	10.70%	TBD	TBD
	Number of Vacancies Advertised Externally **	43	94	108	108	108
	Number of External Applications Processed	2,037	3,197	4,200	5,000	5,000
	Average Number of Applications per Advertised External Vacancy	32	52	80	80	80
	Average Number of Days to Fill a Position Advertised Externally	79	75	45	40	35
	Number of new employees hired	53	84	93	93	100
	Number of new hires that were from within ranks (promoted)	0	53	49	55	55
	OSHA 300 log recordable injuries or illnesses	21	32	20	17	17
	Workers' compensation claims	62	64	50	47	45
Human Resources Department Statistics						
	Total number of FTEs	11.00	11.00	12.00	12.00	12.00
	Human Resources Staff per 100 Employees	1.66	1.55	1.64	1.64	1.60
	Applications processed Internal & External	2,037	3,197	4,500	4,500	6,000
	Requisitions approved Internal & External	52	128	132	132	125

**includes postings with multiple vacancies



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Efficiency Measures

	2016	2017	2018	2019*	2020*
Benefits to Salary Ratio (All Funds)	37.98%	38.26%	37.15%	TBD	TBD
Tennessee Statewide Benchmarking Average	44.78%	43.67%	43.18%	TBD	TBD
Personnel Costs (All Funds) per FTE	\$ 69,515	\$ 76,077	\$ 80,252	TBD	TBD
Tennessee Statewide Benchmarking Average	\$ 66,352	\$ 62,308	\$ 74,357	TBD	TBD
Human Resources Cost per Total FTE (City -Wide)	\$ 2,029	\$ 2,325	\$ 2,003	TBD	TBD
Tennessee Statewide Benchmarking Average	\$ 850	\$ 923	\$ 1,019	TBD	TBD
Workers Compensation Cost per Claim	\$ 4,497	\$ 6,584	\$ 9,592	TBD	TBD
Tennessee Statewide Benchmarking Average	\$ 7,133	\$ 5,399	\$ 6,247	TBD	TBD
Annual Wellness Cost per FTE	\$ 36.00	\$ 38.00	\$ 38.00	TBD	TBD
Benefits as a percentage of All Funds personnel costs [^]	27.5%	28.2%	27.6%	TBD	TBD
Tennessee Statewide Benchmarking Average	31.3%	31.3%	31.2%	TBD	TBD

Outcome (Effectiveness) Measures

	2016	2017	2018	2019*	2020*
The City of Franklin will have a talented, diverse, and engaged workforce.					
Franklin will seek to attract and retain high quality employees whose diversity fully reflects the community.					
	City of Franklin's salaries will target to the 70th percentile of the equivalent job expectations as reflected in the marketplace.				
	Current Franklin	TBD	TBD	TBD	TBD
	Target	70.0%	70.0%	70.0%	70.0%
	Meets Target?	TBD	TBD	TBD	TBD
	Actively recruit and retain a workforce representative of the community.				
	% of Employees Female	20.0%	21.0%	19.0%	22.0%
	% of Franklin Female	52.2%	52.2%	52.2%	52.2%
	Meets Target?	No	No	No	TBD
	% of Employees Minority	6.0%	7.0%	7.0%	8.0%
	% of Franklin Minority	15.6%	15.7%	15.7%	15.7%
	Meets Target?	No	No	No	TBD
	Franklin will develop a Continuous Improvement Program using quantitative and qualitative methods to improve the effectiveness, efficiency and safety of service delivery processes and systems.				
	A safe and healthy workplace.				
	# of employees who had accidents	60	83	58	53
	# Number of lost work days by employees	34	123	130	100
	Meets Target?	TBD	TBD	TBD	TBD
	# of credit hours reimbursed for employees	200	200	206	215

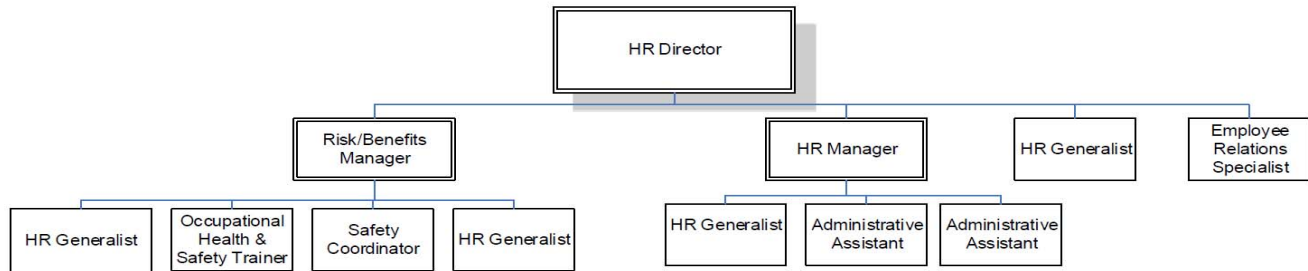
*2019 and 2020 estimated.



City of Franklin, Tennessee

FY 2020 Operating Budget

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Human Resources Director	Grade M	1	0	1	0	1	0	1	0	1	0
Assistant HR Director	Grade K	1	0	1	0	0	0	0	0	0	0
Risk/Benefits Manager	Grade K	1	0	1	0	1	0	1	0	1	0
HR Manager	Grade J	0	0	0	0	1	0	1	0	1	0
Occupational Health & Safety Trainer	Grade H	1	0	1	0	1	0	1	0	1	0
Safety Coordinator	Grade H	1	0	1	0	1	0	1	0	1	0
Employee Relations Specialist	Grade G	1	0	1	0	1	0	1	0	1	0
Human Resources Generalist	Grade G	2	0	2	0	4	0	4	0	4	0
Benefits Specialist	Grade D	1	0	1	0	0	0	0	0	0	0
Human Resources Technician	Grade D	2	0	2	0	0	0	0	0	0	0
Administrative Assistant	Grade D	0	1	0	1	2	0	2	0	2	0
TOTALS		11	1	11	1	12	0	12	0	12	0



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Personnel							
Salaries & Wages	781,684	668,003	785,190	800,280	786,063	873	0.1%
Employee Benefits	242,904	245,582	254,829	243,553	286,423	31,594	12.4%
Total Personnel	1,024,588	913,585	1,040,019	1,043,833	1,072,487	32,468	3.1%

Operations

Transportation Services	3,912	2,993	5,000	2,600	4,600	(400)	-8.0%
Operating Services	1,982	1,966	3,120	3,120	4,100	980	31.4%
Notices, Subscriptions, etc.	10,338	17,646	17,500	12,000	19,300	1,800	10.3%
Utilities	7,318	7,059	7,250	7,250	7,725	475	6.6%
Contractual Services	165,882	82,813	91,968	90,468	110,468	18,500	20.1%
Repair & Maintenance Services	2,552	4,964	4,500	4,500	5,250	750	16.7%
Employee Programs	160,036	218,063	271,000	265,750	273,250	2,250	0.8%
Professional Development/Travel	27,235	26,418	39,500	39,500	40,850	1,350	3.4%
Office Supplies	9,183	12,140	10,000	14,750	15,250	5,250	52.5%
Operating Supplies	1,660	-	3,050	3,050	3,550	500	16.4%
Fuel & Mileage	1,069	2,017	1,250	2,050	2,100	850	68.0%
Machinery & Equipment (<\$25,000)	53,739	8,262	35,085	39,000	39,750	4,665	13.3%
Repair & Maintenance Supplies	44	-	560	-	570	10	1.8%
Property & Liability Costs	9,787	11,311	18,525	18,206	19,369	844	4.6%
Other Business Expenses	-	-	550	550	560	10	1.8%
Debt Service and Lease Payments	19,659	2,493	-	-	-	-	#DIV/0!
Interfund Reimbursements	(333,935)	(324,350)	(301,509)	(301,509)	(307,539)	(6,030)	2.0%
Total Operations	140,461	73,795	207,349	201,285	239,153	31,804	15.3%

Machinery & Equipment (>\$25,000)	-	-	-	-	-	-	-
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Capital	-	-	-	-	-	-	-
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Total Human Resources	1,165,049	987,380	1,247,368	1,245,118	1,311,640	64,272	5.2%
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	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	771,808	665,827	811,078	490,535	798,622	813,019	853,670	896,353
	81120	OVERTIME PAY	2,318	2,176	750	1,148	1,658	1,500	1,500	1,500
	81150	TEMPORARY WORK BY NON-CITY EMPLOYEES	7,558							
	81199	VACANCY ADJUSTMENT			(26,638)			(28,456)	(29,878)	(31,372)
=	XWAGE	TOTAL WAGES	781,684	668,003	785,190	491,683	800,280	786,063	825,292	866,481
=	81410	FICA (EMPLOYER'S SHARE)	55,857	48,962	58,224	35,951	61,095	61,926	65,306	68,571
=	81420	MEDICAL PREMIUMS	128,640	123,630	129,936	50,228	122,129	156,474	172,121	189,334
=	81425	VISION PREMIUMS				349	852	941	1,035	1,139
=	81430	GROUP INSURANCE PREMIUMS	9,927	8,897	13,306	5,555	10,023	15,128	15,884	16,679
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(21,196)	(23,545)	(20,133)	(18,683)	(31,128)	(35,020)	(38,522)	(42,374)
	81441	CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNT		3,600						
!	81450	RETIREMENT CONTRIBUTIONS	48,608	55,899	47,251	27,602	47,251	51,976	57,174	62,891
	81455	DEFERRED COMP MATCH	18,183	25,784	25,834	21,345	30,832	32,373	33,992	35,692
	81460	UNEMPLOYMENT CLAIMS	554							
	81470	WORKERS COMPENSATION PREMIUMS	176	2,355	410	2,495	2,500	2,625	2,756	2,894
	81475	WORKERS COMPENSATION CLAIMS	2,155							
=	XBEN	TOTAL BENEFITS	242,904	245,582	254,829	124,842	243,554	286,424	309,746	334,826
=	XPER	TOTAL PERSONNEL	1,024,588	913,585	1,040,019	616,525	1,043,834	1,072,487	1,135,038	1,201,307
		Operations								
	82110	MAILING & OUTBOUND SHIPPING SERVICES	3,867	2,948	3,900	552	1,500	3,500	3,500	3,500
	82120	FREIGHT FOR INBOUND PURCHASED ITEMS			1,000		1,000	1,000	1,000	1,000
	82130	VEHICLE LICENSES & TITLES	45	45	100		100	100	100	100
=	XTRC	TOTAL TRANSPORTATION CHARGES	3,912	2,993	5,000	552	2,600	4,600	4,600	4,600
	82210	PRINTING & COPYING SERVICES, OUTSOURCED	946	275	2,000	441	2,000	2,000	2,000	2,000
	82240	TRANSCRIPTION FEES			100		100	100	100	100
	82250	TESTING & PHYSICALS	957	1,662	520	2,116	520	1,500	1,500	1,500
	82299	OTHER OPERATING SERVICES	79	29	500	87	500	500	500	500
=	XOPSV	TOTAL OPERATING SERVICES	1,982	1,966	3,120	2,644	3,120	4,100	4,100	4,100
	82310	LEGAL NOTICES	2,613	1,658	2,500	457	1,000	1,500	1,500	1,500
	82350	DUES FOR MEMBERSHIPS	2,430	5,337	4,000	5,526	4,000	5,500	5,500	5,500
!	82355	PROFESSIONAL STANDARDS / ACCREDITATION	1,596	1,784	1,500	3,731	1,500	1,800	1,800	1,800
	82360	PUBLIC RELATIONS & EDUCATION (CITY SPONSORED)		110		270				
!	82370	PROMOTIONS & SPECIAL EVENTS (NOT CITY SPONSORED)								
	82373	RECRUITMENT	3,227	8,523	9,000	57	5,000	10,000	11,000	11,000
	82390	PUBLICATIONS, NON-TRAINING	472	234	500	36	500	500	500	500
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	10,338	17,646	17,500	10,077	12,000	19,300	20,300	20,300
!	82450	TELEPHONE SERVICE	921	862	1,000	627	1,000	1,100	1,200	1,300
	82451	800 MHZ ACCESS LINE SERVICE	93	102	100	70	100	125	150	175
	82455	CELLULAR TELEPHONE SERVICE	4,914	5,014	5,000	1,988	5,000	5,250	5,500	5,750
	82470	INTERNET & RELATED SERVICES	1,390	1,081	1,150	742	1,150	1,250	1,250	1,250
=	XUTIL	TOTAL UTILITIES	7,318	7,059	7,250	3,427	7,250	7,725	8,100	8,475
!	82510	COMPUTER SERVICES	105,800	429	468	2,228	468	468	468	468
1		Kronos	105,800							
2		HRIS - Kronos Cloud Hosting								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	3	Various		429		2,228				
	4	Trakstar								
	5	Survey Monkey			348		348	348	348	348
	6	Talentwise			70		70	70	70	70
	7	Taleo Business Connect			50		50	50	50	50
	*	Amount missing from detail								
	82520	LEGAL SERVICES				4,800	7,500	10,000	12,000	14,000
+	82560	CONSULTANT SERVICES	58,825	81,382	90,000	42,682	80,000	97,500	105,000	112,500
	1	Property Appraisals: Municipal Buildings			10,000			10,000	10,000	10,000
	2	Benefits Consultant	37,500		50,000		50,000	55,000	60,000	65,000
	3	Burris Thompson	2,750		20,000		20,000	22,500	25,000	27,500
	4	Acuff/Findley			10,000		10,000	10,000	10,000	10,000
	5	Various	18,575	81,382		42,682				
	*	Amount missing from detail								
	82599	OTHER CONTRACTUAL SERVICES	1,257	1,002	1,500	1,484	2,500	2,500	3,000	3,250
=	XCTS	TOTAL CONTRACTUAL SERVICES	165,882	82,813	91,968	51,194	90,468	110,468	120,468	130,218
	82610	VEHICLE REPAIR & MAINTENANCE SERVICES	157	2,277	2,000	615	2,000	2,500	2,750	2,750
	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES	2,395	2,687	2,500	724	2,500	2,750	3,000	3,250
!	82660	BUILDING REPAIR & MAINTENANCE SERVICES								
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	2,552	4,964	4,500	1,339	4,500	5,250	5,750	6,000
	82710	RETIREMENT SERVICES								
	82720	TUITION ASSISTANCE PROGRAM	64,228	83,606	92,500	58,975	92,500	92,500	92,500	92,500
	82730	EMPLOYEE ASSISTANCE PROGRAM	16,386	16,736	18,000	8,635	18,000	19,000	20,000	21,000
+	82740	EMPLOYEE WELLNESS PROGRAM	20,070	37,447	34,750	9,683	38,250	38,250	38,250	38,250
	1	Flu Shots	4,632		7,000		7,000	7,000	7,000	7,000
	10	Other Wellness programs/events	8,935		10,000		10,000	10,000	10,000	10,000
	2	Health Screenings			1,500		1,500	1,500	1,500	1,500
	4	Health Fair			6,000		6,000	6,000	6,000	6,000
!	5	Various	6,026	37,447	5,750	9,683	5,750	5,750	5,750	5,750
	6	Fitness Center - Comcast	77		500		500	500	500	500
	7	Fitness Center - Fitness Direct Contract	400		1,000		1,000	1,000	1,000	1,000
	8	Fitness Center - repairs			1,500		1,500	1,500	1,500	1,500
	9	Fitness Center - Equipment			1,500		5,000	5,000	5,000	5,000
	*	Amount missing from detail								
	82750	EMPLOYEE RECOGNITION/RECEPTIONS	13,909	16,408	16,250	6,488	16,250	20,000	20,000	20,000
+	82760	SAFETY PROGRAMS	38,311	39,944	50,000	9,340	50,000	51,000	52,000	53,000
	1	Health and Safety Fair								
	2	Safety Incentive Program								
	3	Technical Training: Confined Space								
	4	Samba Drivers License Monitoring								
	5	TN Workers Comp Law Change Posting Updates								
	6	IAPro/Blueteam (internal risk reporting)								
	7	Various	38,311	39,944	50,000	9,340	50,000	51,000	52,000	53,000
	*	Amount missing from detail								
	82780	TRAINING, OUTSIDE	4,963	19,426	30,000	1,418	30,000	30,000	30,000	30,000
+	82790	TRAINING, IN-HOUSE	2,169	4,496	29,500	1,858	20,750	22,500	22,500	22,500
	1	Various	2,169	4,496	9,500	1,858	12,500	12,500	12,500	12,500
	2	FY 2019 PER - Civil Treatment Materials			20,000		8,250	10,000	10,000	10,000
	*	Amount missing from detail								
=	XEPG	TOTAL EMPLOYEE PROGRAMS	160,036	218,063	271,000	96,397	265,750	273,250	275,250	277,250
	82810	REGISTRATIONS	15,368	10,729	20,500	2,761	20,500	20,500	20,500	20,500
	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	669	174	1,000	371	1,000	1,100	1,200	1,300
	82830	AIR TRAVEL	2,804	5,745	6,000	(2,485)	6,000	6,000	6,000	6,750

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	82840	LODGING	7,502	8,890	10,000	6,616	10,000	11,000	12,000	13,000
	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	892	808	2,000	1,203	2,000	2,000	2,000	2,000
	82890	OTHER TRAVEL EXPENSES		72		50				
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	27,235	26,418	39,500	8,516	39,500	40,850	42,200	43,550
	83110	OFFICE SUPPLIES	6,369	7,547	7,000	5,380	8,500	9,000	9,500	9,500
	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)	263	970	1,000	208	1,000	1,000	1,000	1,000
	83130	EMPLOYEE BENEVOLENCE ITEMS	891		250	249	250	250	250	250
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	1,660	3,623	1,750	3,830	5,000	5,000	5,000	5,000
=	XOFS	TOTAL OFFICE SUPPLIES	9,183	12,140	10,000	9,667	14,750	15,250	15,750	15,750
!	83210	TRAINING SUPPLIES	261		1,000		1,000	1,250	1,500	1,750
	83250	SAFETY SUPPLIES				3,163				
	83260	UNIFORMS PURCHASED	101		550		550	550	550	550
!	83299	OTHER OPERATING SUPPLIES	1,298		1,500	22	1,500	1,750	2,000	2,250
=	XOPS	TOTAL OPERATING SUPPLIES	1,660		3,050	3,185	3,050	3,550	4,050	4,550
	83310	GASOLINE & DIESEL FOR FLEET (INSIDE WILLIAMSON COUNTY)	1,069	2,017	1,250	1,160	2,050	2,100	2,150	2,200
=	XFUEL	TOTAL FUEL & MILEAGE	1,069	2,017	1,250	1,160	2,050	2,100	2,150	2,200
!	83510	FURNITURE, FIXTURES (<\$25,000)	6,911	1,876	2,000	687	6,000	6,000	6,500	6,500
+	83530	MACHINERY & EQUIPMENT (<\$25,000)	3,471			(201)				
1		2014 - Copier (\$16,000 to lease)								
2		Line Item 2	3,471			(201)				
*		Amount missing from detail								
	83540	COMPUTER HARDWARE (<\$25,000)	9,084	6,112	6,085	4,284	6,000	6,750	6,750	6,750
+	83550	COMPUTER SOFTWARE (<\$25,000)	34,273	274	27,000	11,249	27,000	27,000	27,000	27,000
1		Various	34,273	274	15,000	11,249	15,000	15,000	15,000	15,000
2		FY 2019 PER - Track Certificates of Insurance			12,000		12,000	12,000	12,000	12,000
*		Amount missing from detail								
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	53,739	8,262	35,085	16,019	39,000	39,750	40,250	40,250
	83620	EQUIPMENT PARTS & SUPPLIES	44		560			570	570	570
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES	44		560			570	570	570
	84610	CITY SPONSORED TRAINING PROGRAM				62				
=	XOPU	TOTAL OPERATIONAL UNITS				62				
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		284	869	869	869	912	958	1,006
	85112	INLAND MARINE INSURANCE	669	659	738	660	660	693	728	764
	85113	AUTO PHYSICAL DAMAGE	138	140	142	142	142	149	157	164
!	85115	LIABILITY INSURANCE	4,573	1,113	6,700	6,700	6,700	7,035	7,387	7,756
	85116	E&O LIABILITY INSURANCE		2,408	2,045	2,045	2,045	2,147	2,255	2,367
	85117	VEHICLE LIABILITY INSURANCE	2,568	4,784	6,035	6,035	6,035	6,337	6,654	6,986
	85118	LAW ENFORCEMENT LIABILITY INSURANCE								
	85119	UMBRELLA LIABILITY	865	933	803	803	803	843	885	930
	85120	PROPERTY DAMAGE COSTS								
	85123	PHYSICAL DAMAGE CLAIMS/DEDUCTIBLES				(241)	(241)			
	85127	VEHICLE LIABILITY CLAIMS/DEDUCTIBLES	19	(19)						
	85140	SURETY/NOTARY BONDS		68						
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	9,787	11,311	18,525	18,206	18,206	19,369	20,339	21,354
	85580	LATE CHARGES								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
=	XFLF	TOTAL FINANCIAL FEES								
	85990	MISCELLANEOUS			550		550	560	570	580
=	XOBE	TOTAL OTHER BUSINESS EXPENSES			550		550	560	570	580
+/-	86600	LEASE/LOAN PRINCIPAL	20,825	2,480						
	1	2014 - Vehide (\$27,000)	8,722							
	2	2014 - Copier (\$16,000)								
	3	2014- Kronos (\$392,000)								
	4	2015 - Chase - Kronos Software								
	5	2016 - Performance Management Software								
	*	Amount missing from detail	12,103	2,480						
+	86700	LEASE/LOAN INTEREST	(1,166)	13						
	1	2014 - Vehide (\$27,000)	1,439							
	2	2014 - Copier (\$16,000)								
	3	2014-Kronos (\$392,000)								
	4	2015 - Chase - Kronos Software								
	5	2016 - Performance Management Software								
	*	Amount missing from detail	(2,605)	13						
=	XDSV	TOTAL DEBT SERVICE	19,659	2,493						
	87510	REIMB OF INTERFUND SERVICES	(333,935)	(324,350)	(301,509)	(301,509)	(301,509)	(307,539)	(313,690)	(319,964)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS	(333,935)	(324,350)	(301,509)	(301,509)	(301,509)	(307,539)	(313,690)	(319,964)
=	XOP	TOTAL OPERATIONS	140,461	73,795	207,349	(79,064)	201,285	239,153	250,757	259,783
		Capital								
=	89520	VEHICLES (>\$25,000)								
+	89550	COMPUTER SOFTWARE (>\$25,000)								
	1	2012 - HRIS								
	*	Amount missing from detail								
=	XMEO	TOTAL MACHINERY & EQUIPMENT (>\$25,000)								
=	XCAP	TOTAL CAPITAL								
=	XTOT	TOTAL EXPENDITURES	1,165,049	987,380	1,247,368	537,461	1,245,119	1,311,640	1,385,795	1,461,090



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Human Resources						
1	Supervisor Training	\$ -	\$ -	\$ 50,000	\$ 50,000	
2	Online Training Program	\$ -	\$ -	\$ 8,835	\$ 8,835	
3	New Copier	\$ -	\$ -	\$ 11,421	\$ 11,421	
4	Office Remodel	\$ -	\$ -	\$ 25,000	\$ 25,000	
5	Office Furniture	\$ -	\$ -	\$ 10,000	\$ 10,000	
6	New Vehicle	\$ -	\$ -	\$ 36,000	\$ 36,000	
Total		\$ -	\$ -	\$ 141,256	\$ 141,256	\$ -
		Compensation	Benefits	Expenses	Total	
Total G/F Requests		\$ -	\$ -	\$ 141,256	\$ 141,256	\$ -

FranklinForward Allocations

	A Safe, Clean, Livable City	\$ -
	A Effective and Fiscally Sound City Government Providing High Quality Service	\$ 105,256
	Quality Life Experiences	\$ -
	Sustainable Growth & Economic Prosperity	\$ 36,000

Totals \$ 141,256

Traditional Allocations

	Personnel	\$ -
	Operations	\$ 58,835
	Equipment	\$ 57,421
	Capital	\$ 25,000
Total		\$ 141,256

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **6**

Department:

41650 HUMAN RESOURCES

Division:

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

Supervisor Training

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82790 TRAINING, IN-HOUSE	\$50,000		\$50,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$50,000	\$0	\$50,000

PURPOSE / DESCRIPTION OF REQUEST

The purpose of this request is to implement a training program for our frontline supervisors and for those who are aspiring to be supervisors. We have surveyed the leadership team and compiled a list of key competencies that our current supervisors are doing well in and also areas that could use improvement.

This request will allow the HR Department to bring in outside consultants to help facilitate an effective training program for our supervisors. The training that will be provided include courses on onboarding, discipline, rewarding employees and more.

SERVICE IMPLICATION

The supervisor training will help our organization continue to build a better workforce of tomorrow.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 2 of 6

Department: Division: FranklinForward Theme: Title:	41650 HUMAN RESOURCES
	A Effective and Fiscally Sound City Government Providing High Quality Service
	Online Training Program

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>		\$0	\$0
<u>Expenses</u>			
82510 COMPUTER SERVICES	\$8,835		\$8,835
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$8,835	\$0	\$8,835

PURPOSE / DESCRIPTION OF REQUEST

This request is to purchase an online training software that will give HR/Risk/Benefits the capability to push out training to City employees not in a first responder role and document that they have completed that assignment. It would allow the City to record more training hours per employee to ensure every employee is trained accordingly. With a web-based system, employees can receive training from the convenience of their desks.

Examples to include:

Drug and alcohol training classes. For onboarding purposes, we could have policies and procedures that would push out to new employees within their first week to ensure they understand the City's procedures.

SERVICE IMPLICATION

With this capability, you can reach every employee and continue to be a more productive workplace and have more engaged employees. Whenever we have a policy change or specialized training class, videos or pdf's can be uploaded for employees to view and sign off on. By having this capability, we become more efficient and reduce paperwork. This system will also help us with onboarding of new employees and the paperwork signed on the day of orientation.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **3** of **6**

Department:

41650 HUMAN RESOURCES

Division:

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

New Copier

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
89500 EQUIPMENT (>\$25,000)	\$11,421		\$11,421
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$11,421	\$0	\$11,421

PURPOSE / DESCRIPTION OF REQUEST

This request is to upgrade our current office printer that is multi-use throughout the department. Providing a new printer will develop our department into a more functional workspace, allowing us to have the ability to create booklets, banner printing and more. Over the years, the Human Resources Department has increased in its print usage and having a more functional printer will improve in our service to all guests.

SERVICE IMPLICATION

This request will greatly improve our efficiency and ability to provide great customer service to all of the City's employees as well as the citizens.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **4** of **6**

Department:

41650 HUMAN RESOURCES

Division:

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

Office Remodel

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
89230 BUILDING IMPROVEMENTS	\$25,000		\$25,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$25,000	\$0	\$25,000

PURPOSE / DESCRIPTION OF REQUEST

This request would add improvements to the entrance of the HR Department to make it a more secure workplace. The HR Department interacts, on a daily basis, with both citizens/employees and oftentimes has to deliver bad news to individuals. As a result, we would like to request updates to the HR entryway to include the following:

- a) keypad access for City employees
- b) the addition of a vestibule "waiting area"
- c) glass window to allow viewing in/out

This enhancement will greatly improve the workspace of the office and be a deterrent during an active shooter situation.

SERVICE IMPLICATION

This request will greatly improve the workspace within the HR Department by making it more secure while also continuing to provide efficient service to guests.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **5** of **6**

Department:

41650 HUMAN RESOURCES

Division:

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

Office Furniture

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
83510 FURNITURE, FIXTURES (<\$25,000)	\$10,000		\$10,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$10,000	\$0	\$10,000

PURPOSE / DESCRIPTION OF REQUEST

This request would replace furniture in the conference room and throughout the office that is outdated, overburdensome and obsolete. In the HR department, we currently have mixed pieces of furniture that do not match. It is our goal to make the office more professional as it is a well-visited department for both employees and citizens.

SERVICE IMPLICATION

This request will greatly improve the workspace within the HR Department by making it more useful for the staff while also providing a comfortable and professional environment to guests.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **6** of **6**

Department:	41650 HUMAN RESOURCES
Division:	
FranklinForward Theme:	Sustainable Growth & Economic Prosperity
Title:	New Vehicle

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>		\$0	\$0
<u>Expenses</u>			
89520 VEHICLES (>\$25,000)	\$36,000		\$36,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$36,000	\$0	\$36,000

PURPOSE / DESCRIPTION OF REQUEST

We are in need of a larger vehicle that can transport at least 4 persons and equipment or cargo (in the dry). This is the reason for our request of an SUV the size of the Chevrolet Tahoe. None of our current vehicles have the capacity that the Tahoe has.

HR currently has 5 vehicles: 2015 Ford Explorer (Unit 2) 21583 mi.; 2014 Chevy Equinox (Unit 1) 15234 mi.; 2007 Chevy Impala (Unit 4) 47475 mi.; 2005 Ford Explorer (Unit 3) 83412 mi.; and the 2002 Chevy Pickup Unit 607) 113617 mi.

Three of our vehicles were handed down from other departments when they replaced their vehicles.

- 2007 Chevy Impala – from ACA Vernon Gerth
- 2005 Ford Explorer – from Deputy ACA Randy Whitmore
- 2002 Chevy Pickup – from BNS when they upgraded their Codes trucks

We regularly have multiple people attending the same necessary out of town conferences. We have a number of events (retirement parties, trainings and other special events) that require us to go to various locations to set up equipment, furnishings or food; as well as deliver people. There has been at least 2 separate times we have had to borrow a vehicle from other departments to transport out of the ordinary items. We would like to get our vehicles on a 5 to 8 year rotation with at least 4 vehicles on hand for our department.

Two of our vehicles are well over 10 years old (2007 Explorer - 14 years and 2002 Chevy Pickup -17 years). Because of low confidence, we don't drive these two vehicles long distances.



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Information Technology

Dr. Jordon Shaw, Director



City of Franklin, Tennessee - FY 2020 Budget Request **Information Technology**

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget**
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request **Information Technology**

Purpose of Department

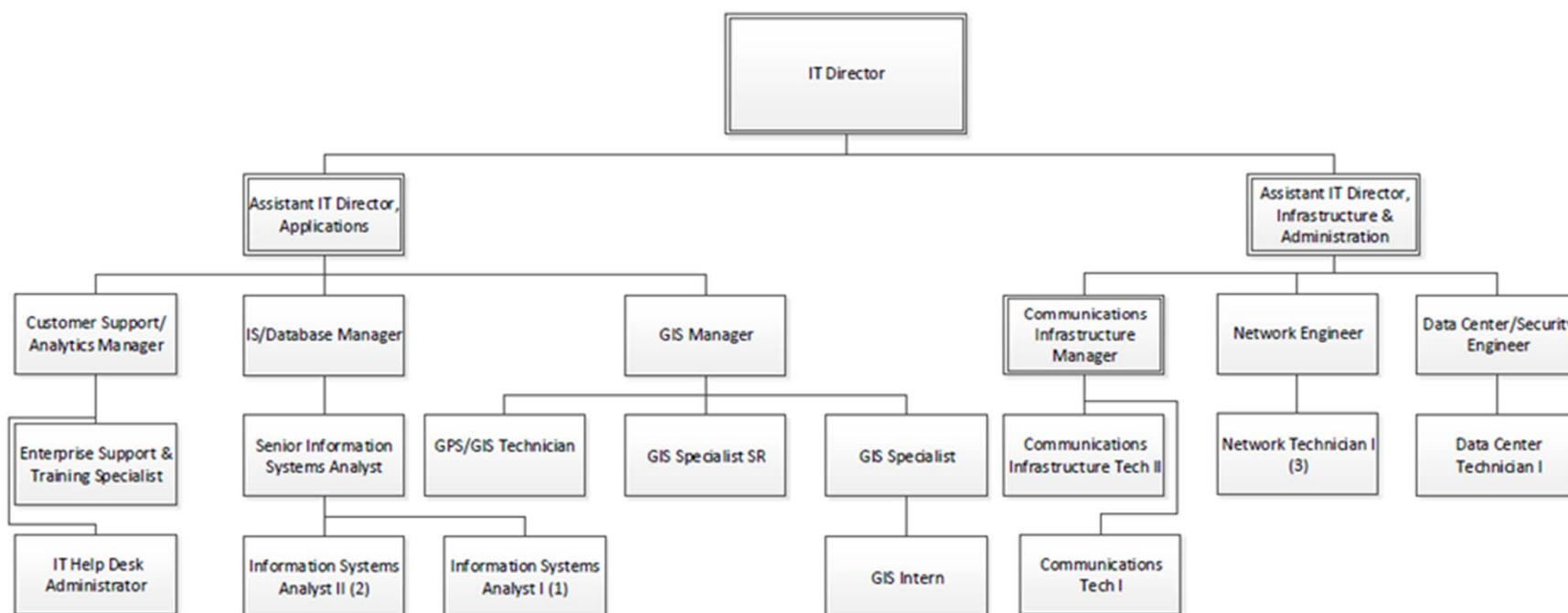
To provide innovative, reliable, and secure technology solutions that are aligned with City of Franklin's goals and objectives to enhance city services. Information Technology (IT) is focused on providing professional and prompt service to our community by strengthening the City of Franklin's technology infrastructure, and delivering innovative solutions that meet our city's needs and goals.



City of Franklin, Tennessee - FY 2020 Budget Request

Information Technology

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request Information Technology

Budget Request:

	2017	2018	2019		2020	2019 v. 2020	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Personnel	1,834,133	2,114,163	2,185,108	2,236,698	2,226,999	41,891	1.9%
Operations	2,242,694	2,203,274	2,212,207	2,367,271	1,951,576	-260,631	-11.8%
Capital	-27,835	160,978	60,000	60,000	0	-60,000	-100.0%
Total	4,048,992	4,478,415	4,457,315	4,663,969	4,178,575	-278,740	-6.3%

- Decrease of 6.3%
- Personnel: Same Staffing as current year; increases attributable to higher benefit and pension costs.
- Operations: Level-service budget; provides for maintaining information technology infrastructure and daily operations city-wide.



City of Franklin, Tennessee - FY 2020 Budget Request **Information Technology**

Program Enhancement Requests

1a	Communication Infrastructure Tech Upgrade	\$ 2,963
1b	Data Center Tech Upgrade	\$ 2,592
1c	GPS/GIS Tech Upgrade	\$ 2,312
2	IT Technician Positions (2)	\$ 123,500
3	Backup Internet Circuit	\$ 5,000
4	VSOM additional node	\$ 75,000
5	Traffic Switches Replacement	\$ 55,000
6	OTDR Replacement	\$ 10,000
7	GIS Plotter	\$ 16,000
8	Communications Technician I	\$ 57,559
9	SQL Management/Monitoring	\$ 6,000
10	Video Security Cameras	\$ 20,000
11	Exagrid Backup Appliance	\$ 75,000
12	VEEAM Enterprise Plus Licensing	\$ 10,000
13	VEEAM Orchestra	\$ 10,000
14	Administrative Assistant	\$ 45,478
15	Help Desk Solution	\$ 25,000
16	OnBase Retention Module	\$ 75,000
Total		\$ 616,404



City of Franklin, Tennessee

FY 2020 Operating Budget

Information Technology

Dr. Jordon Shaw, Director

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	1,834,133	2,114,163	2,185,108	2,236,698	2,226,999	41,891	1.9%
Operations	2,242,694	2,203,274	2,212,207	2,367,271	1,951,576	-260,631	-11.8%
Capital	-27,835	160,978	60,000	60,000	0	-60,000	-100.0%
Total	4,048,992	4,478,415	4,457,315	4,663,969	4,178,575	-278,740	-6.3%

Departmental Mission:

To provide innovative, reliable, and secure technology solutions that are aligned with City of Franklin's goals and objectives to enhance City services.

Departmental Vision:

Information Technology (IT) is focused on providing professional and prompt service to our community by strengthening the City of Franklin's technology infrastructure, and delivering innovative solutions that meet our City's needs and goals.

Departmental Summary

The Information Technology (IT) Department's mission is to provide innovative, reliable and secure technology solutions that are aligned with City of Franklin's goals and objectives to enhance City services. Our vision requires IT to focus on providing professional and prompt service to our community by strengthening the City's technology infrastructure and delivering useful solutions that meet Franklin's needs and goals.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: An Effective and Fiscally Sound City Government Providing High Quality Service



The citizens of Franklin will be benefactors of City services that reflect efficiency while preserving the personal touch and engagement they have come to expect in our community.

Citizens will have online access to city services.

Goal: To enhance online services for citizens.

Baseline: The City of Franklin currently has 100 services available for citizens to complete online in 2013.

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	

Workload (Output) Measures

		2016	2017	2018	2019*	2020*
	Number of ArcMap Licenses -GIS	80	109	79	81	TBD
	Number of 800 MHz Radios (Motorola)	952	1280	1010	1600 (COF 450)	TBD
	Number of Cell Phones (Verizon Wireless)	297	285	317	332	TBD
	Number of Cell Phones Recycled	139	97	113	98	TBD
	Number of Wireless Lines (Verizon Wireless)	565	540	588	753	TBD
	Number of Active User Extensions -Phone System (Cisco Systems)	763	772	800	800	TBD
	Number of Desktop Computers	374	400	420	400	TBD
	Number of Laptops	389	440	440	450	TBD
	Number of Servers	13(108)	16(111)	16(99)	16(100)	TBD
	Number of Servers Virtualized	108	111	99	100	TBD
	Help Desk / HelpStar Requests by Category:					
	800 MHz Radios	109	112	24	132	TBD
	Financial Applications	437	107	115	128	TBD
	FIRE -Computer Technology	168	113	129	188	TBD
	GIS	1394	108	34	63	TBD
	Hardware	313	294	405	462	TBD
	Phones	309	295	112	361	TBD



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

	Police - Computer Technology	419	318	481	456	TBD
	Printers	99	132	104	104	TBD
	Software	1204	1911	1156	1155	TBD
	TriTech	3	0	0	11	TBD
	Web Related	94	63	20	90	TBD
	Total Active Calls:	1,477,750	954,821	1,900,000	New System, patrial data: 52,868	TBD
	Duration:	5826:38:18 (hours/minutes /seconds)	3,524:22:53 (hours/minutes /seconds)	6450:00:00 (hours/minutes/se conds)	New System, patrial data: 138:30:53	TBD
	Total Push to Talks:	3,221,358	1,983,457	4,500,000	New System, patrial data: 47,724	TBD
	Average Voice Call Duration:	0:00:14 (seconds)	0:00:13 (seconds)	0:00:14 (seconds)	New System, patrial data: 0:00:09 (seconds)	TBD

Efficiency Measures

	2016	2017	2018	2019*	2020*
TBD	TBD	TBD	TBD	TBD	TBD

Outcome (Effectiveness) Measures

	2016	2017	2018	2019*	2020*
Enhance online services for citizens (Baseline 100 in 2013)	TBD	TBD	TBD	TBD	TBD
Target	>102	>103	>103	>103	>103
Meets Target?	TBD	TBD	TBD	TBD	TBD

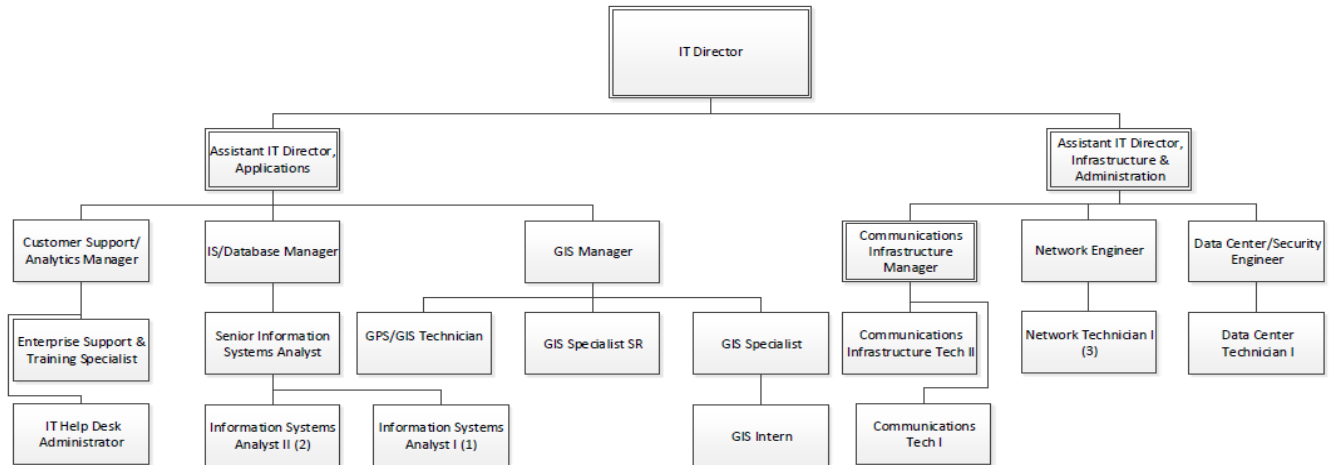
* 2019 & 2020 data estimated



City of Franklin, Tennessee

FY 2020 Operating Budget

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"



City of Franklin, Tennessee

FY 2020 Operating Budget

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Info Technology Director	Grade M	1	0	1	0	1	0	1	0	1	0
Assistant IT Director - Infrastructure & Admin	Grade L	1	0	1	0	1	0	1	0	1	0
Assistant IT Director - Applications	Grade L	0	0	0	0	1	0	1	0	1	0
Customer Support/Analytics Manager	Grade J	1	0	1	0	1	0	1	0	1	0
Information Systems/Database Manager	Grade J	1	0	1	0	1	0	1	0	1	0
Communications Infrastructure Manager	Grade J	1	0	1	0	1	0	1	0	1	0
GIS Manager	Grade J	1	0	1	0	1	0	1	0	1	0
Network Operations Manager	Grade J	1	0	1	0	0	0	0	0	0	0
Network Engineer	Grade I	1	0	1	0	1	0	1	0	1	0
DataCenter/Security Engineer	Grade I	1	0	1	0	1	0	1	0	1	0
Senior Information Systems Analyst	Grade I	1	0	1	0	1	0	1	0	1	0
Information Systems Analyst II	Grade H	2	0	2	0	2	0	2	0	2	0
GIS Specialist Sr	Grade G	1	0	1	0	1	0	1	0	1	0
Enterprise Support & Training Specialist	Grade G	0	0	0	0	1	0	1	0	1	0
Information Systems Analyst I	Grade G	0	0	1	0	1	0	1	0	1	0
Information Imaging Specialist /Trainer	Grade G	1	0	0	0	0	0	0	0	0	0
Communications Infrastructure Tech II	Grade G	1	0	1	0	1	0	1	0	1	0
DataCenter Tech I	Grade F	2	0	1	0	1	0	1	0	1	0
Communications Technician I	Grade F	0	0	0	0	0	0	1	0	1	0
Network Technician I	Grade F	1	1	2	1	2	1	2	0	2	0
GIS Specialist I	Grade F	1	0	1	0	1	0	1	0	1	0
GPS/GIS Technician	Grade E	0	0	1	0	1	0	1	0	1	0
ITS Specialist	Grade E	0	0	0	0	0	0	0	0	0	0
IT Help Desk Administrator	Grade E	1	0	1	0	1	0	1	0	1	0
Intern	Intern	0	1	0	1	0	1	0	1	0	1
Totals		20	2	21	2	22	2	23	1	23	1



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	1,431,504	1,642,726	1,689,225	1,746,709	1,686,796	(2,429)	-0.1%
Employee Benefits	402,629	471,437	495,883	489,989	540,203	44,320	8.9%
Total Personnel	1,834,133	2,114,163	2,185,108	2,236,698	2,226,999	41,891	1.9%
Operations							
Transportation Services	277	770	850	850	850	-	0.0%
Operating Services	1,207	761	400	87	460	60	15.0%
Notices, Subscriptions, etc.	2,183	1,552	2,350	1,925	2,350	-	0.0%
Utilities	63,648	64,555	65,600	78,413	68,600	3,000	4.6%
Contractual Services	1,282,859	1,504,619	1,889,291	2,079,126	1,703,000	(186,291)	-9.9%
Repair & Maintenance Services	5,762	8,820	11,700	8,200	11,700	-	0.0%
Employee programs	23,830	11,960	23,075	15,000	20,000	(3,075)	-13.3%
Professional Development/Travel	22,176	34,693	31,700	28,700	31,700	-	0.0%
Office Supplies	6,006	6,853	8,600	9,700	9,700	1,100	12.8%
Operating Supplies	86	1,245	2,700	3,025	3,700	1,000	37.0%
Fuel & Mileage	1,758	2,147	3,200	3,000	3,200	-	0.0%
Machinery & Equipment (<\$25,000)	121,137	233,980	209,500	287,973	160,000	(49,500)	-23.6%
Repair & Maintenance Supplies	201,942	115,548	211,300	83,754	211,300	-	0.0%
Property & Liability Costs	37,503	34,731	38,360	37,629	39,510	1,150	3.0%
Rentals	955	587	-	715	1,000	1,000	
Other Business Expenses	2,109	511	3,000	2,000	3,000	-	0.0%
Debt Service and Lease Payments	469,256	179,942	22,830	39,424	-	(22,830)	-100.0%
Interfund Reimbursements	-	-	(312,249)	(312,249)	(318,494)		
Total Operations	2,242,694	2,203,274	2,212,207	2,367,271	1,951,576	(254,386)	-11.8%
Machinery & Equipment (>\$25,000)	(27,835)	160,978	60,000	60,000	-	(60,000)	-100.0%
Capital	(27,835)	160,978	60,000	60,000	-	(60,000)	-100.0%
Total Information Technology	4,048,992	4,478,415	4,457,315	4,663,969	4,178,575	(278,740)	-6.3%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	1,383,047	1,583,358	1,676,471	1,039,767	1,688,498	1,676,472	1,760,296	1,848,311
	81120	OVERTIME PAY	29,457	31,136	19,000	20,687	36,222	19,000	19,000	19,000
+	81150	TEMPORARY WORK BY NON-CITY EMPLOYEES	19,000	28,232	50,000		21,989	50,000	50,000	50,000
	1	various	19,000	28,232	50,000		21,989	50,000	50,000	50,000
	2	DBA								
	3	Tech Writer								
	4	Line Item 4								
	5	Line Item 5								
	*	Amount missing from detail								
	81199	VACANCY ADJUSTMENT			(56,246)			(58,677)	(61,610)	(64,691)
=	XWAGE	TOTAL WAGES	1,431,504	1,642,726	1,689,225	1,060,454	1,746,709	1,686,795	1,767,686	1,852,620
=	81410	FICA (EMPLOYER'S SHARE)	104,153	118,829	122,561	77,984	129,170	127,657	134,663	141,396
=	81420	MEDICAL PREMIUMS	209,928	241,228	255,584	103,310	248,858	279,718	307,690	338,459
=	81425	VISION PREMIUMS				678	1,634	1,612	1,773	1,951
=	81430	GROUP INSURANCE PREMIUMS	19,112	20,560	26,289	11,581	20,816	26,388	27,707	29,093
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(45,252)	(52,752)	(52,213)	(35,986)	(58,941)	(56,775)	(62,453)	(68,698)
	81441	CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNT		1,200						
	81445	CONTRA-EMPLOYEE INS CONTRIBUTIONS		17,488						
!	81450	RETIREMENT CONTRIBUTIONS	91,579	97,823	114,566	82,808	114,566	126,023	138,625	152,487
	81455	DEFERRED COMP MATCH	22,467	26,673	28,441	20,331	33,231	34,892	36,637	38,469
	81470	WORKERS COMPENSATION PREMIUMS	466	388	655	444	655	688	722	758
	81475	WORKERS COMPENSATION CLAIMS	176							
=	XBEN	TOTAL BENEFITS	402,629	471,437	495,883	261,150	489,989	540,203	585,364	633,915
=	XPER	TOTAL PERSONNEL	1,834,133	2,114,163	2,185,108	1,321,604	2,236,698	2,226,998	2,353,050	2,486,535
		Operations								
	82110	MAILING & OUTBOUND SHIPPING SERVICES	203	713	750	901	750	750	750	750
	82120	FREIGHT FOR INBOUND PURCHASED ITEMS		12	100		100	100	100	100
	82130	VEHICLE LICENSES & TITLES	74	45						
=	XTRC	TOTAL TRANSPORTATION CHARGES	277	770	850	901	850	850	850	850
	82210	PRINTING & COPYING SERVICES, OUTSOURCED	165	106						
	82240	TRANSCRIPTION FEES								
	82245	FINGERPRINTING FEES		33	60			120	60	60
	82250	TESTING & PHYSICALS	1,042	622	340			340	340	340
	82299	OTHER OPERATING SERVICES				87	87			
=	XOPSV	TOTAL OPERATING SERVICES	1,207	761	400	87	87	460	400	400
	82310	LEGAL NOTICES	1,050		150			150	150	150
	82350	DUES FOR MEMBERSHIPS	1,078	1,552	2,000	1,172	1,900	2,000	2,000	2,000
	82371	EMERGENCY RELIEF				24	25			
	82390	PUBLICATIONS, NON-TRAINING	55		200			200	200	200
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	2,183	1,552	2,350	1,196	1,925	2,350	2,350	2,350
	82410	ELECTRIC SERVICE	38,946	41,952	47,500	26,356	53,271	47,500	47,500	47,500
	82450	TELEPHONE SERVICE	1,967	2,224	2,200	1,572	3,079	2,200	2,200	2,200
	82455	CELLULAR TELEPHONE SERVICE	14,872	16,318	15,000	7,990	15,842	18,000	18,000	18,000
	82470	INTERNET & RELATED SERVICES	7,863	4,061	500	2,502	6,221	500	500	500
	82483	CONNECTION CHARGES			400			400	400	400
=	XUTIL	TOTAL UTILITIES	63,648	64,555	65,600	38,420	78,413	68,600	68,600	68,600

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
+	82510	COMPUTER SERVICES	1,282,859	1,323,288	1,625,390	1,445,694	1,850,000	1,576,500	1,566,500	1,577,300
	01	various	1,282,859	1,323,288		1,445,694	1,850,000			
	02	Police & Fire (operating system software (several modules))								
	03	Motorola (800 MHz radio software)			50,000			50,000	50,000	50,000
	04	Infor Public Sector (asset management system)			265,000			275,000	285,000	295,000
	05	Microsoft Enterprise Application (operating system software (Dell))			243,000			330,000	330,000	330,000
	06	HP Tropos (Wi-Fi software support)								
	07	Smartnet			90,000			90,000	90,000	90,000
	08	ESRI (GIS software system)			60,000			65,000	65,000	65,000
	09	Great Plains (Financial software)			48,000			48,000	48,000	48,000
	10	Commvault (data backup software)								
	11	OnBase (document imaging software)			35,000			35,000	35,000	35,000
	12	Nearpoint (e.discovery software)								
	13	LGA (Local Government current revenue management software)			25,000			25,000	5,000	5,000
	14	VmWare (virtual disk operating system)			27,000			27,000	27,000	27,000
	15	IronPort (all devices - WSA & SMA)			21,000			85,000	85,000	85,000
	16	Cisco (computer switches and disk system)								
	17	Trend Micro (desktop and laptop anti-virus software)			7,700			7,700	7,700	7,700
	18	Empower (time entry system)								
	19	Infor True-up			273,690					
	20	HelpStar (help desk software)			7,000			7,000	7,000	7,000
	21	Xmedius (faxing software)			4,000			4,000	4,000	4,000
	22	Neustar (domain network software (how we are found on the Internet))			9,000			9,000	9,000	9,000
	23	Solar Winds (network management software)			3,000			3,000	3,000	3,000
	24	Net Motion			15,000			15,000	15,000	15,000
	25	EMC Maintenance VNX5300								
	26	KACE (PC software maintenance tools)								
	27	Quest Active Administrator & Security Explorer			4,000			4,800	4,800	4,800
	28	SOTI			6,000					
	29	APC Service Agreement			36,000			36,000	36,000	36,000
	30	Fluke (Magnet)			15,000			15,000	15,000	15,000
	31	Trimble			2,000			2,000	2,000	2,000
	32	LP360			1,400			1,400	1,400	1,400
	33	ArcPad			1,000			1,000	1,000	1,000
	34	Metro E Internet Service			59,000			65,000	65,000	65,000
	36	PD TriTech Software			74,000			105,000	105,000	105,000
	37	PD Flat Earth			2,500			2,500	2,500	2,500
	38	PD Diverse			1,400			1,400	1,400	1,400
	39	PD Teklinks								
	40	PD AOT Public			6,200			6,200	6,200	6,200
	41	PD Citi-Call			1,100			1,100	1,100	1,100
	42	PD Informer								
	43	PD MCCAT								
	44	PD Arbitrator			17,000			17,000	17,000	17,000
	45	PD Analyst Notebook								
	46	Trimble Warranty			4,500			4,500	4,500	4,500
	47	Microsoft Tru-up			5,000			5,000	5,000	5,000
	48	Solar Winds (Application Monitoring)			9,000			9,000	9,000	9,000
	49	Veem			3,500			3,500	3,500	3,500
	50	FireEye			30,000			30,000	30,000	30,000
	51	Active Admin Software								
	52	EMC Maintenance VNX5400								
	53	Everbridge Notification System(reimb Williamson Co)								
	54	ISP Internet Circuit			15,600			15,600	15,600	15,600
	55	Kronos			88,000			88,000	88,000	88,000
	56	Trakstar			26,000			26,000	26,000	26,000
	57	Microsoft Power BI			2,500			5,000	5,000	5,000
	58	Nimble Storage Maintenance						14,000	14,000	14,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	59	CPAM Identiv			6,000			6,000	6,000	6,000
	60	GoDaddy SSL Certs			500			500	500	500
	61	Syn-Apps			6,000			6,000	6,000	6,000
	62	TreeSize Pro			1,300			1,300	1,300	1,300
	63	Exagrid			8,000			8,000	8,000	8,000
	64	Data Domain			5,500			5,500	5,500	5,500
	65	FY 2019 PER - Rhythm for Civics NET cost (\$31k - \$27K)			4,000					
	66	.GOV Renewal (Every 3 years. Last renewed FY19)								800
	67	Bluebeam						4,000	4,000	4,000
	68	IntuVision						7,000	7,000	7,000
	69	Cradlepoint Router (SCADA)						3,500	3,500	3,500
	*	Amount missing from detail								
	82520	LEGAL SERVICES		3,840						
+	82550	AERIAL PHOTOGRAPHY / MAPPING SERVICES		33,287	86,401	86,400	86,400		120,000	
	1	Pictometry								
	2	Lidar		33,287	86,401	86,400	86,400		120,000	
	*	Amount missing from detail								
+	82560	CONSULTANT SERVICES		120,245	156,000	70,715	121,226	135,000	135,000	135,000
	1	Info-Tech								
	2	Network			15,000			15,000	15,000	15,000
	3	GIS			5,000			5,000	5,000	5,000
	4	Great Plains			20,000			20,000	20,000	20,000
	5	Microsoft Technical Account Management			65,000			65,000	65,000	65,000
	6	OnBase								
	7	Various		120,245	(15,000)	70,715	121,226			
	8	FY 2019 PER - City-Wide Scanning Project			30,000			30,000	30,000	30,000
	9	FY 2019 PER - Rhythm for Civics			36,000					
	*	Amount missing from detail								
+	82599	OTHER CONTRACTUAL SERVICES		23,959	21,500	2,908	21,500	21,500	7,500	7,500
	1	Middle Tennessee Electric WiFi pole rental			14,000	2,908	14,000	14,000		
	2	Tower Maintenance			7,500		7,500	7,500	7,500	7,500
	3	Various		23,959						
	*	Amount missing from detail								
=	XCTS	TOTAL CONTRACTUAL SERVICES	1,282,859	1,504,619	1,889,291	1,605,717	2,079,126	1,733,000	1,829,000	1,719,800
	82610	VEHICLE REPAIR & MAINTENANCE SERVICES	4,578	7,758	1,500	683	500	1,500	1,500	1,500
+	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES	851	1,062	9,500		7,000	9,500	9,500	9,500
	1	Plotter Maintenance			1,500		500	1,500	1,500	1,500
	2	Konica Monthly Use	851	1,062	3,500		2,000	3,500	3,500	3,500
	3	Trimble Warranty			4,500		4,500	4,500	4,500	4,500
	*	Amount missing from detail								
	82649	FIBER OPTIC SERVICE	333							
	82660	BUILDING REPAIR & MAINTENANCE SERVICES			200		200	200	200	200
	82699	OTHER REPAIR & MAINTENANCE SERVICES			500		500	500	500	500
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	5,762	8,820	11,700	683	8,200	11,700	11,700	11,700
+	82780	TRAINING, OUTSIDE	23,830	11,932	23,075	5,375	15,000	20,000	20,000	20,000
	1	ESRI Classroom Training (ELA Renewal) - GIS			9,000		7,950			
	10	SANS								
	11	Urisa Leadership Academy - GIS Manager								
	12	Application Training						10,000	10,000	10,000
	2	Lynda.com Training Site - All IT			375	375	375			
	3	VB.Net Training - System Analyst			3,000		1,675			
	4	Software Testing Training and Certification - App Project Leader								
	5	Agile Testing Training - App Project Leader								
	6	Government Chief Information Officer Certification Training - Asst IT Director								
	7	Fiber Certification Training - 3 Telecom Techs			700					
	8	SANS - 2 Network Techs								
	9	Network Training - Infrastructure	23,830	11,932	10,000	5,000	5,000	10,000	10,000	10,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	*	Amount missing from detail								
	82790	TRAINING, IN-HOUSE		28						
=	XEPG	TOTAL EMPLOYEE PROGRAMS	23,830	11,960	23,075	5,375	15,000	20,000	20,000	20,000
+	82810	REGISTRATIONS	11,625	15,078	15,500	2,660	12,500	15,500	15,500	15,500
	1	TN GIS User Group Conference - 3 GIS Employees			1,500			1,500	1,500	1,500
	10	APCO Conference			500			500	500	500
	11	Various	11,625	15,078		2,660	12,500			
	2	ESRI Technical Certification training - GIS Spec I								
	3	Regional GIS Conference - Sr GIS Spec								
	4	ESRI Annual Conference - GIS Manager/GIS Spec I								
	5	FireHouse Conference - Software Analyst II			2,000			2,000	2,000	2,000
	6	Inforum Conference - Systems/DBA Manager			2,000			2,000	2,000	2,000
	7	OnBase Annual Conference			3,000			3,000	3,000	3,000
	8	SharePoint Conference			2,500			2,500	2,500	2,500
	9	Tritech Conference			4,000			4,000	4,000	4,000
	*	Amount missing from detail								
	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	490	1,469	1,500	375	1,500	1,500	1,500	1,500
	82830	AIR TRAVEL	3,520	5,320	4,500	558	4,500	4,500	4,500	4,500
	82840	LODGING	5,889	11,134	8,000	5,689	8,000	8,000	8,000	8,000
	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	632	1,692	2,000	1,162	2,000	2,000	2,000	2,000
	82890	OTHER TRAVEL EXPENSES	20		200		200	200	200	200
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	22,176	34,693	31,700	10,444	28,700	31,700	31,700	31,700
	83110	OFFICE SUPPLIES	5,956	5,668	7,000	2,331	7,000	7,000	7,000	7,000
	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)		145	1,000		1,000	1,000	1,000	1,000
	83130	EMPLOYEE BENEVOLENCE ITEMS			200	150	200	200	200	200
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	50	1,040	400	592	1,500	1,500	1,500	1,500
=	XOFS	TOTAL OFFICE SUPPLIES	6,006	6,853	8,600	3,073	9,700	9,700	9,700	9,700
	83210	TRAINING SUPPLIES		11	500			500	500	500
	83250	SAFETY SUPPLIES								
	83260	UNIFORMS PURCHASED	85	1,234	2,000	2,576	3,000	3,000	3,000	3,000
	83299	OTHER OPERATING SUPPLIES	1		200	15	25	200	200	200
=	XOPS	TOTAL OPERATING SUPPLIES	86	1,245	2,700	2,591	3,025	3,700	3,700	3,700
	83310	GASOLINE & DIESEL FOR FLEET (INSIDE WILLIAMSON COUNTY)	1,758	2,147	3,000	1,372	3,000	3,000	3,000	3,000
	83320	MILEAGE (INSIDE WILLIAMSON COUNTY)			200			200	200	200
=	XFUEL	TOTAL FUEL & MILEAGE	1,758	2,147	3,200	1,372	3,000	3,200	3,200	3,200
	83510	FURNITURE, FIXTURES (<\$25,000)	850	2,551	4,000	578	991	5,000	5,000	5,000
+	83520	VEHICLES (<\$25,000)								
	1	Network SUV								
	2	GIS SUV								
	3	Line Item 3								
	4	Line Item 4								
	*	Amount missing from detail								
+	83530	MACHINERY & EQUIPMENT (<\$25,000)	2,283	2,526	10,000	4,571	7,836	10,000	10,000	10,000
	01	Fiber Trailer								
	02	Fiber Supplies (tools, etc.)			10,000			10,000	10,000	10,000
	03	Work Bench Equipment								
	04	Network cable supplies								
!	05	Konica MFD								
	06	Various	2,283	2,526		4,571	7,836			
	*	Amount missing from detail								
+	83540	COMPUTER HARDWARE (<\$25,000)	58,985	247,404	190,000	146,132	250,512	145,000	140,000	140,000
	01	EMC Additional Storage (PD SAN Wareable Storage)								
	02	Server Replacements			30,000			30,000	30,000	30,000
	03	Desktops & Laptops			30,000			30,000	30,000	30,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	04	KACE (PC maintenance appliance)								
	05	Radios and Radio Equipment								
	06	Cisco Switches			115,000			85,000	80,000	80,000
	07	CallManager VOIP upgrade materials								
	08	Base Station Upgrade								
	09	GPS Unit								
	10	Telephony DR								
	11	Fluke Network Tester								
	12	Various	58,985	247,404		146,132	250,512			
	13	FY 2019 PER - Drone			15,000					
	*	Amount missing from detail								
+	83550	COMPUTER SOFTWARE (<\$25,000)	59,019	(18,501)	5,500	16,703	28,634			
	01	Mashal Sync Tool - GIS								
	02	Xtools Extension for ArcGIS	250							
	04	OnBase License								
	05	Rockton - GP Extension								
	06	Trend (laptop thumb drive encryption)								
	07	TreeSize Pro (disk space management software)								
	08	Visual Studio			500					
	09	OnBase Unity Platform								
	10	CallManager Voice CUWL Licensing								
	11	Various	58,769	(18,501)		16,703	28,634			
	12	FY 2018 PER - OnBase Add-ons								
	13	FY 2019 PER - Drone			5,000					
	*	Amount missing from detail								
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	121,137	233,980	209,500	167,984	287,973	160,000	155,000	155,000
	83610	VEHICLE PARTS & SUPPLIES			3,000			3,000	3,000	3,000
	83620	EQUIPMENT PARTS & SUPPLIES	2,887	4,634	3,000	2,469	2,469	3,000	3,000	30,000
+	83649	FIBER OPTIC SUPPLIES	199,055	110,914	200,000		81,285	200,000	100,000	100,000
	1	Long Lane/Lula Lighting								
	2	WWTP to Mack Hatcher/Harpeth River								
	3	Hillsboro/Mack Hatcher to Mack Hatcher/Franklin Road								
	4	Hillsboro Road/Mack Hatcher to FS4	199,055	110,914						
	5	Tower Sites								
	6	Future Growth			200,000		81,285	200,000	100,000	100,000
	*	Amount missing from detail								
	83660	BUILDING MAINTENANCE SUPPLIES			300			300	300	300
	83699	OTHER REPAIR & MAINTENANCE PARTS & SUPPLIES			5,000			5,000	5,000	5,000
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES	201,942	115,548	211,300	2,469	83,754	211,300	111,300	138,300
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		872	3,136	3,136	3,136	3,293	3,457	3,630
	85112	INLAND MARINE INSURANCE	17,919	17,991	18,891	18,160	18,160	19,068	20,021	21,022
	85113	AUTO PHYSICAL DAMAGE	156	(72)	161	161	161	169	178	186
!	85115	LIABILITY INSURANCE	13,608	3,415	3,374	3,374	3,374	3,543	3,720	3,906
	85116	E&O LIABILITY INSURANCE		7,391	7,383	7,383	7,383	7,752	8,140	8,547
	85117	VEHICLE LIABILITY INSURANCE	3,082	1,330	1,322	1,322	1,322	1,388	1,458	1,530
	85119	UMBRELLA LIABILITY	2,573	2,863	2,900	2,900	2,900	3,045	3,197	3,357
	85120	PROPERTY DAMAGE COSTS								
	85123	PHYSICAL DAMAGE CLAIMS/DEDUCTIBLES	(790)							
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	37,503	34,731	38,360	37,629	37,629	39,511	41,486	43,559
	85240	EQUIPMENT RENTAL & LEASES	114	702		715	715	1,000	1,000	1,000
	85250	STORAGE RENTAL	841	(115)						
=	XRENT	TOTAL RENTALS	955	587		715	715	1,000	1,000	1,000
	85310	PERMITS								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	85320	STATE FEES								
=	XPERM	TOTAL PERMITS								
	85990	MISCELLANEOUS	2,109	511	3,000	53	2,000	3,000	3,000	3,000
=	XOBE	TOTAL OTHER BUSINESS EXPENSES	2,109	511	3,000	53	2,000	3,000	3,000	3,000
+	86600	LEASE/LOAN PRINCIPAL	432,275	178,523	22,756		39,154			
	01	Delage - Disaster Recovery Equipment								
	02	US Bank Sch 1 - \$1.0 Technology Equipment								
	03	US Bank Sch 1 - \$1.0 Technology Equipment								
	04	US Bank Sch 2 - Technology Equipment								
	05	BOA-Hardware								
	06	2015 Chase - Infor UB Software								
	07	2016 - IT Hardware (IPS/IDS Network Security Appliance & AeroFlex 3920)								
	08	2016 - IT Software								
	09	2017 - Disaster Recovery Hardware			6,693					
	10	2017 - Data Domain Hardware			5,801					
	11	2017 - Kuhl Cisco License			4,462					
	12	2017 - Fire Eye Email Security			3,123					
	13	2017 - Vehicle			2,677					
	14	Line Item 14								
	15	Line Item 15	432,275	178,523			39,154			
	*	Amount missing from detail								
+	86700	LEASE/LOAN INTEREST	36,981	1,419	74		269			
	01	Delage - Disaster Recovery Equipment								
	02	US Bank Sch 1 - \$1.0 Technology Equipment								
	03	US Bank Sch 1 - \$1.0 Technology Equipment								
	04	US Bank Sch 2 - Technology Equipment								
	05	BOA-Hardware								
	06	2015 Chase - Infor UB Software								
	07	2016 - IT Hardware (IPS/IDS Network Security Appliance & AeroFlex 3920)								
	08	2016 - IT Software								
	09	2017 - Disaster Recovery Hardware			22					
	10	2017 - Data Domain Hardware			19					
	11	2017 - Kuhl Cisco License			14					
	12	2017 - FireEye Email Security			10					
	13	2017 - Vehicle			9					
	14	Line Item 14	36,981	1,419			269			
	15	Line Item 15								
	*	Amount missing from detail								
=	XDSV	TOTAL DEBT SERVICE	469,256	179,942	22,830		39,423			
	87510	REIMB OF INTERFUND SERVICES			(312,249)	(310,167)	(312,249)	(318,494)	(324,864)	(331,361)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS			(312,249)	(310,167)	(312,249)	(318,494)	(324,864)	(331,361)
=	XOP	TOTAL OPERATIONS	2,242,694	2,203,274	2,212,207	1,568,542	2,367,271	1,981,577	1,968,122	1,881,498
		Capital								
+	89540	COMPUTER HARDWARE (>\$25,000)		160,978	60,000		60,000			
	1	Fiber Equipment (truck, trailer & tools)								
	2	Fiber and fiber supplies								
	3	EMC VNX Platform (replace SAN @ PD & DR)								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	4	IPS/IDS Security Appliance								
	5	FY 2018 PER - Nimble Storage		160,978						
	6	FY 2019 PER - Wireless Controllers			60,000		60,000			
	*	Amount missing from detail								
+	89550	COMPUTER SOFTWARE (>\$25,000)	(27,835)							
	1	Call Manager Update (City phone system)								
	2	Infor Modules								
	3	Veeam Suite (backup software)	(27,835)							
	4	Mobile Data Management Software (AirWatch)								
	*	Amount missing from detail								
=	XMEO	TOTAL MACHINERY & EQUIPMENT (>\$25,000)	(27,835)	160,978	60,000		60,000			
=	XCAP	TOTAL CAPITAL	(27,835)	160,978	60,000		60,000			
=	XTOT	TOTAL EXPENDITURES	4,048,992	4,478,415	4,457,315	2,890,146	4,663,969	4,208,575	4,321,172	4,368,033



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Information Technology						
1a	Communication Infrastrucutre Tech Upgrade	\$ 2,963	\$ -	\$ -	\$ 2,963	
1b	Data Center Tech Upgrade	\$ 2,592	\$ -	\$ -	\$ 2,592	
1c	GPS/GIS Tech Upgrade	\$ 2,312	\$ -	\$ -	\$ 2,312	
2	IT Technician Positions (2)	\$ 95,000	\$ 28,500	\$ -	\$ 123,500	
3	Backup Internet Circuit	\$ -	\$ -	\$ 5,000	\$ 5,000	
4	VSOM additional node	\$ -	\$ -	\$ 75,000	\$ 75,000	
5	Traffic Switches Replacement	\$ -	\$ -	\$ 55,000	\$ 55,000	
6	OTDR Replacement	\$ -	\$ -	\$ 10,000	\$ 10,000	
7	GIS Plotter	\$ -	\$ -	\$ 16,000	\$ 16,000	
8	Communications Technical I	\$ 44,276	\$ 13,283	\$ -	\$ 57,559	
9	SQL Management/Monitoring	\$ -	\$ -	\$ 6,000	\$ 6,000	
10	Video Security cameras Data Center and all IT data closets - (\$2k per door)	\$ -	\$ -	\$ 20,000	\$ 20,000	
11	Exagrid Backup Appliance	\$ -	\$ -	\$ 75,000	\$ 75,000	
12	VEEAM Enterprise Plus Licensing	\$ -	\$ -	\$ 10,000	\$ 10,000	
13	VEEAM Orchestra	\$ -	\$ -	\$ 10,000	\$ 10,000	
14	Administrative Assistant	\$ 34,983	\$ 10,495	\$ -	\$ 45,478	
15	Help Desk Solution	\$ -	\$ -	\$ 25,000	\$ 25,000	
16	OnBase Retention Module	\$ -	\$ -	\$ 75,000	\$ 75,000	
Total		\$ 182,126	\$ 52,278	\$ 382,000	\$ 616,404	\$ -

(+4 FTE)

	Compensation	Benefits	Expenses	Total	
Total G/F Requests	\$ 182,126	\$ 52,278	\$ 382,000	\$ 616,404	\$ -

FranklinForward Allocations



A Safe, Clean, Livable City

\$ -



A Effective and Fiscally Sound City Government
Providing High Quality Service

\$ 616,404



Quality Life Experiences

\$ -



Sustainable Growth & Economic Prosperity

\$ -

Traditional Allocations



Personnel \$ 234,404



Operations \$ 382,000



Equipment \$ -



Capital \$ -

Total \$ 616,404

Totals \$ 616,404

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 1 of 16

Department:	41350 INFORMATION TECHNOLOGY (IT)
Division:	
FranklinForward Theme:	
Title:	Communications Infrastructure Tech II Upgrade

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81100 SALARIES & WAGES		\$2,963	\$2,963
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$2,963	\$2,963

PURPOSE / DESCRIPTION OF REQUEST

Due to the increased responsibilities this position has received with the consolidated radio system and expanded fiber network, we would like to reclassify the Communications Infrastructure Tech II position into a Communications Engineer position, resulting in a pay grade increase from a Pay Grade of G to a Pay Grade of H.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 1 of 16

Department: 41350 INFORMATION TECHNOLOGY (IT) Division: FranklinForward Theme: Title: Data Center Tech I Upgrade
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Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81100 SALARIES & WAGES		\$2,592	\$2,592
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$2,592	\$2,592

PURPOSE / DESCRIPTION OF REQUEST

Due to the increased responsibilities this position has received as this division continues to grow with the implementation of Microsoft System Center Configuration Manager and the ever increasing Network Security, we would like to reclassify the Data Center Tech I position into a Data Center Tech II position, resulting in a pay grade increase from a Pay Grade of F to a Pay Grade of G.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **GPS/GIS Technician Upgrade**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
81100 SALARIES & WAGES		\$2,312	\$2,312
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$2,312	\$2,312

PURPOSE / DESCRIPTION OF REQUEST

Due to the increased responsibilities this position has received with the expansion of GIS into the Fire Inspection projects and parking enforcement, we would like to reclassify the GPS/GIS Technician position into a GIS Specialist I position, resulting in a pay grade increase from a Pay Grade of E to a Pay Grade of F.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 2 of 16

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
FranklinForward Theme:
 Title: **IT Technician Positions**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81100 SALARIES & WAGES		\$95,000	\$95,000
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$28,500	\$28,500
<u>Expenses</u>			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$123,500	\$123,500

PURPOSE / DESCRIPTION OF REQUEST

Our team was responsibility for the dispatching and work of over 5300 service request in 2018. This is above and beyond any IT project of new technology being implemented or previous technology being revisited. Our team is made up of highly trained and talented IT personnel; however, many of the tickets they are required to work, do no allow us to use them to the best of their ability. This program enhancement is to request two entry level IT Technician Positions. These positions would be the first line of support, allowing us to answer customer request quicker and more efficiently.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 3 of 16

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **Backup Internet Circuit**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
83540 COMPUTER HARDWARE (<\$25,000)		\$5,000	\$5,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$5,000	\$5,000

PURPOSE / DESCRIPTION OF REQUEST

This enhancement would provide backup internet access in the event the primary circuit becomes unavailable or goes down. This enables business continuity for city provided services that require the use of the internet. With more applications moving to the Cloud, having a solid internet connection is even more important than ever before. This \$5000 is a yearly cost.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 4 of 16

Department: 41350 INFORMATION TECHNOLOGY (IT) Division: FranklinForward Theme: Title: VSOM additional nodes

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
89540 COMPUTER HARDWARE (>\$25,000)	\$75,000		\$75,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$75,000	\$0	\$75,000

PURPOSE / DESCRIPTION OF REQUEST

VSOM is our video security management system. This system has a max video camera capacity of 200 cameras. We are currently at capacity and have 40 additional request waiting to be filled. In order to continue growing our video security infrastructure we do need to add an additional VSOM node.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **5** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **Traffic Switches Replacement**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
83540 COMPUTER HARDWARE (<\$25,000)	\$55,000		\$55,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$55,000	\$0	\$55,000

PURPOSE / DESCRIPTION OF REQUEST

Many of the switches for the outdoor traffic system are upwards of 10 years old. They are due for life cycle replacement and we are unable to order the model currently in place, because it has been discontinued. This can be a replacement all at once, or can be phased over time.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **6** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**

Division:

FranklinForward Theme:

Title: **OTDR Replacement**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
83540 COMPUTER HARDWARE (<\$25,000)	\$10,000		\$10,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$10,000	\$0	\$10,000

PURPOSE / DESCRIPTION OF REQUEST

Our current Fiber Optical Time Domain Reflectometer (OTDR) is 7 years old. We do not have a spare and this is an essential device to testing our fiber network, especially as we continue to expand the network and when possible breaks happens.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **7** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **GIS Plotter**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
83540 COMPUTER HARDWARE (<\$25,000)	\$16,000		\$16,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$16,000	\$0	\$16,000

PURPOSE / DESCRIPTION OF REQUEST

Our current GIS Plotter, which is used for map request, is currently 6 years old. Due to the age, we are no longer able to pay for support and maintenance of this device and it is starting to show signs of its age. We need to replace this device to get a newer plotter, which would be able to purchase with support and maintenance. The GIS division does use this plotter often when filling the 100+ data request they receive on a yearly basis. The City does charge for these data request.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **8** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **Communications Technician I**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
81100 SALARIES & WAGES		\$44,276	\$44,276
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$13,283	\$13,283
Expenses			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$57,559	\$57,559

PURPOSE / DESCRIPTION OF REQUEST

This position would work in our communications infrastructure division to support with fiber, wifi, and radio system. As our fiber network continues to grow, the need to maintain, repair, and install new fiber also continues to grow. This position would allow us to continue to support the growth of the city.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **9** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **SQL Management/Monitoring**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
83550 COMPUTER SOFTWARE (<\$25,000)	\$6,000		\$6,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$6,000	\$0	\$6,000

PURPOSE / DESCRIPTION OF REQUEST

We currently use Solarwinds in order to monitor our network for uptime and issues. Additionally, we use Solarwinds to monitor our servers to watch for potential issues. We want to expand Solarwinds in order to monitor our database performance. The majority of all the applications we use are database driven and these additional licenses would allow us to make sure the databases and applications perform to the highest level possible.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **10** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **Video Cameras for Data Center & IT Closets**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
83540 COMPUTER HARDWARE (<\$25,000)	\$20,000		\$20,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$20,000	\$0	\$20,000

PURPOSE / DESCRIPTION OF REQUEST

For an extra level of physical security, we would like to put security cameras to monitor all IT closets and data centers. This would cover 10 doors total, at a cost of \$2,000 a door.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **11** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **Exagrid Backup Appliance**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
89540 COMPUTER HARDWARE (>\$25,000)	\$66,100		\$66,100
82510 COMPUTER SERVICES		\$8,900	\$8,900
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$66,100	\$8,900	\$75,000

PURPOSE / DESCRIPTION OF REQUEST

This hardware is used for replication of backups to our DR site. This enhancement would provide a replica copy of our backup data if we had a failure at our primary data center.

This would remove the maintenance for our Data Domain backup appliance for 3 years with an annual cost of \$14k.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **12** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**

Division:

FranklinForward Theme:

Title: **VEEAM Enterprise Plus Licensing**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82510 COMPUTER SERVICES		\$10,000	\$10,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$10,000	\$10,000

PURPOSE / DESCRIPTION OF REQUEST

VEEAM is our current backup solution. Currently we have a Enterprise license for VEEAM and would like to move that to an Enterprise Plus license. It gives the city better management and support of our overall VEEAM infrastructure. Additionally, gives us access to On-Demand Sandbox for Storage Snapshots, which allows us to use storage snapshots to quickly create complete isolated copies of your production environment for fast and easy testing and troubleshooting. This also gives us access to VEEMS' newest feature of Role-Based Access Control (RBAC), which allows us to delegate roles and privileges to users to create, restore and monitor backups; synch permissions made in third-party delegation systems to VMware vSphere permissions; leverage individual accounts or security groups to control backup storage location and quotas.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **13** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **VEEAM Orchestra**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
83550 COMPUTER SOFTWARE (<\$25,000)	\$10,000		\$10,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$10,000	\$0	\$10,000

PURPOSE / DESCRIPTION OF REQUEST

VEEAM is our current backup solution. VEEAM Orchestra allows us to take several of the functions, currently performed manually within VEEAM, and automate those. This will increase efficiencies and help on staff's time.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **14** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**
 Division:
 FranklinForward Theme:
 Title: **Administrative Assistant**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
81100 SALARIES & WAGES		\$34,983	\$34,983
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$10,495	\$10,495
Expenses			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$45,478	\$45,478

PURPOSE / DESCRIPTION OF REQUEST

As our department continues to grow, the administrative work that goes along with that, continues to grow as well. Currently this work is being completed by multiple people that's work would better serve the City by allowing them to continue to focus on IT work and not administrative work.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **15** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**

Division:

FranklinForward Theme:

Title: **Help Desk Solution**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
89550 COMPUTER SOFTWARE (>\$25,000)	\$25,000		\$25,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$25,000	\$0	\$25,000

PURPOSE / DESCRIPTION OF REQUEST

Our current HelpDesk software, which is used by IT, Finance, HR, and Maintenance, was put into place in 2005. It is responsible for receiving over 5000 request a year from City Staff needing help from one of these departments. Over the last 14 years this system has been in place, other applications have been released that would work better with our support business processes. This program enhancement would allow for us to replace our current helpdesk system with a system to better serve the departments within the City of Franklin.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **16** of **16**

Department: **41350 INFORMATION TECHNOLOGY (IT)**

Division:

FranklinForward Theme:

Title: **OnBase Retention Module**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
89550 COMPUTER SOFTWARE (>\$25,000)	\$75,000		\$75,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$75,000	\$0	\$75,000

PURPOSE / DESCRIPTION OF REQUEST

This module attaches to our current OnBase document management solution. This module will provide for better overall management of the file system, to include document retention. Our OnBase system is currently responsible for thousands of City documents and we are continuing to expand on that with scanning in archived documents. This module would allow us to better manage those documents once in the system.

SERVICE IMPLICATION



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Revenue Management & City Court

Lawrence Sullivan, Revenue & Licensing Manager
Judge Deana Hood



City of Franklin, Tennessee - FY 2020 Budget Request

Revenue Management

Outline

- Revenue Management
- City Court



City of Franklin, Tennessee - FY 2020 Budget Request **Revenue Management**

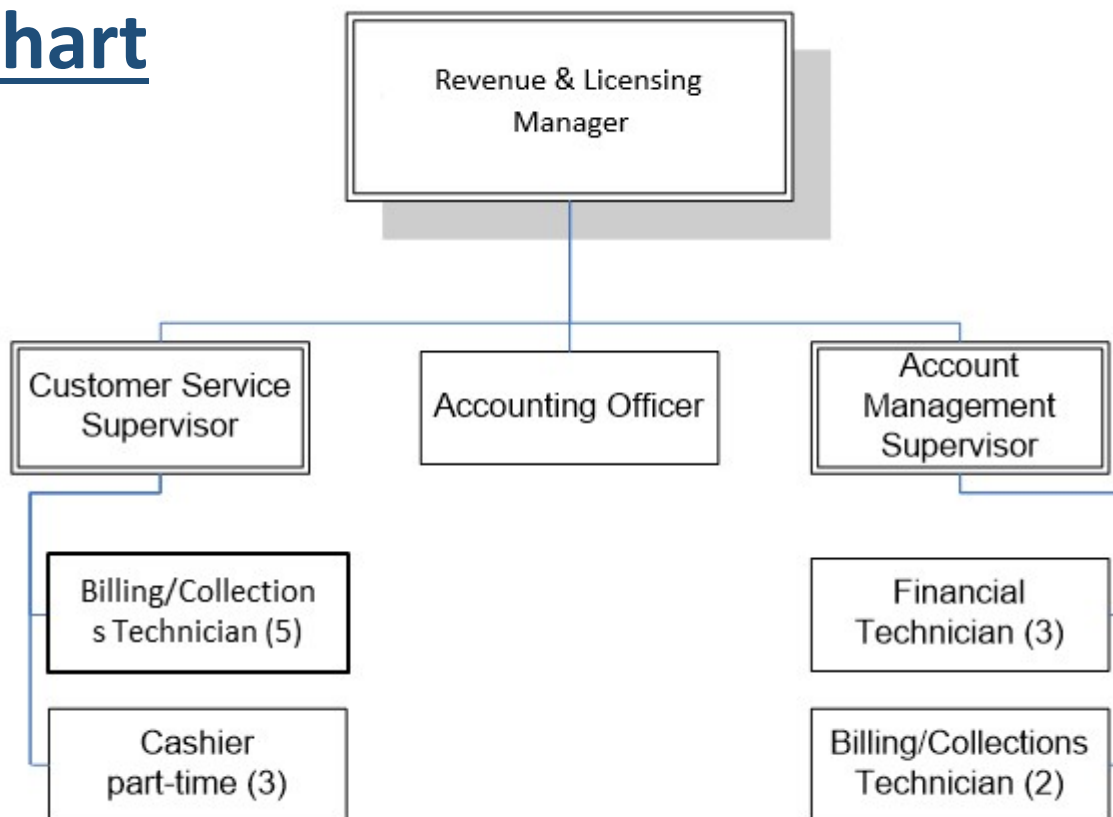
Purpose of Department

The Revenue Management Team performs the billing, collections and customer service for the City of Franklin water/wastewater/stormwater & sanitation services, business tax, alcohol taxes, state shared taxes, hotel/motel taxes, and numerous permits.



City of Franklin, Tennessee - FY 2020 Budget Request Revenue Management

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request **Revenue Management**

Base Budget Request: Personnel

We will maintain the current staffing level of 14 full time positions, plus 3 full time equivalent positions staffed by part time employees.

Our team of part time staff allows us to expand and contract staffing levels as needed as well as provides a pool of candidates for future job openings. In past years we cross trained a part time staff member to support our twice weekly Court sessions, a very productive and cost effective use of existing personnel.

We will continue to seek additional opportunities in FY 2020 to increase our productivity and contribution without increased staffing expense.



City of Franklin, Tennessee - FY 2020 Budget Request **Revenue Management**

Base Budget Request: Operations

Operational costs are decreasing down \$67,281 or 9.4% from FY 2019.



City of Franklin, Tennessee - FY 2020 Budget Request **Court**

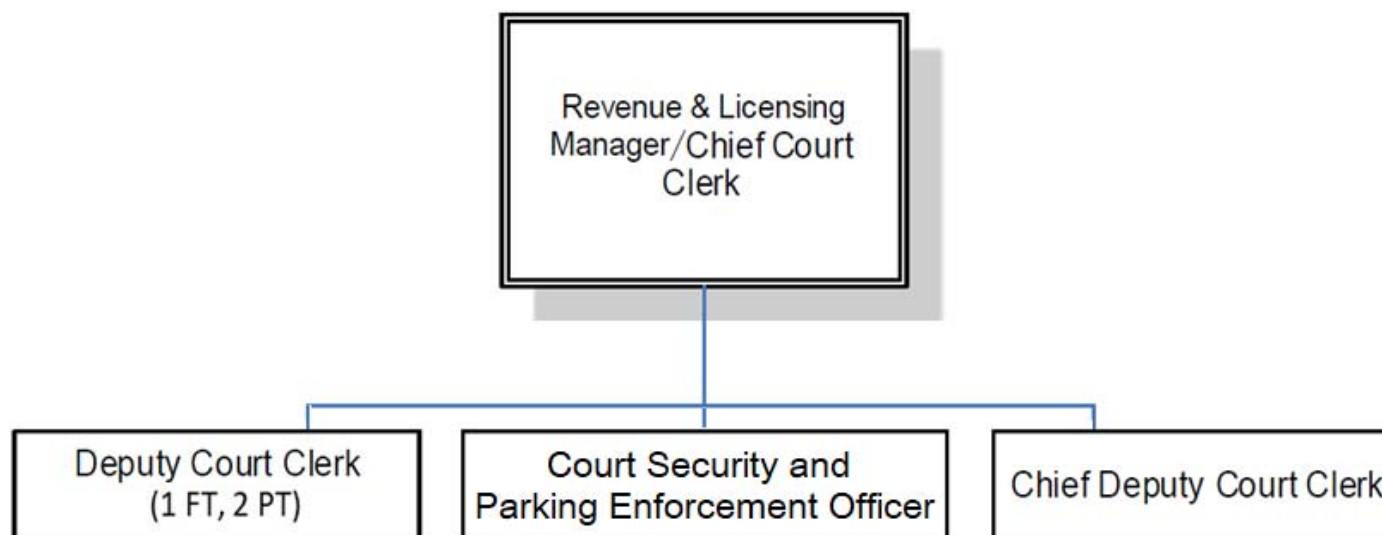
City Court: Purpose of Department

Our mission is to effectively and accurately process city ordinance violations allowing the Court to handle cases in the most efficient manner possible; to create and sustain customer oriented quality service; and, promote public confidence in our Court system.



City of Franklin, Tennessee - FY 2020 Budget Request **Court**

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request **Court**

Base Budget Request: Personnel

FY 2019: \$264,957

FY 2020: \$283,141

Increase of \$18,184 or 6.9%

Staffing will consist of 3 full-time and 2 part-time positions in City Court.



City of Franklin, Tennessee - FY 2020 Budget Request **Court**

Base Budget Request: Operations

FY 2019: \$ 83,143

FY 2020: \$ 71,742

Decrease of \$11,401 or -13.7%

Decrease attributable to payoff of E-ticketing software.



City of Franklin, Tennessee - FY 2020 Budget Request **Court**

Summary

Judge Deana Hood continues to serve the City in her fourth year as Franklin City Court Judge. We look forward to further opportunities to serve the City in 2020.



City of Franklin, Tennessee

FY 2020 Operating Budget

Revenue Management

Lawrence Sullivan, Revenue & Licensing Manager

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	994,343	1,016,116	1,050,696	1,067,808	1,054,868	4,172	0.4%
Operations	-732,517	-804,505	-716,556	-752,246	-783,837	-67,281	9.4%
Capital	0	0	0	0	0	0	0.0%
Total	261,826	211,611	334,140	315,562	271,030	-63,110	-18.9%

Departmental Summary

The Revenue Management group performs the billing, collections and customer service for City of Franklin water/wastewater/stormwater/sanitation & environmental services bills; business tax; alcohol taxes; state shared taxes; hotel/motel taxes; and numerous permits.

FY 2020 Outlook

While we will continue to work on providing excellent service to our customers in FY 2020, we have the expectation to improve our customer billing and payment options by implementing an Electronic Billing, Payment and Presentment (EBPP) platform. We expect this to be revenue neutral where the costs of service are offset by savings in the reduction of mailing and fulfillment costs.

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: None Specific

Revenue Management provides general support of all four themes of FranklinForward .

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	
	2016 Franklin Citizens Survey	

Workload (Output) Measures

		2016	2017	2018	2019*	2020*
	Bills					
	Number of property tax bills issued	30,366	31,287	31,930	33,000	37,500
	Number of water & sewer bills issued	327,318	339,302	347,972	369,150	376,533
	New requests for service (Total)	2,857	2,492	2,500	2,500	2,550
	Water (Monthly Average)	\$ 45.07	\$ 47.60	\$ 48.18	\$ 50.75	\$ 51.77
	Sewer (Monthly Average)	\$ 50.48	\$ 53.29	\$ 55.29	\$ 58.61	\$ 62.12
	Irrigation (Monthly Average)	\$ 217.57	\$ 248.55	\$ 201.11	\$ 250.00	\$ 250.00
	Delinquent Notices	36,702	36,616	-	-	-
	Water Shutoffs	866	764	892	1,000	1,000
	Electronic					
	Web Pay	29,778	35,337	36,911	39,165	39,941
	ACH/RPPS	81,330	82,377	82,885	82,595	89,688
	Bank Draft	76,639	81,806	87,005	99,040	94,146
	Lock Box	93,216	93,191	88,412	82,625	95,669
	Paper					
	Drop Box (2nd Avenue) / Mail	16,686	16,292	14,342	15,420	15,519
	In-Person Transactions	18,624	16,882	16,067	16,725	17,386
	Total Transactions	316,273	325,885	325,622	335,570	352,349
	% of total transactions electronic	88.8%	89.8%	90.7%	90.4%	90.7%
	% of total transactions paper	5.3%	5.0%	4.4%	4.6%	4.4%
	% of total transactions in-person	5.9%	5.2%	4.9%	5.0%	4.9%

Efficiency Measures

		2016	2017	2018	2019*	2020*
	Cost of processing bills (mailing and printing)					
	Maintain utility billing error rate at or below 5.3 errors per 10,000 billed items.	4.50	4.50	4.50	4.50	4.50



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Outcome (Effectiveness) Measures

		2016	2017	2018	2019*	2020*
	Collection Rate(s)					
	Property Tax Collections as a Percentage of Property Taxes Billed (first year)	98.7%	99.4%	99.0%	99.0%	99.0%
	Tennessee Statewide Benchmarking Average	96.5%	90.0%	97.1%	TBD	TBD
	Utility Collections as a Percentage of Utilities Billed (first year)	96.7%	99.2%	96.0%	99.2%	99.2%
	Tennessee Statewide Benchmarking Average	97.0%	97.1%	97.5%	TBD	TBD
	Increase Electronic Versus Manual Payments by 1% by Fiscal Year Ending	88.60%	89.82%	89.60%	90.00%	90.00%

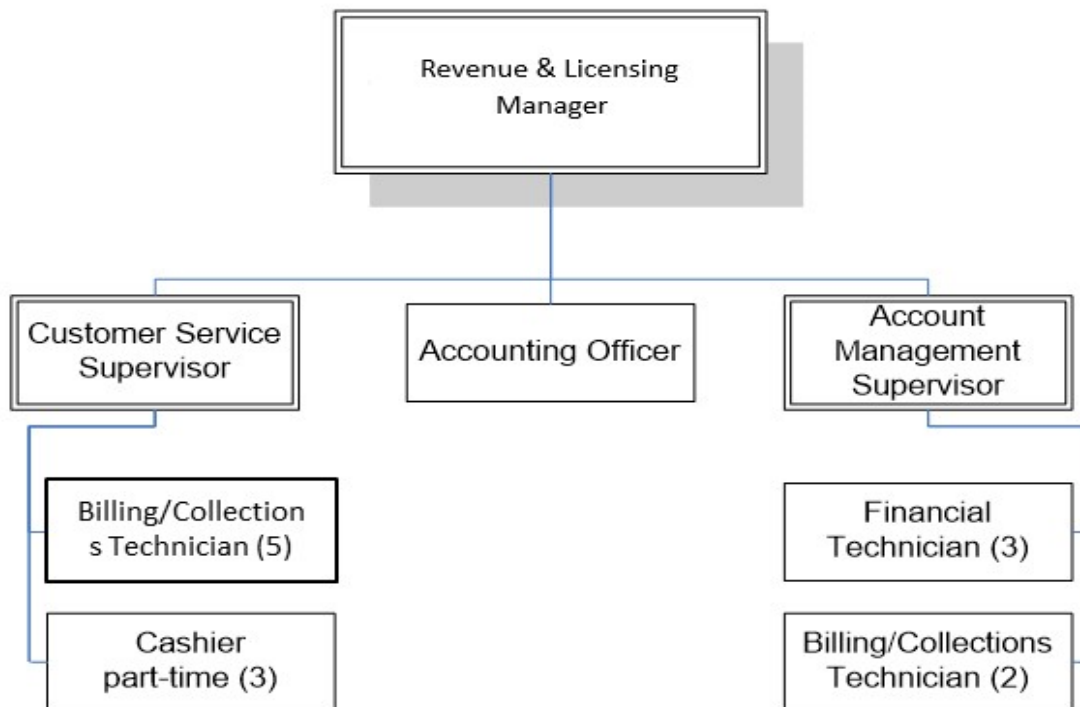
* 2017 and 2018 data estimated.

Franklin Citizens Survey

(Fall 2016)

		Excellent	Good	Fair	Poor
☒	% rating the quality of Utility billing services	29%	50%	15%	5%

Organizational Chart



Note: For detailed counts and authorized positions, please see following page for table entitled "Staffing by Position"



City of Franklin, Tennessee

FY 2020 Operating Budget

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Revenue & Licensing Manager	Grade H	0	0	0	0	1	0	1	0	1	0
Asst City Recorder - Revenue Management	Grade G	1	0	1	0	0	0	0	0	0	0
Account Mgmt Supervisor	Grade F	1	0	1	0	1	0	1	0	1	0
Customer Service Supervisor	Grade F	1	0	1	0	1	0	1	0	1	0
Accounting Officer	Grade F	1	0	1	0	1	0	1	0	1	0
Financial Technician I	Grade D	4	0	4	0	3	0	3	0	3	0
Billing/Collections Technician	Grade D	5	1	5	1	7	0	7	0	7	0
Cashier Part-Time	Grade B	0	5	0	5	0	3	0	3	0	3
TOTALS		13	6	13	6	14	3	14	3	14	3

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	738,773	723,087	742,906	756,089	742,766	(140)	0.0%
Employee Benefits	255,570	293,029	307,790	311,719	312,101	4,311	1.4%
Total Personnel	994,343	1,016,116	1,050,696	1,067,808	1,054,868	4,172	0.4%
Operations							
Transportation Services	7,435	7,527	10,000	10,000	16,000	6,000	60.0%
Operating Services	1,230	2,212	1,300	1,300	1,300	-	0.0%
Notices, Subscriptions, etc.	1,376	735	2,500	2,000	2,000	(500)	-20.0%
Utilities	2,440	2,150	2,600	2,600	2,600	-	0.0%
Contractual Services	2,324	1,358	5,900	4,650	4,650	(1,250)	-21.2%
Repair & Maintenance Services	899	746	1,200	1,200	1,200	-	0.0%
Employee programs	-	56	2,000	2,000	3,000	1,000	50.0%
Professional Development/Travel	711	540	2,540	1,600	3,000	460	18.1%
Office Supplies	18,703	16,711	20,850	20,600	20,600	(250)	-1.2%
Operating Supplies	1,471	985	2,800	2,800	2,800	-	0.0%
Machinery & Equipment (<\$25,000)	7,887	6,890	13,500	13,500	13,500	-	0.0%
Property & Liability Costs	2,016	2,444	2,621	2,621	2,752	131	5.0%
Permits	20,887	15,331	24,000	24,000	24,000	-	0.0%
Financial Fees	358,392	359,381	447,750	415,000	400,000	(47,750)	-10.7%
Interfund Reimbursements	(1,158,288)	(1,221,571)	(1,256,117)	(1,256,117)	(1,281,239)	(25,122)	2.0%
Total Operations	(732,517)	(804,505)	(716,556)	(752,246)	(783,837)	(67,281)	9.4%
Capital						-	0.0%
Total Revenue Management	261,826	211,611	334,140	315,562	271,030	(63,110)	-18.9%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	717,009	706,067	767,584	466,231	749,576	766,597	804,927	845,174
	81120	OVERTIME PAY	21,764	17,020	3,000	3,986	6,513	3,000	3,000	3,000
	81199	VACANCY ADJUSTMENT			(27,678)			(26,831)	(28,172)	(29,581)
=	XWAGE	TOTAL WAGES	738,773	723,087	742,906	470,217	756,089	742,766	779,755	818,593
=	81410	FICA (EMPLOYER'S SHARE)	54,200	52,284	60,497	33,998	57,343	58,645	61,577	64,656
=	81420	MEDICAL PREMIUMS	153,648	188,804	186,750	79,676	191,064	178,039	195,843	215,427
=	81425	VISION PREMIUMS				534	1,267	1,041	1,145	1,260
=	81430	GROUP INSURANCE PREMIUMS	10,352	12,677	14,717	6,839	12,611	14,005	14,705	15,441
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(32,223)	(41,090)	(39,378)	(25,751)	(41,717)	(38,779)	(42,657)	(46,923)
	81441	CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNT		1,200						
!	81450	RETIREMENT CONTRIBUTIONS	54,684	62,886	68,841	49,685	68,841	75,725	83,298	91,627
	81455	DEFERRED COMP MATCH	14,407	15,915	15,988	13,595	21,931	23,028	24,179	25,388
	81470	WORKERS COMPENSATION PREMIUMS	211	353	375	379	379	398	418	439
	81475	WORKERS COMPENSATION CLAIMS	291							
=	XBEN	TOTAL BENEFITS	255,570	293,029	307,790	158,955	311,719	312,102	338,508	367,315
=	XPER	TOTAL PERSONNEL	994,343	1,016,116	1,050,696	629,172	1,067,808	1,054,868	1,118,263	1,185,908
		Operations								
+	82110	MAILING & OUTBOUND SHIPPING SERVICES	7,435	7,527	10,000	1,920	10,000	16,000	16,000	16,000
	1	Mailing (followup and notices)								
	2	Utility Billing Notices (changes coming)								
	3	Various	7,435	7,527	10,000	1,920	10,000	16,000	16,000	16,000
	*	Amount missing from detail								
	82120	FREIGHT FOR INBOUND PURCHASED ITEMS								
=	XTRC	TOTAL TRANSPORTATION CHARGES	7,435	7,527	10,000	1,920	10,000	16,000	16,000	16,000
	82210	PRINTING & COPYING SERVICES, OUTSOURCED	183	104	300		300	300	300	300
	82240	TRANSCRIPTION FEES		350		309				
	82250	TESTING & PHYSICALS	573	733	500	244	500	500	500	500
	82299	OTHER OPERATING SERVICES	474	1,025	500	194	500	500	500	500
=	XOPSV	TOTAL OPERATING SERVICES	1,230	2,212	1,300	747	1,300	1,300	1,300	1,300
	82310	LEGAL NOTICES	417	67	1,000		1,000	1,000	1,000	1,000
+	82350	DUES FOR MEMBERSHIPS	695	400	1,000	200	500	500	500	500
	1	Tn Assoc of Municipal Clerks (TAMCAR)								
	2	CMFO								
	3	Int Assoc of Municipal Clerks (IIMC)								
	4	Govt Finance Officers Assoc (GFOA)								
	5	Various	695	400	1,000	200	500	500	500	500
	*	Amount missing from detail								
	82390	PUBLICATIONS, NON-TRAINING	264	268	500	269	500	500	500	500
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	1,376	735	2,500	469	2,000	2,000	2,000	2,000
	82420	WATER & SEWER SERVICE								
	82450	TELEPHONE SERVICE	1,050	1,069	1,300	674	1,300	1,300	1,300	1,300

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	82455	CELLULAR TELEPHONE SERVICE								
	82470	INTERNET & RELATED SERVICES	1,390	1,081	1,300	742	1,300	1,300	1,300	1,300
=	XUTIL	TOTAL UTILITIES	2,440	2,150	2,600	1,416	2,600	2,600	2,600	2,600
+	82510	COMPUTER SERVICES	1,929	1,160	2,650		2,650	2,650	2,650	2,650
	1	Impact Printer PM - Infoprint (IBM)								
	2	Various	1,929	1,160	2,650		2,650	2,650	2,650	2,650
	5	Programming Support for Credit Cards								
	6	Programming Support for PT import to Hansen								
	7	Programming Support for BL interface								
	*	Amount missing from detail								
	82520	LEGAL SERVICES			1,250					
+	82599	OTHER CONTRACTUAL SERVICES	395	198	2,000	79	2,000	2,000	2,000	2,000
	1	Bad Debt Collections - Transworld								
	2	Bad Debt Collections - To be Determined	395	198	2,000		2,000	2,000	2,000	2,000
	4	Various								
	*	Amount missing from detail				79				
=	XCTS	TOTAL CONTRACTUAL SERVICES	2,324	1,358	5,900	79	4,650	4,650	4,650	4,650
	82610	VEHICLE REPAIR & MAINTENANCE SERVICES								
+	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES	899	746	1,200	1,194	1,200	1,200	1,200	1,200
	1	Copy Maintenance	899	746	1,200	1,194	1,200	1,200	1,200	1,200
	*	Amount missing from detail								
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	899	746	1,200	1,194	1,200	1,200	1,200	1,200
	82750	EMPLOYEE RECOGNITION/RECEPTIONS			1,000		1,000	1,000	1,000	1,000
+	82780	TRAINING, OUTSIDE			1,000		400	500	500	500
	1	MTAS fees (16 at \$50)			1,000		400	500	500	500
	*	Amount missing from detail								
	82790	TRAINING, IN-HOUSE		56			600	1,500	1,500	1,500
=	XEPG	TOTAL EMPLOYEE PROGRAMS		56	2,000		2,000	3,000	3,000	3,000
+	82810	REGISTRATIONS	475	450	1,940	325	1,000	2,400	2,400	2,400
	1	MTAS fees			1,020			1,000	1,000	1,000
	2	Rotary			500		400	400	400	400
	3	TGFOA Fall Conference			400		400	400	400	400
	4	Various	475	450	20	325	200	600	600	600
	*	Amount missing from detail								
+	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	236	70	200		200	200	200	200
	1	MTAS seminars/conferences								
	3	Various	236	70	200		200	200	200	200
	*	Amount missing from detail								
	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)			200		200	200	200	200
	82890	OTHER TRAVEL EXPENSES		20	200		200	200	200	200
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	711	540	2,540	325	1,600	3,000	3,000	3,000
	83110	OFFICE SUPPLIES	17,946	15,531	18,250	3,785	18,000	18,000	18,000	18,000
	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)		119	1,000		1,000	1,000	1,000	1,000
	83130	EMPLOYEE BENEVOLENCE ITEMS	313	442	600	197	600	600	600	600
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	444	619	1,000		1,000	1,000	1,000	1,000
=	XOFS	TOTAL OFFICE SUPPLIES	18,703	16,711	20,850	3,982	20,600	20,600	20,600	20,600

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	83250	SAFETY SUPPLIES			1,000					
	83260	UNIFORMS PURCHASED	1,471	985	1,800	554	1,800	1,800	1,800	1,800
=	XOPS	TOTAL OPERATING SUPPLIES	1,471	985	2,800	554	2,800	2,800	2,800	2,800
	83310	GASOLINE & DIESEL FOR FLEET (INSIDE WILLIAMSON COUNTY)		40		44				
=	XFUEL	TOTAL FUEL & MILEAGE		40		44				
+	83510	FURNITURE, FIXTURES (<\$25,000)	700		5,000		5,000	5,000	5,000	5,000
	1	Chairs	700		5,000		5,000	5,000	5,000	5,000
	2	Lighting								
	*	Amount missing from detail								
+	83530	MACHINERY & EQUIPMENT (<\$25,000)								
	1	Cash Drawers								
	2	Copy Machine								
	*	Amount missing from detail								
+	83540	COMPUTER HARDWARE (<\$25,000)	7,187	6,850	8,500		8,500	8,500	8,500	8,500
	1	Computers, monitors, keyboards								
	2	Printers								
	3	Scanners								
	4	Various	7,187	6,850	8,500		8,500	8,500	8,500	8,500
	*	Amount missing from detail								
	83550	COMPUTER SOFTWARE (<\$25,000)								
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	7,887	6,850	13,500		13,500	13,500	13,500	13,500
	83620	EQUIPMENT PARTS & SUPPLIES								
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES								
	85110	PROPERTY INSURANCE	955	1,623	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		47	261	261	261	274	288	302
	85112	INLAND MARINE INSURANCE	30	30	32	29	32	34	35	37
	85113	AUTO PHYSICAL DAMAGE								
	85115	LIABILITY INSURANCE	769	186	280	280	280	294	309	324
	85116	E&O LIABILITY INSURANCE		402	614	614	614	645	677	711
	85119	UMBRELLA LIABILITY	145	156	241	241	241	253	266	279
	85120	PROPERTY DAMAGE COSTS								
	85140	SURETY/NOTARY BONDS	117							
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	2,016	2,444	2,621	2,618	2,621	2,753	2,890	3,034
+	85330	UTILITY DISTRICT FEES	20,887	15,331	24,000	8,000	24,000	24,000	24,000	24,000
	1	Milcrofton - Sewer								
	2	MVUD Data Fee	20,887	15,331	24,000	8,000	24,000	24,000	24,000	24,000
	3	Milcrofton - Solid Waste								
	4	Milcrofton - Stormwater								
	*	Amount missing from detail								
=	XPERM	TOTAL PERMITS	20,887	15,331	24,000	8,000	24,000	24,000	24,000	24,000
	85510	BANKING FEES	17,265	15,658	20,000	13,121	20,000	20,000	20,000	20,000
	85530	E-COMMERCE FEES								
+	85540	BILLING SERVICES	215,333	216,502	270,000	165,832	250,000	240,000	240,000	240,000
	1	Bill Presentment								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	3	EBill			40,000		20,000	10,000	10,000	10,000
	5	Bill Presentment - Utility bills (310,000 @ \$0.62/unit)	215,333	216,502	230,000		230,000	230,000	230,000	230,000
	6	Bill Presentment - Property Tax Notices (25,000 @ \$0.60/unit)								
	*	Amount missing from detail				165,832				
	85550	CASH SHORT/OVER		72						
	85555	PROPERTY TAX BILLING SERVICES	121,464	125,148	150,000	127,720	140,000	135,000	140,000	150,000
	85570	BAD DEBT EXPENSE (NET OF RECOVERIES)	4,330	2,001	7,750	172	5,000	5,000	5,000	5,000
	85580	LATE CHARGES								
=	XFLF	TOTAL FINANCIAL FEES	358,392	359,381	447,750	306,845	415,000	400,000	405,000	415,000
	85990	MISCELLANEOUS				26	26			
=	XOBE	TOTAL OTHER BUSINESS EXPENSES				26	26			
	87510	REIMB OF INTERFUND SERVICES	(1,158,288)	(1,221,571)	(1,256,117)	(1,256,117)	(1,256,117)	(1,281,239)	(1,306,864)	(1,333,001)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS	(1,158,288)	(1,221,571)	(1,256,117)	(1,256,117)	(1,256,117)	(1,281,239)	(1,306,864)	(1,333,001)
=	XOP	TOTAL OPERATIONS	(732,517)	(804,505)	(716,556)	(927,898)	(752,220)	(783,836)	(804,324)	(820,317)
		Capital								
=	XTOT	TOTAL EXPENDITURES	261,826	211,611	334,140	(298,726)	315,588	271,032	313,939	365,591



City of Franklin, Tennessee

FY 2020 Operating Budget

Municipal Court

Lawrence Sullivan, Revenue & Licensing Manager

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	206,182	194,580	264,957	150,448	283,141	18,184	6.9%
Operations	145,351	123,286	83,143	63,967	71,742	-11,401	-13.7%
Capital	0	0	0	0	0	-	0.0%
Total	351,533	317,866	348,100	214,415	354,883	6,783	1.9%

Department Mission

Our mission is to effectively, efficiently and accurately process city ordinance violations; to create and sustain customer oriented quality service that provides maximum access to the court and promotes public confidence in the court system.

Department Vision

Our vision is to provide those appearing and practicing before the court with fair, efficient and expeditious means of proceeding with their business. This is done by competent, professional employees, technology and process improvement measures.

FY 2020 Outlook

For FY 2020, we plan to continue with our flexible staffing model with part-time positions. We will also continue to cross utilize support staff from the office of Revenue Management as needed to maintain our service levels during Court sessions.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: None Specific

Municipal Court provides general support of all four themes of FranklinForward .

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	

Workload (Output) Measures

	2016	2017	2018	2019*	2020*
Total Cases Filed	7,955	6,427	2,238	4,946	4,973
Types of Cases					
- Moving Violations	1,985	2,237	1,158	1,650	1,650
- Financial Responsibility	715	743	250	325	325
- License and Registration	734	927	571	600	600
- Codes Enforcement	263	238	47	120	120
- Failure to Appear	249	281	108	281	108
- Seat Belt	179	162	33	20	20
- Parking Violations - Cited	765	1,712	71	1,800	2,000
- Parking Violations - Warning	3,065	127	-	150	150

Efficiency Measures

	2016	2017	2018	2019*	2020*
Average # of days from issuance of Citation to Resolution (Non Traffic School)	32.36	34.10	35.00	40.00	40.00

Outcome (Effectiveness) Measures

	2016	2017	2018	2019*	2020*
Municipal Court Collections as a percentage of Municipal Obligations Billed	110.6%	82.0%	82.0%	90.0%	90.0%
 Tennessee Statewide Benchmarking Average	77.2%	70.4%	64.9%	TBD	TBD

Goal: Deliver customer oriented quality service



City of Franklin, Tennessee

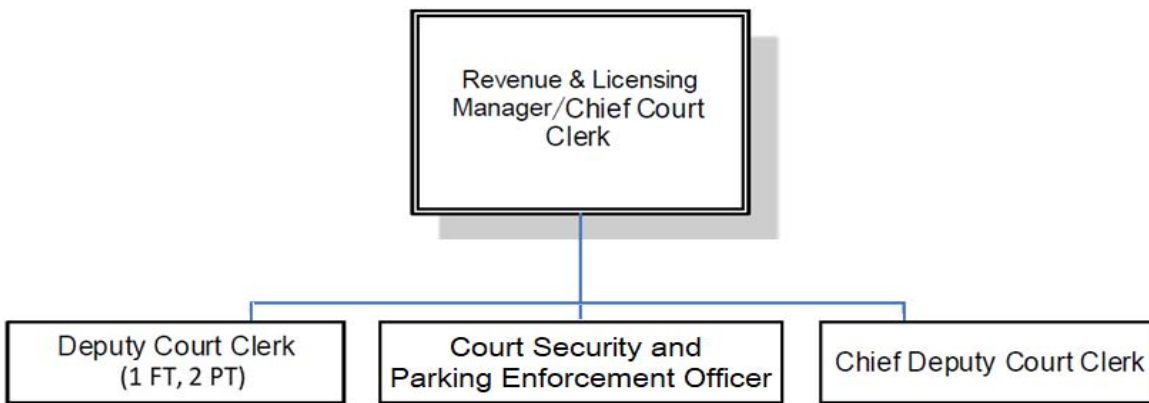
FY 2020 Operating Budget

Performance Measures

	Deploy tool for online payments	YES	YES	YES	YES	YES
	Customer feedback tool deployed and responding within 2 business days 100% of the time to those needing responses	100.0%	100.0%	100.0%	100.0%	100.0%
	Goal: Collect the monies owed the City of Franklin by taking actions to pursue obligations in accordance with State and City requirements.					
	Actions taken due to citations not satisfied (% that meet follow up criteria)	95.0%	95.0%	95.0%	95.0%	95.0%

* 2019 and 2020 Data Estimated

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Chief Deputy Court Clerk	Grade F	1	0	1	0	1	0	1	0	1	0
Deputy Court Clerk	Grade C	2	0	2	0	1	2	1	2	1	2
Court Security and Parking Enforcement Officer	Grade C	0	0	0	0	0	0	1	0	1	0
Totals		3	0	3	0	2	2	3	2	3	2



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	120,357	115,465	194,560	100,845	196,302	1,742	0.9%
Officials Fees	25,000	25,000	25,108	25,108	25,108	-	0.0%
Employee Benefits	60,825	54,115	45,289	24,495	61,731	16,442	36.3%
Total Personnel	206,182	194,580	264,957	150,448	283,141	18,184	6.9%
Operations							
Transportation Services	5,710	2,947	8,000	8,000	8,000	-	0.0%
Operating Services	2,165	473	2,450	2,450	2,450	-	0.0%
Notices, Subscriptions, etc.	359	295	1,045	750	750	(295)	-28.2%
Utilities	760	660	1,025	1,025	1,025	-	0.0%
Contractual Services	54,285	34,875	15,200	36,385	41,000	25,800	169.7%
Repair & Maintenance Services	1,660	49	1,500	1,500	1,500	-	0.0%
Professional Development/Travel	585	608	3,000	2,400	2,700	(300)	-10.0%
Office Supplies	1,813	1,522	3,250	2,700	2,700	(550)	-16.9%
Operating Supplies	178	141	300	1,070	300	-	0.0%
Fuel & Mileage	-	-	100	100	100	-	0.0%
Machinery & Equipment (<\$25,000)	1,727	1,757	1,500	1,500	5,000	3,500	0.0%
Repair & Maintenance Supplies	-	-	625	500	500	(125)	-20.0%
Property & Liability Costs	2,481	2,273	2,600	2,587	2,716	116	4.5%
Financial Fees	3,317	1,582	4,500	3,000	3,000	(1,500)	-33.3%
Debt Service and Lease Payments	70,311	76,105	38,047	-	-	(38,047)	-100.0%
Total Operations	145,351	123,286	83,143	63,967	71,742	(11,401)	-13.7%
Capital	-	-	-			-	0.0%
Total Municipal Court	351,533	317,866	348,100	214,415	354,883	6,783	1.9%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	119,582	115,049	199,580	61,706	100,044	203,007	213,158	223,816
	81120	OVERTIME PAY	775	416	400	447	802	400	400	400
	81199	VACANCY ADJUSTMENT			(5,420)			(7,105)	(7,461)	(7,834)
=	XWAGE	TOTAL WAGES	120,357	115,465	194,560	62,153	100,846	196,302	206,097	216,382
=	81220	CITY JUDGE	25,000	25,000	25,108	14,583	25,108	25,108	25,108	25,108
=	XOFF	TOTAL OFFICIALS FEES	25,000	25,000	25,108	14,583	25,108	25,108	25,108	25,108
=	81410	FICA (EMPLOYER'S SHARE)	10,451	10,116	10,580	5,324	7,653	17,451	16,307	17,122
=	81420	MEDICAL PREMIUMS	45,565	40,731	24,296	7,058	16,939	41,335	45,469	50,015
=	81425	VISION PREMIUMS				42	85	88	97	106
=	81430	GROUP INSURANCE PREMIUMS	2,312	1,860	1,808	860	1,554	2,942	3,236	3,560
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(9,306)	(8,824)	(5,599)	(5,980)	(9,179)	(8,267)	(9,094)	(10,003)
!	81450	RETIREMENT CONTRIBUTIONS	6,076	6,987	7,361	5,521	7,361	8,097	8,907	9,797
	81455	DEFERRED COMP MATCH	5,675	3,218	6,804	26	38	39	41	43
	81470	WORKERS COMPENSATION PREMIUMS	52	27	38	43	43	45	47	50
	81475	WORKERS COMPENSATION CLAIMS								
=	XBEN	TOTAL BENEFITS	60,825	54,115	45,289	12,894	24,494	61,731	65,010	70,690
=	XPER	TOTAL PERSONNEL	206,182	194,580	264,957	89,630	150,448	283,141	296,215	312,180
		Operations								
+	82110	MAILING & OUTBOUND SHIPPING SERVICES	5,710	2,947	8,000	792	8,000	8,000	8,000	8,000
	1	Mail (followup)								
	3	Various	5,710	2,947	8,000	792	8,000	8,000	8,000	8,000
	*	Amount missing from detail								
=	XTRC	TOTAL TRANSPORTATION CHARGES	5,710	2,947	8,000	792	8,000	8,000	8,000	8,000
+	82210	PRINTING & COPYING SERVICES, OUTSOURCED	1,907	428	2,200	678	2,200	2,200	2,200	2,200
	1	Print Information Sheets for PD								
	2	Print forms for court	1,907	428	2,200	678	2,200	2,200	2,200	2,200
	*	Amount missing from detail								
	82245	FINGERPRINTING FEES								
	82250	TESTING & PHYSICALS	258	45	250		250	250	250	250
=	XOPSV	TOTAL OPERATING SERVICES	2,165	473	2,450	678	2,450	2,450	2,450	2,450
	82310	LEGAL NOTICES			125					
+	82350	DUES FOR MEMBERSHIPS			170					
	1	Natl Assoc of Court Managers (NACM)			170					
	*	Amount missing from detail								
	82390	PUBLICATIONS, NON-TRAINING	359	295	750	332	750	750	750	750
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	359	295	1,045	332	750	750	750	750
	82450	TELEPHONE SERVICE	297	300	400	211	400	400	400	400
	82470	INTERNET & RELATED SERVICES	463	360	625	247	625	625	625	625
=	XUTIL	TOTAL UTILITIES	760	660	1,025	458	1,025	1,025	1,025	1,025
	82510	COMPUTER SERVICES	52,045	30,385	700	4	30,385	35,000	35,000	35,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
+	82599	OTHER CONTRACTUAL SERVICES	2,240	4,490	14,500	6,020	6,000	6,000	6,000	6,000
	2	Support for Court Software conversion (SQL)								
	3	Collections Contract Agent								
	4	SQL programming for online payments								
	5	SQL programming for PD interface								
	6	SQL programming for citation scanning interface								
	7	TBI - access to TJIS	2,240	1,680	2,500	2,500	2,500	2,500	2,500	2,500
	8	File Maintenance - General Sessions Records								
	9	Court Security		2,810	12,000	3,520	3,500	3,500	3,500	3,500
	*	Amount missing from detail								
=	XCTS	TOTAL CONTRACTUAL SERVICES	54,285	34,875	15,200	6,024	36,385	41,000	41,000	41,000
+	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES	1,660	49	1,500	22	1,500	1,500	1,500	1,500
	1	Copier maintenance/repair	1,660		1,500		1,500	1,500	1,500	1,500
	2	Line Item 2		49		22				
	*	Amount missing from detail								
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	1,660	49	1,500	22	1,500	1,500	1,500	1,500
	82790	TRAINING, IN-HOUSE					700	1,000	1,000	1,000
=	XEPG	TOTAL EMPLOYEE PROGRAMS					700	1,000	1,000	1,000
+	82810	REGISTRATIONS	58	40	900	187	200	200	200	200
	1	TIES (TAC Conference - 2/year - REQUIRED)								
	2	MTAS - continuing education			300					
	3	Various	58	40	600	187	200	200	200	200
	4	NACM Conference								
	*	Amount missing from detail								
+	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	314	320	700		700	700	700	700
	1	TIES (instate travel)	314	320						
	2	MTAS (mostly in Middle Tn)			700		700	700	700	700
	*	Amount missing from detail								
+	82840	LODGING	182	198	800		600	600	600	600
	1	TIES								
	2	Various	182	198	800		600	600	600	600
	3	NACM Conference								
	*	Amount missing from detail								
+	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	31	50	600		200	200	200	200
	1	TIES								
	2	Various	31	50	600		200	200	200	200
	3	NACM Conference								
	*	Amount missing from detail								
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	585	608	3,000	187	1,700	1,700	1,700	1,700
+	83110	OFFICE SUPPLIES	1,740	1,295	2,500		2,500	2,500	2,500	2,500
	1	Recurring office supplies	1,740	1,295	2,500		2,500	2,500	2,500	2,500
	*	Amount missing from detail								
	83130	EMPLOYEE BENEVOLENCE ITEMS	73	193	750		200	200	200	200
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)		34						
=	XOFS	TOTAL OFFICE SUPPLIES	1,813	1,522	3,250		2,700	2,700	2,700	2,700
+	83260	UNIFORMS PURCHASED	178	141	300	1,070	1,070	300	300	300
	1	COF attire for staff (6 @ \$30 each)	178		300			300	300	

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	2	Various		141		1,070	1,070			300
	*	Amount missing from detail								
=	XOPS	TOTAL OPERATING SUPPLIES	178	141	300	1,070	1,070	300	300	300
+	83320	MILEAGE (INSIDE WILLIAMSON COUNTY)			100		100	100	100	100
	1	Mileage reimbursement for MTAS in 82820 above			100		100	100	100	100
	2	Line Item 2								
	*	Amount missing from detail								
=	XFUEL	TOTAL FUEL & MILEAGE			100		100	100	100	100
+	83510	FURNITURE, FIXTURES (<\$25,000)			1,000					
	1	Chairs			1,000					
	2	Line Item 2								
	*	Amount missing from detail								
+	83540	COMPUTER HARDWARE (<\$25,000)	1,727	1,757	500		1,500	5,000	1,500	1,500
	1	Desktop (computer, monitor, keyboard)						500	500	
	2	Printers								
	3	Court Software Server								
	4	Cashiering Equipment								
	5	Scanner			500			500	500	
	6	Copier Replacement (\$9,000 moved to lease)								
	7	Various	1,727	1,757			1,500	4,000	500	1,500
	*	Amount missing from detail								
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	1,727	1,757	1,500		1,500	5,000	1,500	1,500
	83620	EQUIPMENT PARTS & SUPPLIES			625		500	500	500	500
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES			625		500	500	500	500
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		67	221	221	221	232	244	256
	85112	INLAND MARINE INSURANCE	213	211	223	210	210	221	232	243
	85113	AUTO PHYSICAL DAMAGE								
	85115	LIABILITY INSURANCE	1,104	263	238	238	238	250	262	276
	85116	E&O LIABILITY INSURANCE		570	521	521	521	547	574	603
	85119	UMBRELLA LIABILITY	209	221	204	204	204	214	225	236
	85120	PROPERTY DAMAGE COSTS								
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	2,481	2,273	2,600	2,587	2,587	2,717	2,852	2,995
	85530	E-COMMERCE FEES	3,317	1,581	4,500	905	3,000	3,000	3,000	3,000
	85570	BAD DEBT EXPENSE (NET OF RECOVERIES)								
=	XFLF	TOTAL FINANCIAL FEES	3,317	1,581	4,500	905	3,000	3,000	3,000	3,000
+	86600	LEASE/LOAN PRINCIPAL	75,819	77,395	37,805					
	1	2014 - Copier Replacement								
	2	2016 - E-Ticketing	75,819	37,575	37,805					
	*	Amount missing from detail		39,820						
+	86700	LEASE/LOAN INTEREST	(5,508)	(1,290)	243					
	1	2014 - Copier Replacement								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	2	2016 - E-Ticketing	(5,508)	725	243					
	*	Amount missing from detail		(2,015)						
=	XDSV	TOTAL DEBT SERVICE	70,311	76,105	38,048					
=	XOP	TOTAL OPERATIONS	145,351	123,286	83,143	13,055	63,967	71,742	68,377	68,520
		Capital								
=	XTOT	TOTAL EXPENDITURES	351,533	317,866	348,100	102,685	214,415	354,883	364,592	380,700



City of Franklin, Tennessee
FY 2020 Operating Budget Request

PROJECT AND FACILITIES MANAGEMENT

Brad Wilson



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget Request**
 - Personnel**
 - Operations**
 - Capital**
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Purpose of Department

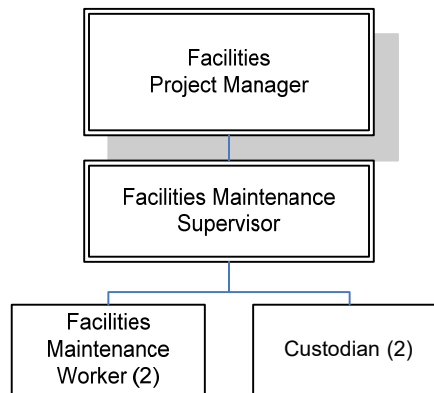
The Facilities department is responsible for the facilitation, design, planning, scheduling, maintenance, implementation of measures and management of city facilities and projects along with maintaining work and repair requests for all managed structures. The department's mission is to manage all city facilities in a sustainable and economical environment where ever possible. The department strives for a safe and healthy environment for all staff and the community within the facilities we manage along with the new structures that are built within the community. Our goal is to implement a LEED format wherever possible in the construction and or remodeling of any city facility and the maintenance thereof.



City of Franklin, Tennessee - FY 2020 Budget Request

Project and Facilities Management

Organization Chart



Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Facilities Project Manager	Grade I	1	0	1	0	1	0	1	0	1	0
Facilities Maintenance Spvsr	Grade F	1	0	1	0	1	0	1	0	1	0
Facilities Maintenance Worker	Grade C	2	0	2	0	2	0	2	0	2	0
Custodian	Grade B	3	1	2	0	2	0	2	0	2	0
Totals		7	1	6	0	6	0	6	0	6	0



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Base Budget Request: Personnel

There is only one additional staffing needs being requested for 2020. With the growth of departments throughout the organization we are being called upon to assist with many more maintenance requests for other facilities. No longer do we just maintain City Hall we are still heavily involved with all the Fire Facilities, Public Works, Sanitation and Environmental Services, Parking Garages and when called or asked Waste Water and or the Water Reclamation Plant. We get behind on helpstar requests as the amount of work strains the department, but we feel the need can be managed within if we had one additional that would mainly do custodial work. The department dropped a custodial person about 3 years ago but with the increase in staffing around the city and facilities another person would be very beneficial.

Facilities is still using an outside source for the cleaning of City Hall, PD, Public Works and Sanitation and Environmental services three times per week and looking to move to five times per week but current team members continue to assist when requested or needed.



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Base Budget Request: Operations

As discussed previously Facilities continues working with the number of departments both within City Hall and the surrounding area. As mentioned in the years our department has been in place there continues not to be a day that still something does not break down, torn up or just basically quits. This budget represents the cost for maintaining the current infrastructure in regards to operations but, looks to perform services on older facilities that are needing to be maintained and or major repairs. The budget presented also incorporates higher utility cost to some of the current facilities we operate full time. With all facilities comes the required testing requirements, revision of existing maintenance contracts, updated IT infrastructure cost etc.

The 2020 budget for operations is proposed to be about 21% less than the 2019 budget without enhancements. This is due to a reduction in utilities and the completion of one-time Program Enhancements in FY 2019 not repeating in FY 2020.



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Base Budget Request: Capital

Building Design and Construction. For continued facilitation and architectural services again this year we will be seeking \$ 250,000.

This current year we are working with a firm that is putting a facilitation program together in regards to a new city hall based on existing offices and future growth. Once this is developed a report will be reported to the board for discussion and to look at the road ahead. After we work through the facilitation process if board approved we would be ready to develop a scope for an architect and go through the vetting process for a firm.



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Program Enhancement Requests

Currently we are proposing 16 program enhancements that are needed within different departments of the city. Facilities is looking to carry those enhancements as the department will be handling the work. At this time we do not see any rollover of approved enhancements from 2019's budget moving into this upcoming year. One area that was not approved was some remodeling to the HR and Boardroom area. This work is only in an aspect of floor covering and painting. HVAC repairs and replacements are now being carried as a line item. As every enhancement is considered some of the most important we feel are the continued roof repairs to city hall, ADA ramp on the north side of City Hall, Weatherization repairs at second ave parking garage, along with a kitchen remodel at Station 4.



City of Franklin, Tennessee - FY 2020 Budget Request **Project and Facilities Management**

Summary

There continues to be a lot going on within the Facilities department regarding request for enhancements and keeping the facilities up and functional. Current COF building infrastructures are still in good shape with the exceptions to the requested enhancements and work needed at City Hall. City Hall as we continue to make it esthetically pleasing to staff and citizens is still going through age issues and some items are starting to be additional problems. At least 4 HVAC units were replaced under the current 2019 budget along with 5 curbs on existing causing roof leaks and it could be that many HVAC replacements for 2020 along with multiple roof repairs and plumbing problems. As stated in the past we will continue to take the funds provided and use them in the very wisest way possible while working to save funds however and wherever possible.

My Thanks to the Board of Mayor and Aldermen along with City Management.



City of Franklin, Tennessee

FY 2020 Operating Budget

Project & Facilities Management

Brad Wilson, Director

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	420,044	427,086	416,514	437,603	426,040	9,526	2.3%
Operations	649,815	691,813	579,288	447,313	456,182	(123,106)	-21.3%
Capital	0	198,960	295,000	150,000	250,000	(45,000)	-15.3%
Total	1,069,859	1,317,859	1,290,802	1,034,916	1,132,222	(158,580)	-12.3%

Department Goals

Facilities is responsible for the facilitation, design, planning, scheduling, maintenance, implementation of measures and management of City facilities and projects, along with maintaining work and repair requests for all managed structures. These projects cover a wide spectrum ranging from major new construction and remodels to small projects designed to improve, repair, or enhance existing City facilities or systems. The group is also responsible for the maintenance of City Hall, City parking garages, Police Headquarters, Public Works Facility, Fire Halls, and Sanitation and Environmental Services, while assisting with Parks when requested.

FY 2020 Outlook

Department Goals

In the coming fiscal year, our goal remains to maintain a safe and healthy environment for City of Franklin staff and community. Facility accessibility will continue to be a priority in new and remodeling projects of municipal buildings along with maintaining a safe working environment.

Projects

Continuing projects in fiscal year 2019 will include construction in regards to COF Station 7 off Long Lane and within the Berry Farms corridor. Repairs to a few of the municipal buildings to keep them maintained along with work regarding some of the City of Franklin Fire Halls along with the continued maintenance, restructuring along with reconfiguring of staffing layouts at existing facilities.

Proposed projects within City Hall include the aesthetic changes to the HR department along with some work within the Board Room.

Momentum regarding a developmental plan for the existing City Hall site will also continue with in-house discussions and architectural assistance regarding the site, height of structures and exterior qualities for what the City may be looking for in a new facility.

Performance Measurement

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measurement

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: A Safe Clean and Livable City



A Safe Clean and Livable City

Franklin will be a model for environmental quality and a sustainable city.

Goal: Franklin will reduce government agency use of electricity by 20% by

Baseline: Current annual kilowatt consumption by Franklin municipal facilities and operations for 2012 was 17.9 million kWh for cost of \$2.78 million (Finance Department).

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	

Workload (Output) Measures

		2016	2017	2018	2019*	2020*
	Number of Buildings** Maintained	168	168	168	TBD	TBD
	Gross Square Footage of Municipal Buildings (Gen. Fund)	575,366	575,366	575,366	TBD	TBD
	Number of Hours Served					
	- Employees	Data being collected				
	- Contractors	Data being collected				
	Number of Requests Taken	Data being collected				
	Average Daytime Number of People in Buildings	Data being collected				
	Utilities					
	- Gas (therms)	68,767	77,892	98,177	TBD	TBD
	- Electricity (kW)	27,921,913	26,790,143	23,861,360	TBD	TBD

Efficiency Measures

		2016	2017	2018	2019*	2020*
	G.S.F./Average daily # of people	Data being collected				
	People served/Custodian	Data being collected				
	Average time to complete a routine request	Data being collected				



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measurement

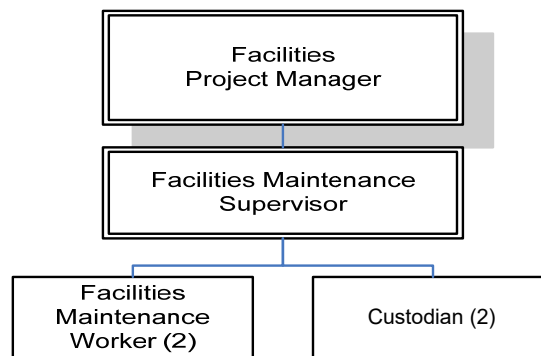
Outcome (Effectiveness) Measures

		2016	2017	2018	2019*	2020*
	Percentage of routine requests completed in 2-3 days	Data being collected				
	Reduce government agency use of electricity by 20% by 2020.					
	City of Franklin Electric Use (Annually)	27,921,913	26,790,143	23,861,360	TBD	TBD
	Target (In Kilowatt hours - Source: Finance Department)	16,143,563	15,729,625	15,315,688	15,315,688	14,932,795
	Meets Target?	No	No	No	TBD	TBD

* 2019 and 2020 data estimated.

**Buildings inclusive of all structures pertaining to general fund operations. Will be refined.

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Facilities Project Manager	Grade I	1	0	1	0	1	0	1	0	1	0
Facilities Maintenance Spvrs	Grade F	1	0	1	0	1	0	1	0	1	0
Facilities Maintenance Worker	Grade C	2	0	2	0	2	0	2	0	2	0
Custodian	Grade B	3	1	2	0	2	0	2	0	2	0
Totals		7	1	6	0	6	0	6	0	6	0



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	294,826	291,208	297,052	313,381	296,863	(189)	-0.1%
Employee Benefits	125,218	135,878	119,462	124,222	129,177	9,715	8.1%
Total Personnel	420,044	427,086	416,514	437,603	426,040	9,526	2.3%
Operations							
Transportation Services	42	39	252	120	120	(132)	-52.4%
Operating Services	5,020	5,469	4,690	3,858	4,450	(240)	-5.1%
Notices, Subscriptions, etc.	45	80	45	60	60	15	33.3%
Utilities	193,106	200,404	206,170	169,370	163,770	(42,400)	-20.6%
Contractual Services	120,900	121,517	137,925	162,925	168,025	30,100	21.8%
Repair & Maintenance Services	523,232	540,111	478,280	383,900	376,700	(101,580)	-21.2%
Office Supplies	4,074	4,292	2,550	800	1,250	(1,300)	-51.0%
Operating Supplies	4,715	5,832	3,100	750	3,100	-	0.0%
Fuel & Mileage	1,451	1,408	5,000	4,500	5,000	-	0.0%
Machinery & Equipment (<\$25,000)	29,542	16,548	32,850	15,400	32,850	-	0.0%
Repair & Maintenance Supplies	64,963	74,608	47,450	45,700	46,150	(1,300)	-2.7%
Property & Liability Costs	19,913	20,821	23,233	23,237	24,399	1,166	5.0%
Rentals	-	-	1,000	-	1,000	-	0.0%
Permits	1,095	940	950	900	800	(150)	-15.8%
Interfund Reimbursements	(318,284)	(300,257)	(364,207)	(364,207)	(371,491)	(7,284)	2.0%
Total Operations	649,815	691,813	579,288	447,313	456,182	(123,106)	-21.3%
Improvements	-	198,960	295,000	150,000	250,000	(45,000)	-15.3%
Capital	-	198,960	295,000	150,000	250,000	(45,000)	-15.3%
Total Proj. & Fac. Management	1,069,859	1,317,859	1,290,802	1,034,916	1,132,222	(158,580)	-12.3%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	281,361	280,129	301,412	210,725	304,381	301,412	316,483	332,307
	81120	OVERTIME PAY	13,465	11,079	6,000	6,254	9,000	6,000	6,000	6,000
	81199	VACANCY ADJUSTMENT			(10,360)			(10,549)	(11,077)	(11,631)
=	XWAGE	TOTAL WAGES	294,826	291,208	297,052	216,979	313,381	296,863	311,406	326,676
=	81410	FICA(EMPLOYER'S SHARE)	21,610	21,284	22,643	15,883	23,285	23,058	24,211	25,422
=	81420	MEDICAL PREMIUMS	66,824	71,478	65,450	42,595	73,020	73,488	80,837	88,920
=	81425	VISION PREMIUMS				273	468	422	464	511
=	81430	GROUP INSURANCE PREMIUMS	4,916	4,816	5,407	3,301	4,768	7,369	7,737	8,124
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(13,296)	(13,989)	(13,364)	(10,194)	(14,725)	(16,049)	(17,654)	(19,419)
!	81450	RETIREMENT CONTRIBUTIONS	42,532	48,912	32,255	22,082	32,255	35,481	39,029	42,931
	81455	DEFERRED COMP MATCH		1,716	4,200	1,578	2,279	2,393	2,513	2,638
	81470	WORKERS COMPENSATION PREMIUMS	2,632	1,661	2,872	1,559	2,872	3,015	3,166	3,325
	81475	WORKERS COMPENSATION CLAIMS								
=	XBEN	TOTAL BENEFITS	125,218	135,878	119,462	77,077	124,222	129,177	140,303	152,452
=	XPER	TOTAL PERSONNEL	420,044	427,086	416,514	294,056	437,603	426,040	451,709	479,128
		Operations								
	82110	MAILING & OUTBOUND SHIPPING SERVICES	15	3	52		20	20	20	20
	82120	FREIGHT FOR INBOUND PURCHASED ITEMS								
	82130	VEHICLE LICENSES & TITLES	27	36	200		100	100	100	100
=	XTRC	TOTAL TRANSPORTATION CHARGES	42	39	252		120	120	120	120
+	82210	PRINTING & COPYING SERVICES, OUTSOURCED	565	458	500	3,645	225	350	350	350
	1	Plan coping and scanning for misc. projects	565		500		225	350	350	350
	2	Various		458		3,645				
	*	Amount missing from detail								
+	82230	ARCHIVING/RECORDS MANAGEMENT SERVICES	4,381	4,906	4,000	1,181	3,500	4,000	4,000	4,000
	1	Shredding Services	4,381		4,000		3,500	4,000	4,000	4,000
	2	Various		4,906		1,181				
	*	Amount missing from detail								
	82245	FINGERPRINTING FEES				33	33			
	82250	TESTING & PHYSICALS	74	105	190		100	100	100	100
	82260	UNIFORM RENTAL & SERVICES								
	82299	OTHER OPERATING SERVICES				87				
=	XOPSV	TOTAL OPERATING SERVICES	5,020	5,469	4,690	4,946	3,858	4,450	4,450	4,450
	82310	LEGAL NOTICES		20						
+	82350	DUES FOR MEMBERSHIPS	45	60	45	60	60	60	60	60
	1	Sams Club	45	60	45	60	60	60	60	60
	2	Various								
	*	Amount missing from detail								
	82360	PUBLIC RELATIONS & EDUCATION (CITY SPONSORED)								
	82390	PUBLICATIONS, NON-TRAINING				143				
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	45	80	45	203	60	60	60	60
+	82410	ELECTRIC SERVICE	135,255	130,479	139,500	79,304	116,900	116,900	116,900	116,900
	1	Various	49,716	130,479		79,304				
	2	Public Works Electric	21,131		42,800		25,000	25,000	25,000	25,000
	3	Streets Building	3,274		4,000		1,500	1,500	1,500	1,500
	5	City Hall and Fire there are 2 meters on this line item.	58,120		84,000		62,000	62,000	62,000	62,000
	7	Street & Traffic Signals	3,014		3,900		1,400	1,400	1,400	1,400

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	8	Police Headquarters			4,800		25,000	25,000	25,000	25,000
	*	Amount missing from detail								
+	82420	WATER & SEWER SERVICE	12,976	16,846	14,670	12,315	13,800	15,300	15,300	15,300
	1	Various	7,049	16,846		12,315				
	2	Public Works Facility	803		1,100		1,100	1,100	1,100	1,100
	4	Water Dept.(Hill property)			1,500			1,500	1,500	1,500
	5	City Hall	5,124		9,170		9,200	9,200	9,200	9,200
	7	Police Headquarters			2,900		3,500	3,500	3,500	3,500
	*	Amount missing from detail								
+	82430	STORMWATER SERVICE	3,196	3,196	4,000	1,864	1,920	1,920	1,920	1,920
	1	Various	1,332	3,196	(3,050)	1,864				
	2	Public Works Facility	585		3,500		350	350	350	350
	3	Streets Building			1,100		120	120	120	120
	5	City Hall	1,279		2,200		700	700	700	700
	7	Police Headquarters			250		750	750	750	750
	*	Amount missing from detail								
+	82435	SOLID WASTE SERVICE	13,399	14,051	18,800	7,617	11,300	11,300	11,300	11,300
	1	Various	5,580	14,051		7,617				
	2	Public Works Facility	4,572		9,900		4,500	4,500	4,500	4,500
	3	City Hall Miscellaneous Dumpster fees for projects	202		300		300	300	300	300
	4	Streets Building								
	6	City Hall	3,045		5,300		3,500	3,500	3,500	3,500
	8	Police Headquarters			3,300		3,000	3,000	3,000	3,000
	*	Amount missing from detail								
+	82440	NATURAL GAS SERVICE	18,712	27,151	22,000	10,466	19,600	12,300	12,300	12,300
	1	Various	7,931	27,151		10,466				
	2	Public Works	3,445		11,300		3,800	3,800	3,800	3,800
	3	Streets Building	2,274		1,500		2,100	2,000	2,000	2,000
	4	Water Dept. (The Hill)	450		450					
	5	City Hall	3,029		5,500		4,200	4,500	4,500	4,500
	7	Propane Station 7	1,583		1,850		7,500			
	8	Police Headquarters			1,400		2,000	2,000	2,000	2,000
	*	Amount missing from detail								
+	82450	TELEPHONE SERVICE	2,266	2,428	2,000	1,654	1,050	1,050	1,050	1,050
	1	Various	950	2,428		1,654				
	2	Public Works	129		500		250	250	250	250
	5	City Hall	1,187		1,500		800	800	800	800
	*	Amount missing from detail								
+	82455	CELLULAR TELEPHONE SERVICE	5,200	4,021	3,500	2,467	2,800	3,000	3,000	3,000
	1	Staff Phones	2,949	4,021	3,500		2,800	3,000	3,000	3,000
	2	Various	2,251			2,467				
	*	Amount missing from detail								
+	82470	INTERNET & RELATED SERVICES	2,102	2,232	1,700	1,223	2,000	2,000	2,000	2,000
	1	Comcast	625	2,232	1,700		2,000	2,000	2,000	2,000
	2	Internet	256							
	3	Various	1,221			1,223				
	*	Amount missing from detail								
=	XUTIL	TOTAL UTILITIES	193,106	200,404	206,170	116,910	169,370	163,770	163,770	163,770
	82510	COMPUTER SERVICES				155				
	82540	ENGINEERING SERVICES		2,131		17,720	25,000	30,000	30,000	30,000
+	82560	CONSULTANT SERVICES		4,934						
	1	Various		4,934						
	2	Misc. Engineering Consultants								
	*	Amount missing from detail								
+	82599	OTHER CONTRACTUAL SERVICES	120,900	114,452	137,925	114,860	137,925	138,025	138,025	138,025
	1	Some sub contract labor misc. outsource labor	4,944							
	10	Cintas monthly heavy cleaning Public Restrooms, PD, City Hall, PW, SES, WWVP	17,770		15,500			15,500	15,500	15,500

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	21	FY 2018 PER - Installation of Generator at 4th Avenue Garage								
	23	Repairs to 4th Ave Garage to replace jointing materials (partial)								
	*	Amount missing from detail								
	82699	OTHER REPAIR & MAINTENANCE SERVICES	3,210	1,319	3,500			3,500	3,500	3,500
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	523,232	540,111	478,280	360,054	383,900	376,700	336,200	300,700
	83110	OFFICE SUPPLIES	3,096	3,760	1,800	58	500	500	500	500
	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)								
	83130	EMPLOYEE BENEVOLENCE ITEMS								
	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	978	532	750	257	300	750	750	750
=	XOFS	TOTAL OFFICE SUPPLIES	4,074	4,292	2,550	315	800	1,250	1,250	1,250
	83240	MEDICAL SUPPLIES			100			100	100	100
	83250	SAFETY SUPPLIES	310	368	250	125		250	250	250
+	83260	UNIFORMS PURCHASED	2,252	1,367	1,250	807	750	1,250	1,250	1,250
	1	Needed staff uniforms for facilities	2,252	1,367	1,250	807	750	1,250	1,250	1,250
	*	Amount missing from detail								
	83270	CONSUMABLE TOOLS	2,153	4,097	1,500	2,045		1,500	1,500	1,500
	83299	OTHER OPERATING SUPPLIES								
=	XOPS	TOTAL OPERATING SUPPLIES	4,715	5,832	3,100	2,977	750	3,100	3,100	3,100
+	83310	GASOLINE & DIESEL FOR FLEET (INSIDE WILLIAMSON COUNTY)	1,451	1,408	5,000	537	4,500	5,000	5,000	5,000
	1	Diesel fuel for PD, PW, Fire Stations, Radio Towers, Water/Sewer, San.			3,200		3,000	3,200	3,200	3,200
	3	Fuel for Maintenance Vehicles			1,800		1,500	1,800	1,800	1,800
	5	Various	1,451	1,408		537				
	*	Amount missing from detail								
=	XFUEL	TOTAL FUEL & MILEAGE	1,451	1,408	5,000	537	4,500	5,000	5,000	5,000
+	83510	FURNITURE, FIXTURES (<\$25,000)	28,170	14,215	30,000		15,000	30,000	30,000	30,000
	1	Furniture Purchases for misc. departments.			30,000		15,000	30,000	30,000	30,000
	7	Various	28,170	14,215						
	*	Amount missing from detail								
+	83530	MACHINERY & EQUIPMENT (<\$25,000)			750		400	750	750	750
	3	Vacuums / Blower Vac / Misc.			750		400	750	750	750
	4	Various								
	*	Amount missing from detail								
+	83540	COMPUTER HARDWARE (<\$25,000)	1,372	2,173	2,100			2,100	2,100	2,100
	1	Computers scheduled to be replaced this year			2,100			2,100	2,100	2,100
	2	Various	1,372	2,173						
	*	Amount missing from detail								
	83550	COMPUTER SOFTWARE (<\$25,000)		160						
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	29,542	16,548	32,850		15,400	32,850	32,850	32,850
+	83620	EQUIPMENT PARTS & SUPPLIES	1,715	10,793		17				
	2	Various	1,715	10,793		17				
	*	Amount missing from detail								
	83652	LANDSCAPING SUPPLIES		1,356						
	83653	IRRIGATION SUPPLIES				205				
+	83654	GROUNDS MAINTENANCE SUPPLIES			200			200	200	200
	1	Gly 4 Chemical			200			200	200	200
	*	Amount missing from detail								
+	83660	BUILDING MAINTENANCE SUPPLIES	63,248	62,459	47,250	31,945	45,700	45,950	45,850	45,550
	1	PD, PW, CH Air and Water Filters			4,800		4,000	4,800	4,800	4,500
	10	PD, PW, CH Occupancy sensors and switches			350			350	350	350
	11	Housekeeping equipment			400			600	500	500
	12	Cleaning Products, Paper, Lighting, SAM's			35,000		35,000	35,000	35,000	35,000
	13	Lighting Products, City Hall, PD, PW			2,500		5,000	2,000	2,000	2,000

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	14	Flags for City			1,800		1,800	1,800	1,800	1,800
	15	PD Urinal Filters special ordered			700		700	700	700	700
	16	PD Cistern Filters			700		700	700	700	700
	17	PW, CH, FIREHALLS VCT Waxing Materials			1,000					
	2									
	8	Various	63,248	62,459		31,945				
	*	Amount missing from detail								
+	83699	OTHER REPAIR & MAINTENANCE PARTS & SUPPLIES								
	1	Misc. Maintenance and HVAC recovery equipment								
	*	Amount missing from detail								
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES	64,963	74,608	47,450	32,167	45,700	46,150	46,050	45,750
	84920	2ND AVE PARKING GARAGE OPERATIONS								
=	XOPU	TOTAL OPERATIONAL UNITS								
	85110	PROPERTY INSURANCE	14,875	15,602	16,595	16,595	16,595	17,425	18,296	19,211
	85111	FRAUD INSURANCE		248	937	937	937	984	1,033	1,085
	85112	INLAND MARINE INSURANCE	159	152	160	164	164	172	181	190
	85113	AUTO PHYSICAL DAMAGE	126	(140)	140	140	140	147	154	162
	85115	LIABILITY INSURANCE	3,971	973	1,008	1,008	1,008	1,058	1,111	1,167
	85116	E&O LIABILITY INSURANCE		2,106	2,205	2,205	2,205	2,315	2,431	2,553
	85117	VEHICLE LIABILITY INSURANCE	2,568	1,064	1,322	1,322	1,322	1,388	1,458	1,530
	85118	LAW ENFORCEMENT LIABILITY INSURANCE								
	85119	UMBRELLA LIABILITY	750	816	866	866	866	909	955	1,003
	85120	PROPERTY DAMAGE COSTS	(2,536)							
	85127	VEHICLE LIABILITY CLAIMS/DEDUCTIBLES								
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	19,913	20,821	23,233	23,237	23,237	24,398	25,619	26,901
	85240	EQUIPMENT RENTAL & LEASES			1,000			1,000	1,000	1,000
=	XRENT	TOTAL RENTALS			1,000			1,000	1,000	1,000
+	85310	PERMITS	1,095	940	800	382	900	800	800	900
	1	Elevator Permits City Parking Garages, PD, Public Works	1,095	940	800	382	900	800	800	900
	*	Amount missing from detail								
	85320	STATE FEES			150					
=	XPERM	TOTAL PERMITS	1,095	940	950	382	900	800	800	900
	85530	E-COMMERCE FEES				4				
	85580	LATE CHARGES								
=	XFLF	TOTAL FINANCIAL FEES				4				
	85990	MISCELLANEOUS								
=	XOBE	TOTAL OTHER BUSINESS EXPENSES								
	87510	REIMB OF INTERFUND SERVICES	(318,284)	(300,257)	(364,207)	(273,155)	(364,207)	(371,491)	(378,921)	(386,499)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS	(318,284)	(300,257)	(364,207)	(273,155)	(364,207)	(371,491)	(378,921)	(386,499)
=	XOP	TOTAL OPERATIONS	649,814	691,812	579,288	401,312	447,313	456,182	409,373	367,377
		Capital								
+	89220	BUILDING DESIGN & CONSTRUCTION			295,000	7,627	150,000	250,000	750,000	750,000
	1	City Hall Architectural Services			295,000	7,627	150,000	250,000	750,000	750,000
	2	Construction Services								
	*	Amount missing from detail								
+	89230	BUILDING IMPROVEMENTS		198,960						

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	1	City Hall & Parking Garage Improvements								
	3	Various		198,960						
	4	City Hall Architectural Services								
	*	Amount missing from detail								
=	XBLDG	TOTAL BUILDINGS		198,960	295,000	7,627	150,000	250,000	750,000	750,000
=	89520	VEHICLES (>\$25,000)								
+	89530	MACHINERY & EQUIPMENT (>\$25,000)								
	2	3/4 ton truck with Utility Bed and ramp								
	3									
	4									
	*	Amount missing from detail								
=	XMEO	TOTAL MACHINERY & EQUIPMENT (>\$25,000)								
=	XCAP	TOTAL CAPITAL		198,960	295,000	7,627	150,000	250,000	750,000	750,000
=	XTOT	TOTAL EXPENDITURES	1,069,858	1,317,858	1,290,802	702,995	1,034,916	1,132,222	1,611,082	1,596,505



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Project & Facilities Management						
	PD Vestibules Carpet at Parking Deck	\$ -	\$ -	\$ 5,900	\$ 5,900	
	PD Community Room Painting	\$ -	\$ -	\$ 6,500	\$ 6,500	
	PD Sound Board Replacements	\$ -	\$ -	\$ 4,500	\$ 4,500	
	PD Carpet Replacement	\$ -	\$ -	\$ 19,500	\$ 19,500	
	PD Controlled Records Retention Room	\$ -	\$ -	\$ 38,000	\$ 38,000	
	PW FRP on Break Room Walls	\$ -	\$ -	\$ 7,500	\$ 7,500	
	PW Painting of Second Floor Space	\$ -	\$ -	\$ 6,500	\$ 6,500	
	PW Updating from Metal Halide to LED Wall Packs	\$ -	\$ -	\$ 8,250	\$ 8,250	
	City Hall IT and Projector Upgrades	\$ -	\$ -	\$ 9,000	\$ 9,000	
	City Hall Boardroom Paint and Carpet	\$ -	\$ -	\$ 16,000	\$ 16,000	
	Wastewater Administrative Flooring Replacment	\$ -	\$ -	\$ 19,500	\$ 19,500	
	Custodial	\$ 40,000	\$ 12,000	\$ -	\$ 52,000	
	Facilities and Maintenance Supervisor	\$ 45,000	\$ 13,500	\$ -	\$ 58,500	
Total		\$ 85,000	\$ 25,500	\$ 141,150	\$ 251,650	\$ -
		<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>	<u>Total</u>	
Total G/F Requests		\$ 85,000	\$ 25,500	\$ 141,150	\$ 251,650	\$ -
(+ 1 FTE)						

FranklinForward Allocations

	A Safe, Clean, Livable City	\$ -
	A Effective and Fiscally Sound City Government Providing High Quality Service	\$ 251,650
	Quality Life Experiences	\$ -
	Sustainable Growth & Economic Prosperity	\$ -

Totals \$ 251,650

Traditional Allocations

	Personnel	\$ 110,500
	Operations	\$ -
	Equipment	\$ 9,000
	Capital	\$ 132,150
Total		\$ 251,650

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
PD Vestibules Carpet at Parking Deck

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$5,900		\$5,900
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$5,900	\$0	\$5,900

PURPOSE / DESCRIPTION OF REQUEST

This is for the knockdown carpet at both vestibules as you enter the PD facility from the parking deck. These two areas are designed to capture as much exterior foot traffic material as possible such as water, snow, mud and other debris to help protect the interior of the facility. These are the original floors and have worn over the years.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
 FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **PD Community Room Painting**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$6,500		\$6,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$6,500	\$0	\$6,500

PURPOSE / DESCRIPTION OF REQUEST

PD Community room is in need of paint as the space is approximately 11 years old and has not been painted since the facility was built. The room has taken a beating over the last few years as it has been used as a community room for many city functions, city meetings and many more training sessions with safety personnel and staff along with city administrators.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
PD Sound Board Replacements

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$4,500		\$4,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$4,500	\$0	\$4,500

PURPOSE / DESCRIPTION OF REQUEST

This is for the rework and replacement of perimeter wall sound abatement. The panels are approximately 11 years old and like the carpet have been beaten, stained and smashed beyond repairs. It is an esthetics issue only but they are in bad shape.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department: 41300 ADMINISTRATION
 Division: Project and Facilities Management
FranklinForward Theme: A Effective and Fiscally Sound City Government Providing High Quality Service
 Title: PD Carpet Replacement

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$19,500		\$19,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$19,500	\$0	\$19,500

PURPOSE / DESCRIPTION OF REQUEST

Replacement of carpet and removal of some electrical floor plugs located in the PD community room. The carpet within the community room is approximately 11 years old and has been cleaned multiple times and is worn out. This includes the border and main carpet.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of

Department:

Division:

FranklinForward Theme:

Title:

41300 ADMINISTRATION

Project and Facilities Management

A Effective and Fiscally Sound City Government Providing High Quality Service

PD Controlled Records Retention Room

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$38,000		\$38,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$38,000	\$0	\$38,000

PURPOSE / DESCRIPTION OF REQUEST

This is to create a records storage room in an area located within the basement of PD. This is a needed area due to the storage now located at 5 points is basically full set as some of our documents that can never be destroyed. Also, 5 points facility does not offer any form of fire suppression. The space being considered would be constructed with fire rated drywall, doors and sprinklers in case of a fire. Large double doors would be installed for larger items along with an access control system for security and designed shelving to carry more loads.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
 FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **PW FRP on Break Room Walls**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$7,500		\$7,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$7,500	\$0	\$7,500

PURPOSE / DESCRIPTION OF REQUEST

The breakroom at Public Works takes a major beating everyday from staff and visitors that come in for lunch at the facility. Lunch is not the only meal as breakfast and late afternoon breaks waiting on the time clock happens as well. This is the main eating area of the entire complex and so by adding the FRP board it will add longevity to the painted services and drywall of the break room due to foot, body and chair interaction.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department: 41300 ADMINISTRATION
 Division: Project and Facilities Management
FranklinForward Theme: A Effective and Fiscally Sound City Government Providing High Quality Service
 Title: PW Painting of Second Floor Space

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$6,500		\$6,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$6,500	\$0	\$6,500

PURPOSE / DESCRIPTION OF REQUEST

Painting of second floor located at building one second floor. This would include the conference room that is major need, gathering spaces and other conference rooms, The exterior main walls and a few interior offices suites. Space if roughly five plus years old and takes a beating from staff along the walls.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
PW Updating from Metal Halide to LED Wall Packs

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$8,250		\$8,250
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$8,250	\$0	\$8,250

PURPOSE / DESCRIPTION OF REQUEST

The exterior lights of the Public Works Facility are very old and are costing us more money every month due to failures. These units go back to the time of the old 84 Lumber Company so possibly fifteen plus years so they have lived a good life. To replace with new LED wall packs on the existing buildings will cost \$8,250 with the sheds add \$5,250 to the total. The old ballast are causing the bulbs to burn out easier and the metal halide units are more expensive to operate.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of

Department:

Division:

FranklinForward Theme:

Title:

41300 ADMINISTRATION

Project and Facilities Management

A Effective and Fiscally Sound City Government Providing High Quality Service

City Hall IT and Projector Upgrades

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$9,000		\$9,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$9,000	\$0	\$9,000

PURPOSE / DESCRIPTION OF REQUEST

This pertains to two of the major meeting rooms around City Hall such as the Training Room and the CDCR. This equipment can be moved to another facility if the need arises. The request is to change out the projector in the CDCR to a lazer type unit due to the amount and cost of bulbs for the system based on the amount it is used. Also with this system will include a computer for connectivity and a Click Share type system. The current projector will move to the CDCR where the monitor will be removed and a screen installed along with a computer and clickshare type system.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
City Hall Boardroom Paint and Carpet

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$16,000		\$16,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$16,000	\$0	\$16,000

PURPOSE / DESCRIPTION OF REQUEST

This is for painting literally the very last place that we have not done any form of updating or cleanup in ten plus years within City Hall. The cost is for replacing the carpet with our standard carpet we currently use in city hall and painting of the space only. This does not include any ceiling, lighting, speakers or control systems such as we have done within other spaces.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
Wastewater Administrative Flooring Replacement

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$19,500		\$19,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$19,500	\$0	\$19,500

PURPOSE / DESCRIPTION OF REQUEST

This is to replace the dirty flooring and carpet located within multiple offices with the same type of SHAW silent floor that we use in main gathering areas. We currently use the material at the administrative lobby area, fire kitchen area and other spaces around city hall and the city. This is a washable material than can be kept in a more sterile condition than the current carpet and other material.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
Custodial

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81100 SALARIES & WAGES		\$40,000	\$40,000
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$12,000	\$12,000
<u>Expenses</u>			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$52,000	\$52,000

PURPOSE / DESCRIPTION OF REQUEST

Looking to replace custodial that was removed approximately 3 to 4 years ago. Increase of facilities, staff in other facilities and mainly work load is the cause of the additional employee. Facilities is handling more square footage and older structures that is putting a strain on current staff regarding HelpStar etc. A custodial person will help free up City Hall staff from some cleaning needs to do mainly repairs.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: of 13

Department:
 Division:
FranklinForward Theme:
 Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
Facilities and Maintenance Supervisor

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81100 SALARIES & WAGES		\$45,000	\$45,000
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$13,500	\$13,500
<u>Expenses</u>			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$58,500	\$58,500

PURPOSE / DESCRIPTION OF REQUEST

Jim is looking to retire soon and I want to make sure that we have a candidate that can work along side of Jim for a period of up to 6 months to learn all that they will need to know prior to Jim's retirement.

SERVICE IMPLICATION



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Project & Facilities Management						
1	PD Community Room Painting	\$ -	\$ -	\$ 6,500	\$ 6,500	
2	Controlled Records Retention Room	\$ -	\$ -	\$ 38,000	\$ 38,000	
3	City Hall IT and Projector Upgrades	\$ -	\$ -	\$ 9,000	\$ 9,000	
4	Replacement Benches City Square	\$ -	\$ -	\$ 12,000	\$ 12,000	
5	PD Vestibules at Parking Deck	\$ -	\$ -	\$ 5,900	\$ 5,900	
6	Custodial	\$ 40,000	\$ 12,000	\$ -	\$ 52,000	
7	Phase 1 of VCT floor tiles Public Works Replacement to Epoxy	\$ -	\$ -	\$ 9,500	\$ 9,500	
8	PW FRP on Break Room Walls	\$ -	\$ -	\$ 7,500	\$ 7,500	
9	Updating from Metal Halide to LED Wall Packs at PW	\$ -	\$ -	\$ 8,250	\$ 8,250	
10	Wastewater Administrative Flooring Replacment	\$ -	\$ -	\$ 19,500	\$ 19,500	
11	PW Painting of Second Floor Space	\$ -	\$ -	\$ 6,500	\$ 6,500	
12	PD Carpet Replacement	\$ -	\$ -	\$ 19,500	\$ 19,500	
13	Relocation of City Hall Water Line for Domestic and Fire	\$ -	\$ -	\$ 4,000	\$ 4,000	
14	Relocation of City Fire Riser and Connection to Existing	\$ -	\$ -	\$ 30,000	\$ 30,000	
15	PD Sound Board Replacements	\$ -	\$ -	\$ 4,500	\$ 4,500	
16	- reserved -	\$ -	\$ -	\$ -	\$ -	
17	City Hall Boardroom Paint and Carpet	\$ -	\$ -	\$ 16,000	\$ 16,000	
Total		\$ 40,000	\$ 12,000	\$ 196,650	\$ 248,650	\$ -

	Compensation	Benefits	Expenses	Total	
Total G/F Requests	\$ 40,000	\$ 12,000	\$ 196,650	\$ 248,650	\$ -

(+ 1 FTE)

FranklinForward Allocations



A Safe, Clean, Livable City

\$ -



A Effective and Fiscally Sound City Government
Providing High Quality Service

\$ 248,650



Quality Life Experiences

\$ -



Sustainable Growth & Economic Prosperity

\$ -

Totals \$ 248,650

Traditional Allocations



Personnel \$ 52,000



Operations \$ -



Equipment \$ 33,750



Capital \$ 162,900

Total \$ 248,650

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **17**

Department:

41300 ADMINISTRATION

Division:

Project and Facilities Management

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

PD Community Room Painting

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$6,500		\$6,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$6,500	\$0	\$6,500

PURPOSE / DESCRIPTION OF REQUEST

PD Community room is in need of paint as the space is approximately 11 years old and has not been painted since the facility was built. The room has taken a beating over the last few years as it has been used as a community room for many city functions, city meetings and many more training sessions with safety personnel and staff along with city administrators.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 2 of 17

Department:

Division:

FranklinForward Theme:

Title:

41300 ADMINISTRATION

Project and Facilities Management

A Effective and Fiscally Sound City Government Providing High Quality Service

Controlled Records Retention Room

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$38,000		\$38,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$38,000	\$0	\$38,000

PURPOSE / DESCRIPTION OF REQUEST

This is to create a records storage room in an area located within the basement of PD. This is a needed area due to the storage now located at 5 points is basically full set as some of our documents that can never be destroyed. Also, 5 points facility does not offer any form of fire suppression. The space being considered would be constructed with fire rated drywall, doors and sprinklers in case of a fire. Large double doors would be installed for larger items along with an access control system for security and designed shelving to carry more loads.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 3 of 17

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **City Hall IT and Projector Upgrades**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$9,000		\$9,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$9,000	\$0	\$9,000

PURPOSE / DESCRIPTION OF REQUEST

This pertains to two of the major meeting rooms around City Hall such as the Training Room and the CDCR. This equipment can be moved to another facility if the need arises. The request is to change out the projector in the CDCR to a laser type unit due to the amount and cost of bulbs for the system based on the amount it is used. Also with this system will include a computer for connectivity and a Click Share type system. The current projector will move to the CDCR where the monitor will be removed and a screen installed along with a computer and Clickshare type system.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **4** of **17**

Department: _____ Division: _____ FranklinForward Theme: _____ Title: _____	41300 ADMINISTRATION Project and Facilities Management A Effective and Fiscally Sound City Government Providing High Quality Service Replacement Benches City Square
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Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
Benefits auto-calculated at 30% of compensation -->>	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$12,000		\$12,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$12,000	\$0	\$12,000

PURPOSE / DESCRIPTION OF REQUEST

Currently the COF has 17 benches located around or along the downtown square. Many seem to be in some form of decay with rotten wood, paint peeling, covered in mold and or mildew to the point that you cannot sit on them. Looking to replace with the DuMor Brand that we currently have at 5 points and one located at Mellow Mushroom. They are a six foot bench, steel, forrest green in color with a recessed space on the back area that the or any memorial plaque could be placed.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **5** of **17**

Department: Division: FranklinForward Theme: Title:	41300 ADMINISTRATION Project and Facilities Management A Effective and Fiscally Sound City Government Providing High Quality Service PD Vestibules at Parking Deck
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Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$5,900		\$5,900
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$5,900	\$0	\$5,900

PURPOSE / DESCRIPTION OF REQUEST

This is for the knockdown carpet at both vestibules as you enter the PD facility from the parking deck. These two areas are designed to capture as much exterior foot traffic material as possible such as water, snow, mud and other debris to help protect the interior of the facility. These are the original floors and have worn over the years.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **6** of **17**

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
 FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **Custodial**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
81100 SALARIES & WAGES		\$40,000	\$40,000
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$12,000	\$12,000
Expenses			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$52,000	\$52,000

PURPOSE / DESCRIPTION OF REQUEST

Looking to replace custodial that was removed approximately 3 to 4 years ago. Increase of facilities, staff in other facilities and mainly work load is the cause of the additional employee. Facilities is handling more square footage and older structures that is putting a strain on current staff regarding HelpStar etc. A custodial person will help free up City Hall staff from some cleaning needs to do mainly repairs.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 7 of 17

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **Phase 1 of VCT floor tiles Public Works Replacement to Epoxy**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->>></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$9,500		\$9,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$9,500	\$0	\$9,500

PURPOSE / DESCRIPTION OF REQUEST

Facility is now three going on 4 years old and with the current foot traffic we need to look at replacement of the floor tile. One way is to go with a epoxy type floor that is much more durable and less to maintain. The entire first floor of building 1 needs to be completed where there is VCT but this will help with the breakroom area at this time.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **8** of **17**

Department: Division: FranklinForward Theme: Title:	41300 ADMINISTRATION
	Project and Facilities Management
	A Effective and Fiscally Sound City Government Providing High Quality Service
	PW FRP on Break Room Walls

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
Benefits auto-calculated at 30% of compensation -->>>	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$7,500		\$7,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$7,500	\$0	\$7,500

PURPOSE / DESCRIPTION OF REQUEST

The breakroom at Public Works takes a major beating everyday from staff and visitors that come in for lunch at the facility. Lunch is not the only meal as breakfast and late afternoon breaks waiting on the time clock happens as well. This is the main eating area of the entire complex and so by adding the FRP board it will add longevity to the painted services and drywall of the break room due to foot, body and chair interaction.

SERVICE IMPLICATION

Updating from Metal Halide to LED Wall Packs at PW

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **10** of **17**

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
 FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **Wastewater Administrative Flooring Replacement**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$19,500		\$19,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$19,500	\$0	\$19,500

PURPOSE / DESCRIPTION OF REQUEST

This is to replace the dirty flooring and carpet located within multiple offices with the same type of SHAW silent floor that we use in main gathering areas. We currently use the material at the administrative lobby area, fire kitchen area and other spaces around city hall and the city. This is a washable material than can be kept in a more sterile condition than the current carpet and other material.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **11** of **17**

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
 FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **PW Painting of Second Floor Space**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$6,500		\$6,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$6,500	\$0	\$6,500

PURPOSE / DESCRIPTION OF REQUEST

Painting of second floor located at building one second floor. This would include the conference room that is major need, gathering spaces and other conference rooms, The exterior main walls and a few interior offices suites. Space if roughly five plus years old and takes a beating from staff along the walls.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **12** of **17**

Department: _____ Division: _____ FranklinForward Theme: _____ Title: _____	41300 ADMINISTRATION
	Project and Facilities Management
	A Effective and Fiscally Sound City Government Providing High Quality Service
	PD Carpet Replacement

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$19,500		\$19,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$19,500	\$0	\$19,500

PURPOSE / DESCRIPTION OF REQUEST

Replacement of carpet and removal of some electrical floor plugs located in the PD community room. The carpet within the community room is approximately 11 years old and has been cleaned multiple times and is worn out. This includes the border and main carpet.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **13** of **17**

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **Relocation of City Hall Water Line for Domestic and Fire**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->>></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$4,000		\$4,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$4,000	\$0	\$4,000

PURPOSE / DESCRIPTION OF REQUEST

In preparation of a City Hall Construction project and keeping some existing offices within the southern end of City Hall we would need to relocate the existing city hall water services. This would be a project performed by the City of Franklin Water Department and would leave the existing taps and relocate the lines to the southern end of City Hall to be placed within the City Facilities Dept.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **14** of **17**

Department: **41300 ADMINISTRATION**
 Division: **Project and Facilities Management**
 FranklinForward Theme: **A Effective and Fiscally Sound City Government Providing High Quality Service**
 Title: **Relocation of City Fire Riser and Connection to Existing**

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$0	\$0	\$0
<u>Expenses</u>			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$30,000		\$30,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$30,000	\$0	\$30,000

PURPOSE / DESCRIPTION OF REQUEST

This is to relocate/build a fire riser in the Facilities Dept for fire suppression of the southern end of City Hall for the period of time that the southern end would be staffed during construction of a new City Hall.

SERVICE IMPLICATION

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **15** of **17**

Department:
Division:
FranklinForward Theme:
Title:

41300 ADMINISTRATION
Project and Facilities Management
A Effective and Fiscally Sound City Government Providing High Quality Service
PD Sound Board Replacements

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82660 BUILDING REPAIR & MAINTENANCE SERVICES	\$4,500		\$4,500
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$4,500	\$0	\$4,500

PURPOSE / DESCRIPTION OF REQUEST

This is for the rework and replacement of perimeter wall sound abatement. The panels are approximately 11 years old and like the carpet have been beaten, stained and smashed beyond repairs. It is an esthetics issue only but they are in bad shape.

SERVICE IMPLICATION

City Hall Boardroom Paint and Carpet



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Purchasing

Brian Wilcox, Purchasing Manager



City of Franklin, Tennessee - FY 2020 Budget Request

Purchasing

Outline

- Focus of Purchasing**
- Aim of Purchasing**
- Mission of Purchasing**
- Some Routine Duties of Purchasing**
- Organization Chart**
- Base Budget Request
 - Personnel**
 - Operations****
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Focus of Purchasing

The City of Franklin divides the purchasing function into two broad categories:

- > that which pertains to the design and/or construction of new infrastructure and facilities; and**
- > that which does not.**

The Purchasing Office focuses its attention on the purchase of goods and services that do not pertain to new construction and leaves to the Engineering Department and the Facilities Office purchasing that does pertain to new construction.



City of Franklin, Tennessee - FY 2020 Budget Request

Purchasing

Aim of Purchasing

The Purchasing Office aims to facilitate the procurement of non-construction-related products and services for the City ...

- > at the right specification that meets the end-user department's needs**
- > in the right quantity**
- > at the right price**
- > from the right source**
- > for delivery at the right time**
- > at the right location**
- > for the right end-user department.**



City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Mission of Purchasing

The mission of the City of Franklin Purchasing Office is:

- > to support the City's end-user departments in the policy-compliant procurement of non-construction-related products and services so that the City may fulfill its mission;**
- > to strive for the City to receive maximum value for every non-construction-related purchase of the City; and**
- > to strive to preserve and enhance the public trust in the manner in which the City conducts its non-construction-related purchasing.**



City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Some Routine Duties of Purchasing

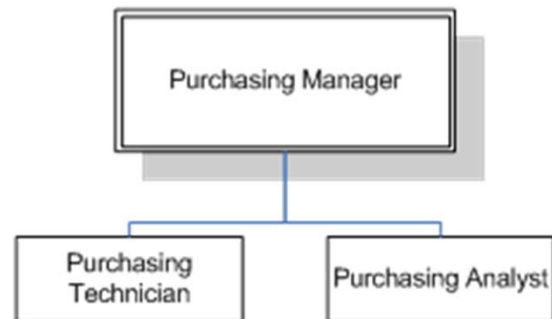
- > Administer the purchasing card program (for CY2018 valued at approximately \$8 million from about 21,000 transactions by 464 cardholders resulting in a rebate of about \$69,600 earned based on CY2018 spend, paid to City early in CY2019)**
- > Administer (with Fleet) fleet fuel purchasing (for about 700 vehicles and pieces of equipment, and about 600 drivers)**
- > Administer (with Fleet and Police) the disposal of the City's surplus personal and seized property (155 auctions in CY2018 yielding net proceeds of \$140,999)**
- > Represent the City at area vendor outreach events**
- > Process procurement requisitions (over 200 during CY2018)**
- > Prepare and release procurement solicitation documents and facilitate formal procurement solicitations**
- > Review vendor contracts**
- > Function as centralized point of contact for vendors seeking to do business with the City**



City of Franklin, Tennessee - FY 2020 Budget Request

Purchasing

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Base Budget Request: Personnel

Budget FY2019 \$ 249,897

Budget FY2020 \$ 245,425

Total Personnel 3:

Purchasing Manager (incumbent: Brian Wilcox, since 2004)

Purchasing Analyst (incumbent: Suzanne Ward, since 2012)

Purchasing Technician (incumbent: Leslie Pewitt, since 2018)



City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Base Budget Request: Operations

Budget FY2019 \$ 44,913 (-\$11,807 *w/ interfund transfer*)

Budget FY2020 \$ 50,193 (-\$7,661 *w/ interfund transfer*)

Most noteworthy change from FY2019 to FY2020:

Approximately \$3,700 for professional development



City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Program Enhancement Requests

Total Enhancement Requests: 2

1. Procurement Officer IV	\$ 97,248
2. Procurement Requisition	
<u>Approval Workflow Software</u>	<u>\$ 49,000</u>
Total	\$146,248



City of Franklin, Tennessee - FY 2020 Budget Request **Purchasing**

Summary

The Purchasing Office is dedicated to the principles of integrity, transparency, competition and fairness in the procurement of non-construction-related products and services needed by the various departments of the City.



City of Franklin, Tennessee

FY 2020 Operating Budget

Purchasing

Brian Wilcox, Purchasing Manager

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	209,894	242,492	249,897	252,346	245,425	-4,472	-1.8%
Operations	-18,381	-20,231	-11,807	-15,134	-7,661	4,146	-35.1%
Capital	0	0	0	0	0	-	0.0%
Total	191,513	222,261	238,090	237,212	237,764	-326	-0.1%

Departmental Summary

Procurement of goods and services not pertaining to the design and/or construction of new infrastructure and facilities but that is valued at or above the public advertisement / sealed submittal threshold, currently \$25,000, is normally facilitated by the Purchasing Office, along with some procurements that are common to multiple departments. (Since 2013, the Engineering Department and the Purchasing Office have consolidated to one web page, we now call the “Business Opportunities” page, on the City’s public website where both construction-related and non-construction-related formal procurement solicitations, including invitations to bid, requests for proposals and requests for qualifications, are posted.) In addition, among other tasks, the Purchasing Office:

- administers the City’s purchasing card program, which allows, within card-specific spending limits, for authorized purchases to be made by departmental staff by means of City-issued credit cards;
- administers, with support from Fleet Maintenance, fuel purchasing for the City’s vehicle and equipment fleet; and
- facilitates, with support from Fleet Maintenance and Police, on an as-needed basis the lawful disposal of surplus personal property of the City, and, at the discretion of the department, any unclaimed lost, stolen or seized personal property of others recovered by or turned over to the City.

More information about the Purchasing Office may be found on the City’s website.

FY 2020 Outlook

The Purchasing Office anticipates continuing to focus on its mission:

- to support the City’s end-user departments in the policy-compliant procurement of non-construction-related products and services so that the City may fulfill its mission;
- to strive for the City to receive maximum value for every non-construction-related purchase of the City; and
- to strive to preserve and enhance the public trust in the manner in which the City conducts its non-construction-related purchasing.



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: An Effective and Fiscally Sound City Government Providing High Quality Service

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	
	2016 Franklin Citizens Survey	

Workload (Output) Measures

		2016	2017	2018	2019*	2020*
	Number of formal procurement solicitations processed by the Purchasing Office ^{1,2}	24	12	10	10	12
	Number of City purchase orders prepared	50	65	76	86	96
	Number of purchasing card transactions processed	20,374	20,877	21,363	21,750	22,250
	Value of purchasing card transactions processed	\$ 7,235,337	\$ 8,196,464	\$ 8,313,466	\$ 8,420,000	\$ 8,540,000
	Total organization purchasing dollar volume	\$ 59,596,341	\$ 79,142,015	\$ 82,160,081	\$ 85,000,000	\$ 88,000,000
	Value of City's rebate earned for total spend, net of credits (by calendar year)	\$ 64,639	\$ 62,940	\$ 68,125	\$ 69,600	\$ 70,500
	Number electronic auctions of surplus property	65	73	132	75	75
	Value of proceeds from electronic auctions of surplus property (before fee paid by City for electronic auction services)	\$ 333,247	\$ 345,512	\$ 114,417	\$ 150,000	\$ 200,000
	Fee paid by City for electronic auction services	\$ 24,996	\$ 25,920	\$ 8,611	\$ 11,264	\$ 15,018
	Number of formal protests received	0	0	0	0	0
	Number of vendor outreach events attended	1	0	1	1	1
	# of emergency ³ purchases known to Purchasing	4	4	2	3	3
	# of sole-source ⁴ purchases known to Purchasing	10	6	9	8	8



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Efficiency Measures

		2016	2017	2018	2019*	2020*
	Average number of calendar days (from receipt of card request to receipt of delivered card) for...					
	... purchasing card	4	4	7	7	7
	... fleet fuel driver number	1	1	1	1	1
	... fleet fuel vehicle card	7	7	8	8	8
	P-Card Purchasing Dollar Volume as a % of Total Purchasing Dollar Volume	12.14%	10.36%	10.12%	9.91%	9.70%
	Tennessee Statewide Benchmarking Average	10.99%	2.28%	2.38%	TBD	TBD

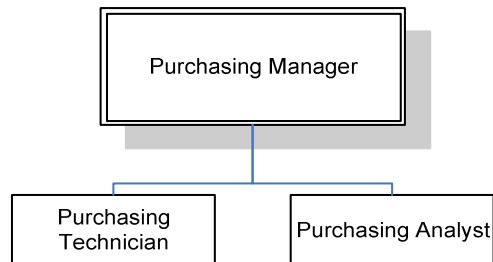
Outcome (Effectiveness) Measures

		2016	2017	2018	2019*	2020*
	Average number of calendar days from date of requisition to award of procurement for formal procurement solicitations ^{1,2} processed by the Purchasing Office	108	110	120	90	90
	Target (90 Days)	90	90	90	90	90
	Meets Target?	No	No	No	TBD	TBD

Notes

- 1 Involving sealed submittals (i.e., bids, proposals, and statements of qualifications) received pursuant to published legal notice.
- 2 The City's public advertisement / sealed submittal threshold is currently \$25,000, pursuant to Ordinance No. 2010-72.
- 3 Defined as impinging on public health, safety or welfare and valued at or greater than \$10,000.
- 4 Defined as valued at or greater than \$25,000.
- 5 (*) FY 2019 and FY 2020 data are estimates

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"



City of Franklin, Tennessee

FY 2020 Operating Budget

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Purchasing Manager	Grade I	1	0	1	0	1	0	1	0	1	0
Purchasing Analyst	Grade F	1	0	1	0	1	0	1	0	1	0
Purchasing Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Totals		3	0	3	0	3	0	3	0	3	0

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	156,218	165,036	170,099	166,567	173,209	3,110	1.8%
Employee Benefits	53,676	77,456	79,798	85,779	72,216	(7,582)	-9.5%
Total Personnel	209,894	242,492	249,897	252,346	245,425	(4,472)	-1.8%
Operations							
Transportation Services	9	2	50	2,314	50	-	0.0%
Operating Services	53	85	400	427	550	150	37.5%
Notices, Subscriptions, etc.	2,249	1,972	3,684	2,894	3,694	10	0.3%
Utilities	774	728	1,140	900	1,160	20	1.8%
Contractual Services	13,621	13,621	20,595	20,600	21,445	850	4.1%
Repair & Maintenance Services	-	653	1,000	750	1,000	-	0.0%
Employee Programs	-	49	100	50	100	-	0.0%
Professional Development/Travel	2,622	5,666	10,380	8,378	14,525	4,145	39.9%
Office Supplies	1,714	966	1,525	1,000	1,530	5	0.3%
Operating Supplies	-	-	100	-	100	-	0.0%
Fuel & Mileage	12	-	300	-	300	-	0.0%
Machinery & Equipment (<\$25,000)	9,401	6,167	3,500	2,140	3,500	-	0.0%
Property & Liability Costs	1,772	1,693	2,139	2,133	2,240	101	4.7%
Financial Fees	3	-	-	-	-	-	
Reimbursement of Interfund Trans.	(50,611)	(51,833)	(56,720)	(56,720)	(57,854)	(1,134)	2.0%
Total Operations	(18,381)	(20,231)	(11,807)	(15,134)	(7,661)	4,146	-35.1%
Capital	-	-	-				0.0%

Total Purchasing Department	191,513	222,261	238,090	237,212	237,764	(326)	-0.1%
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	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	156,082	164,510	175,791	101,383	166,267	179,180	188,139	197,546
	81120	OVERTIME PAY	136	526	300	50	300	300	300	300
	81199	VACANCY ADJUSTMENT			(5,992)			(6,271)	(6,585)	(6,914)
=	XWAGE	TOTAL WAGES	156,218	165,036	170,099	101,433	166,567	173,209	181,854	190,932
=	81410	FICA(EMPLOYER'S SHARE)	11,174	11,520	13,098	7,427	12,719	13,707	14,393	15,112
=	81420	MEDICAL PREMIUMS	34,342	56,631	56,631	23,437	56,249	40,373	44,410	48,851
=	81425	VISION PREMIUMS				207	497	437	481	529
=	81430	GROUP INSURANCE PREMIUMS	3,059	3,292	3,799	1,532	2,876	3,598	3,778	3,967
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(9,568)	(11,996)	(12,404)	(4,213)	(6,913)	(8,011)	(8,812)	(9,693)
!	81450	RETIREMENT CONTRIBUTIONS	12,152	13,975	14,721	11,041	14,721	16,193	17,812	19,594
	81455	DEFERRED COMP MATCH	2,435	3,980	3,579	3,639	5,256	5,519	5,795	6,084
	81470	WORKERS COMPENSATION PREMIUMS	82	54	374	40	374	400	400	400
=	XBEN	TOTAL BENEFITS	53,676	77,456	79,798	43,110	85,779	72,217	78,257	84,844
=	XPER	TOTAL PERSONNEL	209,894	242,492	249,897	144,543	252,346	245,426	260,111	275,776
		Operations								
	82110	MAILING & OUTBOUND SHIPPING SERVICES	9	2	50	2,314	2,314	50	50	50
=	XTRC	TOTAL TRANSPORTATION CHARGES	9	2	50	2,314	2,314	50	50	50
	82210	PRINTING & COPYING SERVICES, OUTSOURCED	53		200		100	200	200	200
	82250	TESTING & PHYSICALS		85	200	327	327	350	350	350
=	XOPSV	TOTAL OPERATING SERVICES	53	85	400	327	427	550	550	550
	82310	LEGAL NOTICES			50		25	50	50	50
+	82350	DUES FOR MEMBERSHIPS	1,459	1,490	2,059	439	1,724	2,069	2,429	2,089
	1	Various								
	2	Civic organization	300	300	320			320	320	320
	3	NIGP	430	439	439	439	439	439	439	439
	4	TAPP	60	60	75		60	75	75	75
	5	MTPPA	60	60	60		60	60	60	60
	6	ICMA	609	631	640		640	650	660	670
	7	UPPCC certification fees			525		525	525	525	525
	8	UPPCC recertification fees							350	
	*	Amount missing from detail								
	82360	PUBLIC RELATIONS & EDUCATION (CITY SPONSORED)								
	82370	PROMOTIONS & SPECIAL EVENTS (NOT CITY SPONSORED)	300		1,000		600	1,000	1,000	1,000
	82373	RECRUITMENT			25		25	25	25	25
+	82390	PUBLICATIONS, NON-TRAINING	490	482	550		520	550	550	550
	1	Various	17							
	2	NIGP 5-digit commodity code annual license renewal	473	482	550		520	550	550	550
	*	Amount missing from detail								
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	2,249	1,972	3,684	439	2,894	3,694	4,054	3,714
	82450	TELEPHONE SERVICE	311	368	530	228	400	540	550	550
	82470	INTERNET & RELATED SERVICES	463	360	610	247	500	620	630	630
=	XUTIL	TOTAL UTILITIES	774	728	1,140	475	900	1,160	1,180	1,180

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
+	82510	COMPUTER SERVICES	13,621	13,621	20,595	310	20,600	21,445	21,945	22,445
	01	Various								
	02	consulting services for Great Plains								
	03	e-procurement software, annual licensing fee for core system								
	04	e-procurement software, one-time implementation fee								
	05	Spend analysis	13,621	13,621	15,500		15,900	16,350	16,850	17,350
	06	Software for Tracking Certificates of Insurance								
	07	FY 2019 PER - Quarterly Updates of Spend Analysis			5,095		4,700	5,095	5,095	5,095
	*	Amount missing from detail				310				
	82599	OTHER CONTRACTUAL SERVICES								
=	XCTS	TOTAL CONTRACTUAL SERVICES	13,621	13,621	20,595	310	20,600	21,445	21,945	22,445
	82610	VEHICLE REPAIR & MAINTENANCE SERVICES								
+	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES		653	1,000	357	750	1,000	1,000	1,000
	1	Various								
	2	Multi-function copier		653	1,000	357	750	1,000	1,000	1,000
	*	Amount missing from detail								
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES		653	1,000	357	750	1,000	1,000	1,000
	82750	EMPLOYEE RECOGNITION/RECEPTIONS		22						
	82790	TRAINING, IN-HOUSE		27	100		50	100	100	100
=	XEPG	TOTAL EMPLOYEE PROGRAMS		49	100		50	100	100	100
+	82810	REGISTRATIONS	1,150	2,382	4,530		4,375	5,445	5,445	5,445
	1	Various		1,638	(1,515)					
	2	Annual NIGP Forum & Expo	595		2,000		1,700	2,000	2,000	2,000
	3	Various NIGP seminars		595	2,200		1,600	1,600	1,600	1,600
	4	Various NIGP webinars			570		450	570	570	570
	5	Fall conference of TAPP			250			250	250	250
	6	Spring conference of TAPP	225		250		225	250	250	250
	7	Summary of Public Acts presented by UT-MTAS			25		25	25	25	25
	8	Various SkillPath webinars/seminars	330	149	750		375	750	750	750
	*	Amount missing from detail								
+	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	130	459	1,750	171	1,408	2,230	2,030	2,030
	1	Various	21	122	(635)					
	2	Annual NIGP Forum & Expo		5	725	171	181	500	500	500
	3	Various NIGP seminars		256	750		750	500	300	300
	4	Fall conference of TAPP	24	34	150		37	550	550	550
	5	Spring conference of TAPP			250		300	300	300	300
	6	Monthly MTPPA chapter meetings	42	42	260		60	130	130	130
	7	DBE Outreach Events	20		100		40	100	100	100
	8	Various SkillPath seminars	23		150		40	150	150	150
	*	Amount missing from detail								
+	82830	AIR TRAVEL	50	460	500		1,500	1,500	1,500	1,500
	1	Various			500					
	2	Annual NIGP Forum & Expo	50	460			1,000	1,000	1,000	1,000
	3	Possible NIGP Committee Meetings								
	4	NIGP Seminar					500	500	500	500
	*	Amount missing from detail								
+	82840	LODGING	1,162	2,125	2,500		915	3,750	3,750	3,750
	1	Various		293	2,500					
	2	Annual NIGP Forum & Expo	932	1,243				2,500	2,500	2,500

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	3	Various NIGP seminars		117			300	300	300	300
	4	Fall conference of TAPP	230	472			315	650	650	650
	5	Spring conference of TAPP					300	300	300	300
	6	Possible NIGP Committee Meetings								
	*	Amount missing from detail								
+	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	130	240	1,000	19	180	1,500	1,500	1,500
	1	Various		47	(650)					
	2	Annual NIGP Forum & Expo	120	128	750			500	500	500
	3	Various NIGP seminars		48	200		100	200	200	200
	4	Fall conference of TAPP		17	200			200	200	200
	5	Spring conference of TAPP			150		50	150	150	150
	6	MTPPA annual banquet			300			300	300	300
	7	Various SkillPath seminars	10		50		30	50	50	50
	8	MTPPA meetings				19		100	100	100
	*	Amount missing from detail								
	82890	OTHER TRAVEL EXPENSES			100			100	100	100
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	2,622	5,666	10,380	190	8,378	14,525	14,325	14,325
	83110	OFFICE SUPPLIES	676	716	1,000	54	700	1,000	1,000	1,000
	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)	748	6	250		200	255	255	255
	83130	EMPLOYEE BENEVOLENCE ITEMS			50			50	50	50
+	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	290	244	225	39	100	225	225	225
	1	Various	149	244		39				
	2	refreshments for quarterly meetings of Departmental Purchasing Agents	122		200		100	200	200	200
	3	Halloween Candy	19		25			25	25	25
	4	Spring TAPP								
	*	Amount missing from detail								
=	XOFS	TOTAL OFFICE SUPPLIES	1,714	966	1,525	93	1,000	1,530	1,530	1,530
	83299	OTHER OPERATING SUPPLIES			100			100	100	100
=	XOPS	TOTAL OPERATING SUPPLIES			100			100	100	100
	83310	GASOLINE & DIESEL FOR FLEET (INSIDE WILLIAMSON COUNTY)			250			250	250	250
	83320	MILEAGE (INSIDE WILLIAMSON COUNTY)	12		50			50	50	50
=	XFUEL	TOTAL FUEL & MILEAGE	12		300			300	300	300
	83510	FURNITURE, FIXTURES (<\$25,000)	5,453	1,239	500		1,000	500	500	500
+	83530	MACHINERY & EQUIPMENT (<\$25,000)	2,009		500			500	500	500
	1	Various	2,009		500			500	500	500
	2	Multi-function copier								
	*	Amount missing from detail								
	83540	COMPUTER HARDWARE (<\$25,000)	1,779	4,448	2,000		640	2,000	6,000	2,000
	83550	COMPUTER SOFTWARE (<\$25,000)	160	480	500		500	500	700	500
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	9,401	6,167	3,500		2,140	3,500	7,700	3,500
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		43	170	170	170	179	187	197
	85112	INLAND MARINE INSURANCE	30	30	35	29	29	30	32	34
	85113	AUTO PHYSICAL DAMAGE								
!	85115	LIABILITY INSURANCE	662	170	183	183	183	192	202	212
	85116	E&O LIABILITY INSURANCE		367	401	401	401	421	442	464

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	85119	UMBRELLA LIABILITY	125	142	157	157	157	165	173	182
	85120	PROPERTY DAMAGE COSTS								
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	1,772	1,693	2,139	2,133	2,133	2,240	2,351	2,470
	85530	E-COMMERCE FEES	3							
=	XFLF	TOTAL FINANCIAL FEES	3							
	87510	REIMB OF INTERFUND SERVICES	(50,611)	(51,833)	(56,720)	(56,720)	(56,720)	(57,854)	(59,011)	(60,192)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS	(50,611)	(51,833)	(56,720)	(56,720)	(56,720)	(57,854)	(59,011)	(60,192)
=	XOP	TOTAL OPERATIONS	(18,381)	(20,231)	(11,807)	(50,082)	(15,134)	(7,660)	(3,826)	(8,928)
		Capital								
=	XTOT	TOTAL EXPENDITURES	191,513	222,261	238,090	94,461	237,212	237,766	256,285	266,848



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Purchasing						
1	Procurement Officer IV	\$ 67,079	\$ 20,124	\$ 10,045	\$ 97,248	
2	Procurement Requisition Approval Workflow Software	\$ -	\$ -	\$ 49,000	\$ 49,000	
Total		\$ 67,079	\$ 20,124	\$ 59,045	\$ 146,248	\$ -
		<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>	<u>Total</u>	
Total G/F Requests		\$ 67,079	\$ 20,124	\$ 59,045	\$ 146,248	\$ -

FranklinForward Allocations



A Safe, Clean, Livable City

\$ -



A Effective and Fiscally Sound City Government
Providing High Quality Service

\$ 146,248



Quality Life Experiences

\$ -



Sustainable Growth & Economic Prosperity

\$ -

Totals \$ 146,248

Traditional Allocations



Personnel \$ 97,248



Operations \$ 49,000



Equipment \$ -



Capital \$ -

Total \$ 146,248

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **2**

Department:

41340 PURCHASING

Division:

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

Procurement Officer IV

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
81110 REGULAR PAY		\$67,079	\$67,079
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$20,124	\$20,124
Expenses			
83510 FURNITURE, FIXTURES (<\$25,000)	\$1,000		\$1,000
83540 COMPUTER HARDWARE (<\$25,000)	\$1,500		\$1,500
83550 COMPUTER SOFTWARE (<\$25,000)	\$500		\$500
83530 MACHINERY & EQUIPMENT (<\$25,000)	\$500		\$500
82810 REGISTRATIONS		\$3,000	\$3,000
82450 TELEPHONE SERVICE		\$125	\$125
82830 AIR TRAVEL		\$1,000	\$1,000
82840 LODGING		\$2,000	\$2,000
82850 MEALS (OUTSIDE WILLIAMSON COUNTY)		\$200	\$200
82350 DUES FOR MEMBERSHIPS		\$200	\$200
82890 OTHER TRAVEL EXPENSES		\$20	\$20
			\$0
TOTAL	\$3,500	\$93,748	\$97,248

PURPOSE / DESCRIPTION OF REQUEST

This request would add the position of Procurement Officer IV (First Quartile, Pay Grade H, FY19) in the Purchasing Office and does not include costs for any additional space needed for this position. The purpose of this position would alleviate workload of other personnel especially the Purchasing Manager and increase the capacity of the Purchasing Office. As the City continues to grow, so do the demands on the Purchasing Office to assist departments and vendors in meeting the needs of the rapidly growing population. Additional staff is necessary to meet this growing need and to abide by the City's purchasing policy and state laws.

SERVICE IMPLICATION

Failure to approve this position will result in continued strain on existing resources resulting in delays in procurement processes.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **2** of **2**

Department:

41340 PURCHASING

Division:

FranklinForward Theme:

A Effective and Fiscally Sound City Government Providing High Quality Service

Title:

Procurement Requisition Approval Workflow Software

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>			
	\$0	\$0	\$0
Expenses			
82510 COMPUTER SERVICES	\$23,000	\$26,000	\$49,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$23,000	\$26,000	\$49,000

PURPOSE / DESCRIPTION OF REQUEST

This software request would provide for a more efficient way to create and process procurement requisitions. Currently we have a paper process which is slow and inefficient. Procurement requisition workflow software such as Paramount WorkPlace that is integrated with our current financial software would allow this process to be performed electronically which will reduce the time it takes to create and process requisitions. Approval of this software request will benefit the Purchasing Office and all departments by reducing the cycle time it takes to purchase and receive items needed by the City.

SERVICE IMPLICATION

Failure to approve this software request would require us to continue with the slow and inefficient paper process for handling procurement requisitions which will result in continued delays in purchasing items needed by the City.



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Finance Department

Kristine Tallent, Assistant City Administrator/CFO

Mike Lowe, Comptroller

Michael Walters Young, Budget & Strategic Innovation Manager



City of Franklin, Tennessee - FY 2020 Budget Request

Finance Department

Outline

- Purpose of Department**
- Organization Chart**
- Base Budget Request**
 - Personnel**
 - Operations**
- Program Enhancements**
- Summary**



City of Franklin, Tennessee - FY 2020 Budget Request **Finance Department**

Purpose of Department

The Finance department oversees the security and management of the City's financial interests. The department helps the City Administrator prepare, implement and monitor the City's annual operating and capital budgets. The department also plans and executes the issuance of short-term and long-term borrowing.

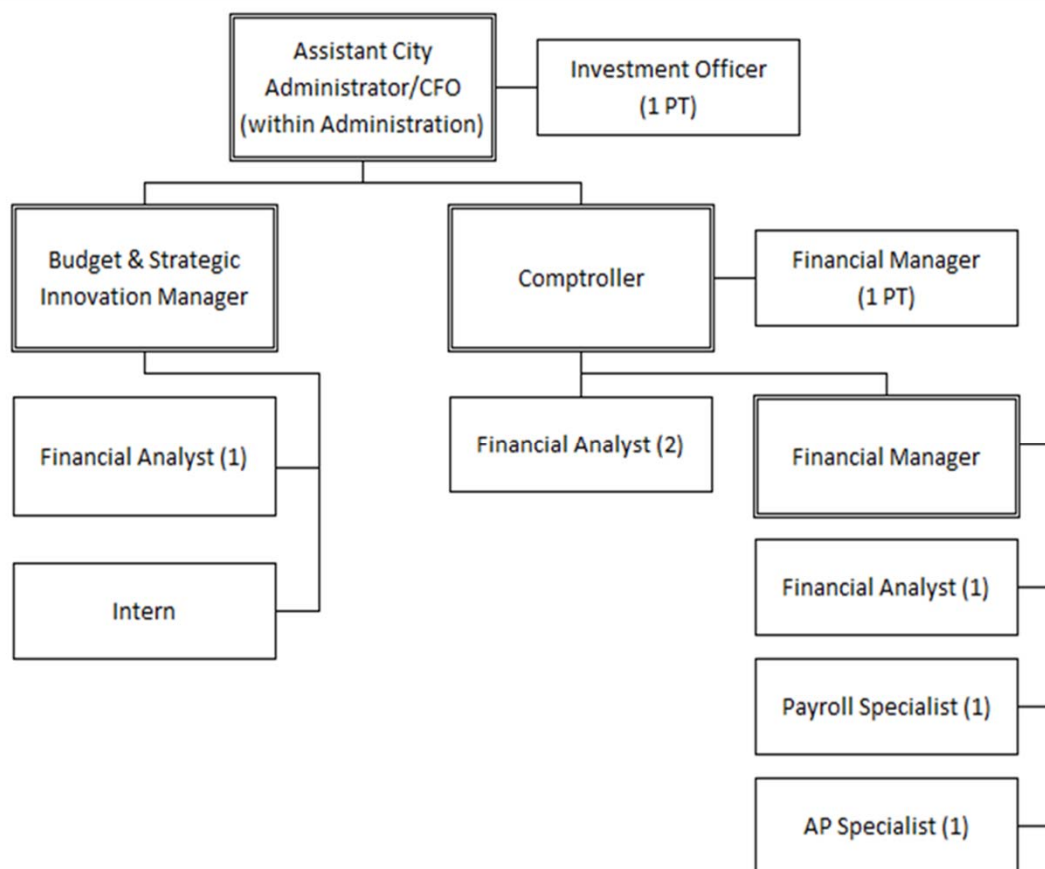
The Finance department provides a variety of financial services for the City of Franklin. These include: (1) financial accounting and reporting, (2) budgeting and analytics, (3) investment of temporarily idle funds, (4) maintaining and reconciling City bank accounts, (5) issuing employee payroll, (6) issuing vendor payments, (7) internal audits, and (8) ensuring that the annual external financial audit is conducted.



City of Franklin, Tennessee - FY 2020 Budget Request

Finance Department

Organization Chart





City of Franklin, Tennessee - FY 2020 Budget Request **Finance Department**

Base Budget Request: Personnel

FY 2019: \$956,808

FY 2020: \$951,592

Increase: \$ -5,216 or -0.5%

Overall personnel costs decrease in FY 2020 as a result of lower anticipated Medical Premiums for Finance employees.



City of Franklin, Tennessee - FY 2020 Budget Request **Finance Department**

Base Budget Request: Operations

FY 2019: \$ - 4,352* (\$195,077 w/o offset)

FY 2020: \$ - 33,663* (\$169,755 w/o offset)

Decrease: \$ - 29,311

****(Operations Expenses a negative due to Interfund Reimbursement Offset)***

Overall, the Operations budget will decrease due a series of expense reductions and the correction of one-time property and liability insurance costs.



City of Franklin, Tennessee - FY 2020 Budget Request **Finance Department**

Program Enhancement Requests

The department is requesting 3 program enhancements.

- CAFR Preparation Software	\$ 24,000
- Part-Time Administrative Assistance	\$ 13,000
- Financial Analyst (Data/Analytics)	\$ 82,332
Total	\$119,332



City of Franklin, Tennessee - FY 2020 Budget Request **Finance Department**

Summary

The Finance department is poised in FY 2020 to continue its role in supporting the various boards and departments of the City deliver the high quality of services our citizens have come to expect. We are proud of our accomplishments and will look to build upon them in the upcoming year.





City of Franklin, Tennessee

FY 2020 Operating Budget

Finance

Mike Lowe, Comptroller

Michael Walters Young, Budget & Strategic Innovation Manager

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	1,009,073	896,292	956,808	956,001	951,592	-5,216	-0.5%
Operations	-68,376	-77,689	-4,352	-31,656	-33,663	-29,311	673.5%
Capital	0	0	0	0	0	0	0.0%
Total	940,697	818,603	952,456	924,345	917,929	-34,527	-3.6%

Departmental Summary

The Finance Department oversees the security and management of the City's financial interests. The department helps the City Administrator prepare, implement and monitor the City's annual operating and capital budgets. The department also plans and executes the issuance of short-term and long-term borrowing.

The Finance Department provides a variety of financial services for the City of Franklin. These include: (1) financial accounting and reporting, (2) budgeting and analytics, (3) investment of temporarily idle funds, (4) maintaining and reconciling City bank accounts, (5) issuing employee payroll, (6) issuing vendor payments, (7) internal audits, and (8) ensuring that the annual external financial audit is conducted.

FY 2020 Outlook

In 2019, the City received no audit findings from the 2018 audit. The Board approved the department's updates of the City's travel policy, disbursements policy, the HR Manual for payroll, and internal controls manual. The department implemented investment allocation among funds to permit more funds to benefit from investment income. Finance assisted Administration and HR in transition to new actuary for pension and OPEB plans. Finance implemented new requirements for OPEB (other post-employment benefits) reporting in 2018 annual report. (OPEB consists of retiree health insurance.) and the first year of TCRS pension reporting in 2018 annual report. With Engineering and IT, implemented a project number checkout system.

Completed and presented first comprehensive review of the Stormwater Fund. Completed and presented FY 2019-2028 Capital Investment Program Financing Model. Assisted in overall management of FY 2019-2028 Capital Investment Program process and review with Board of Mayor and Aldermen. Spearheaded and successfully developed FY 2019 Annual Operating Budget. Spearheaded with Human Resources comprehensive review of all employees rates of pay and implemented large restructuring of employee compensation as part of the FY 2019 budget. With IT, represented and presented progress of City's Data Analytics with progress at the Nashville Analytics Summit. Assisted Law and Administration departments in developing Public Meeting Code of Conduct.



City of Franklin, Tennessee

FY 2020 Operating Budget

Finance

Mike Lowe, Comptroller

Michael Walters Young, Budget & Strategic Innovation Manager

Departmental Summary (Con't)

Received 10th consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association. Received 27th consecutive Certificate of Achievement in Excellence for Financial Reporting.

For 2020, the department is focusing on three financial best practices:

- The Budget and Analytics section is streamlining and organizing of the City's capital project accounting systems,
- The Processing (including Payroll and AP) section is focusing on the pension transition to the Tennessee Consolidated Retirement System (TCRS), and
- The Accounting and Reporting section will continue to work with departments on financial policies



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: An Effective and Fiscally Sound City Government Providing High Quality Service



Franklin government will seek diversification and efficiencies of revenue sources to fund its aspirations.

Goal: Franklin will create a climate for necessary taxes and fees by assuring an equitable and balanced commercial, industrial, and residential tax base without an over-dependence on a single dominant revenue source.

Baseline: To determine the optimal proportion of revenue sources necessary to balance equitable payment for growth.

Goal: Franklin will achieve the lowest cost of debt financing possible by retaining bond ratings of AAA from 2 out of 3 services (Moody's, Fitch, and S&P).

Baseline: As of 2012, Moody's and Standard & Poor's have rated Franklin at AAA.

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	

Workload (Output) Measures

		2016	2017	2018*	2019*	2020*
	Have City's rating affirmed by multiple rating agencies (maximum = 3)	2	2	2	2	2
	Increase use of electronic payments for payroll (percent paid by ACH)	100%	100%	100%	100%	100%
	Increase use of electronic payments for AP (percent paid by ACH/EFT)	40%	50%	60%	60%	60%
	Vendor payments issued	4,017	3,826	4,000	4,000	4,000
	Invoices processed	7,070	6,163	6,000	6,000	6,000
	Checks issued (non-payroll)	2,197	1,984	1,700	1,700	1,700



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Efficiency Measures

		2016	2017	2018	2019*	2020*
	Number of days to close fiscal year does not exceed 60	60	60	60	60	60

Outcome (Effectiveness) Measures

		2016	2017	2018	2019*	2020*
	Retain the City's Triple AAA rating (for consecutive months)	210 months since attained December 1998	224 months since attained December 1998	236 months since attained December 1998	248 months since attained December 1998	260 months since attained December 1998
	Exceed the return on investments compared to benchmark (BAML - Bank of America/Merrill Lynch)	.90% average to BAML's .13%	1.00% average to BAML's .44%	1.30% estimated to BAML's .64%	1.50% goal to estimated BAML's .84%	1.50% goal to estimated BAML's TBD
	Achieve the GFOA Annual Report award for financial reporting annually	25th consecutive (for FY 2015)	26th consecutive (for FY 2016)	27th consecutive (for FY 2017)	28th consecutive (for FY 2018)	29th consecutive (for FY 2018)
	Achieve the GFOA Budget Report award annually	8th award (for FY 2016 budget)	9th award (for FY 2017 budget)	10th award (for FY 2018 budget)	11th award (for FY 2019 budget)	12th award (for FY 2020*)
	Goal: Franklin will create a climate for necessary taxes and fees by assuring an equitable and balanced commercial, industrial, and residential tax base without an over-dependence on a single dominant revenue source.					
	Baseline: To determine the optimal proportion of revenue sources necessary to balance equitable payment for growth.					
	Target? Measure being modified - will be ready in May 2018					
	Meets Target?	TBD	TBD	TBD	TBD	TBD
	Goal: Franklin will achieve the lowest cost of debt financing possible by retaining bond ratings of AAA from 2 out of 3 services (Moody's, Fitch, and S&P).					
	Baseline: As of 2012, Moody's and Standard & Poor's have rated Franklin at AAA.					
	Target (# of rating agencies per FY)	2	2	2	2	2
	Meets Target?	Yes	Yes	Yes	Yes	Yes

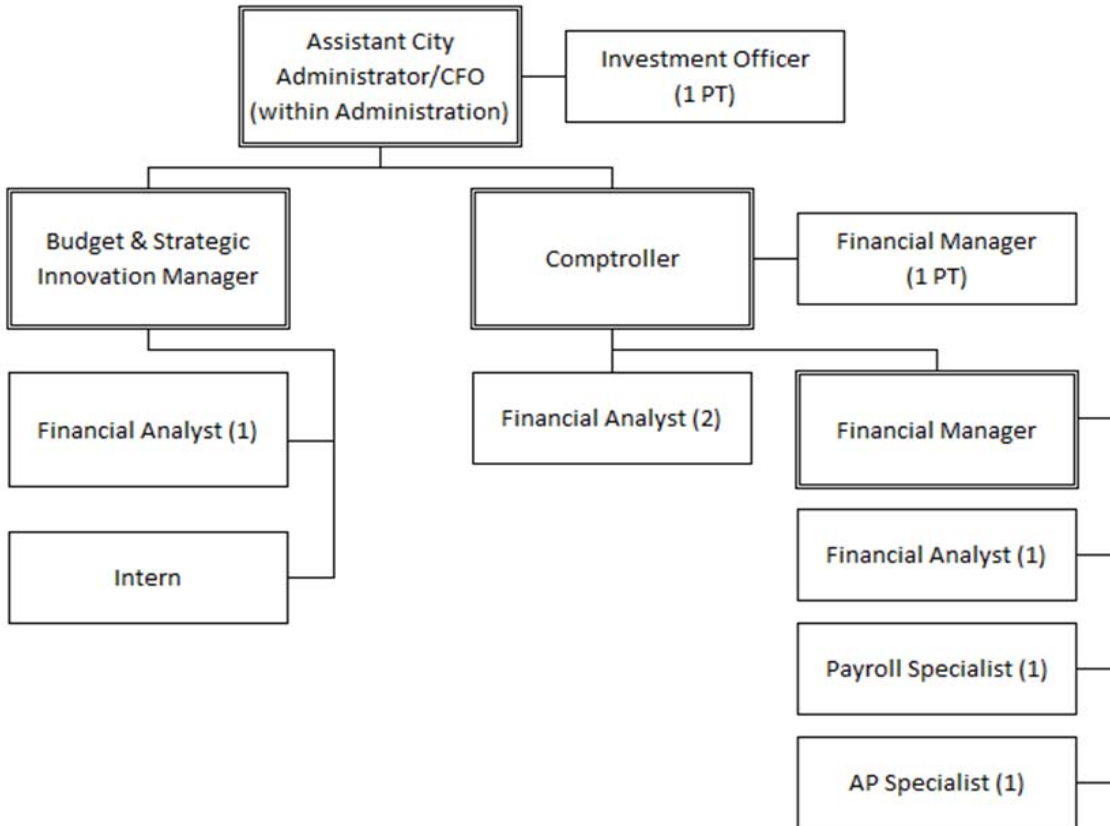
* 2019 & 2020 estimated



City of Franklin, Tennessee

FY 2020 Operating Budget

Organizational Chart



Note: For detailed counts and authorized positions, please see table below entitled "Staffing by Position"

Staffing by Position

Position	Pay Grade	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Asst. City Admin-Fin./Adm.	Grade N	1	0	1	0	0	0	0	0	0	0
Investment Officer	Grade M	0	0	0	1	0	1	0	1	0	1
Comptroller	Grade K	1	0	1	0	1	0	1	0	1	0
Budget & Strat. Inn. Mgr.	Grade K	1	0	1	0	1	0	1	0	1	0
Business Process Imp. Mgr.	Grade I	0	0	0	0	0	0	0	0	0	0
Financial Manager	Grade I	1	1	1	1	1	1	1	1	1	1
Financial Analyst	Grade H	3	0	3	0	4	0	4	0	4	0
Financial Technician 1	Grade F	1	0	1	0	1	0	1	0	1	0
Sr. AP Specialist	Grade F	1	0	1	0	1	0	1	0	1	0
Administrative Assistant	Grade D	1	0	1	0	0	0	0	0	0	0
Intern	Intern	0	1	0	1	0	1	0	1	0	1
Totals		10	2	10	3	9	3	9	3	9	3



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	766,730	654,825	706,081	710,524	709,061	2,980	0.4%
Employee Benefits	242,343	241,467	250,727	245,477	242,531	(8,196)	-3.3%
Total Personnel	1,009,073	896,292	956,808	956,001	951,592	(5,216)	-0.5%
Operations							
Transportation Services	1,730	1,068	2,300	2,000	2,000	(300)	-13.0%
Operating Services	1,269	1,491	2,300	1,130	1,100	(1,200)	-52.2%
Notices, Subscriptions, etc.	6,495	6,062	8,675	6,725	6,945	(1,730)	-19.9%
Utilities	5,190	3,916	4,950	4,300	4,300	(650)	-13.1%
Contractual Services	9,488	9,580	15,000	15,000	15,000	-	0.0%
Repair & Maintenance Services	4,036	2,661	5,000	3,000	3,000	(2,000)	-40.0%
Employee programs	807	578	-	-	-	-	0.0%
Professional Development/Travel	15,939	11,843	16,520	14,020	14,620	(1,900)	-11.5%
Office Supplies	6,987	5,353	5,900	6,100	6,300	400	6.8%
Operating Supplies	16	-	-	650	650	650	0.0%
Fuel & Mileage	-	51	-	-	-	-	0.0%
Machinery & Equipment (<\$25,000)	16,047	13,970	11,450	10,000	10,700	(750)	-6.6%
Repair & Maintenance Supplies	1,285	309	700	700	700	-	0.0%
Property & Liability Costs	4,394	3,990	24,472	4,838	5,130	(19,342)	-79.0%
Permits	800	809	800	800	800	-	0.0%
Financial Fees	68,050	77,645	97,000	98,500	98,500	1,500	1.5%
Miscellaneous	1	(2)	10	10	10	-	0.0%
Interfund Reimbursements	(210,910)	(217,013)	(199,429)	(199,429)	(203,418)	(3,989)	2.0%
Total Operations	(68,376)	(77,689)	(4,352)	(31,656)	(33,663)	(29,311)	673.5%
Machinery & Equipment (>\$25,000)	-	-	-	-	-	-	
Capital	-	-	-	-	-	-	
Total Finance Department	940,697	818,603	952,456	924,345	917,929	(34,527)	-3.6%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Personnel								
=	81110	REGULAR PAY	753,309	649,921	726,806	430,305	707,524	731,669	768,253	806,665
	81120	OVERTIME PAY	3,457	4,904	4,000	1,833	3,000	3,000	3,000	3,000
	81150	TEMPORARY WORK BY NON-CITY EMPLOYEES	9,964							
	81199	VACANCY ADJUSTMENT			(24,725)			(25,608)	(26,889)	(28,233)
=	XWAGE	TOTAL WAGES	766,730	654,825	706,081	432,138	710,524	709,061	744,364	781,432
=	81410	FICA (EMPLOYER'S SHARE)	50,805	46,148	54,377	30,714	54,126	55,973	58,771	61,710
=	81420	MEDICAL PREMIUMS	118,890	151,457	166,278	64,680	166,263	154,597	170,057	187,062
=	81425	VISION PREMIUMS				435	1,102	911	1,002	1,102
=	81430	GROUP INSURANCE PREMIUMS	9,133	10,078	11,405	5,239	10,200	12,747	13,384	14,054
=	81440	EMPLOYEE INSURANCE CONTRIBUTIONS	(26,543)	(34,291)	(37,158)	(21,577)	(36,140)	(35,760)	(39,336)	(43,270)
!	81450	RETIREMENT CONTRIBUTIONS	42,532	48,912	37,184	22,082	29,444	32,388	35,627	39,190
	81455	DEFERRED COMP MATCH	17,345	18,877	18,279	12,080	20,280	21,294	22,359	23,477
	81460	UNEMPLOYMENT CLAIMS								
	81470	WORKERS COMPENSATION PREMIUMS	392	286	363	202	202	382	400	408
	81482	CAR ALLOWANCE	1,108							
=	XBEN	TOTAL BENEFITS	213,662	241,467	250,727	113,855	245,477	242,531	262,264	283,733
=	XPER	TOTAL PERSONNEL	980,392	896,292	956,808	545,993	956,001	951,592	1,006,628	1,065,165
		Operations								
+	82110	MAILING & OUTBOUND SHIPPING SERVICES	1,730	1,068	2,300	384	2,000	2,000	2,000	2,000
	01	UPS Store	1,516	571	2,100		1,660	1,660	1,660	1,660
	02	PO Box Renewal	214		100		240	240	240	240
	03	Federal Express			100		100	100	100	100
	04	W2/1099 Mailings								
	05	VARIOUS		497		330				
	*	Amount missing from detail				54				
+	82120	FREIGHT FOR INBOUND PURCHASED ITEMS								
	01	SHIPPING FOR PRINTER								
	02	VARIOUS								
	*	Amount missing from detail								
=	XTRC	TOTAL TRANSPORTATION CHARGES	1,730	1,068	2,300	384	2,000	2,000	2,000	2,000
+	82210	PRINTING & COPYING SERVICES, OUTSOURCED	696	544	600	106	600	600	600	600
	01	Business Cards		160	300		300	300	300	300
	02	Novacopy	696	261	300		300	300	300	300
	03	ENVELOPES-PAYROLL								
	04	CHECKS								
	05	VARIOUS		123		106				
	*	Amount missing from detail								
+	82230	ARCHIVING/RECORDS MANAGEMENT SERVICES			1,250					
	01	Greenshades Pay History Archival			1,250					
	*	Amount missing from detail								
+	82250	TESTING & PHYSICALS	573	947	450	172	430	500	500	500
	01	Background/Credit Screening	353	388	300		300	300	300	300
	02	Medical Screening	220	390	150		130	200	200	200
	03	VARIOUS		169		172				

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	*	Amount missing from detail								
	82299	OTHER OPERATING SERVICES				87	100			
=	XOPSV	TOTAL OPERATING SERVICES	1,269	1,491	2,300	365	1,130	1,100	1,100	1,100
+	82310	LEGAL NOTICES	340	107	450		400	400	400	400
	01	Vacancy Advertisements	340	87	450		400	400	400	400
	02	ADVERTISEMENT FOR FINANCIAL TECH								
	03	ADVERTISEMENT FOR FINANCIAL ANALYST								
	04	VARIOUS		20						
	*	Amount missing from detail								
+	82350	DUES FOR MEMBERSHIPS	3,245	3,828	5,500	1,439	4,000	4,220	4,220	4,220
	01	GFOA Memberships	1,445	1,606	2,500		2,000	2,000	2,000	2,000
	02	TGFOA Membership	135	160	500		250	250	250	250
	03	APA Memberships	50	254	500		250	250	250	250
	04	Sam's Club Memberships	105	45	150		150	150	150	150
	05	IMCA/TCMA Memberships	810	1,261	1,000		1,000	1,000	1,000	1,000
	06	Utility Memberships	110		200					
	07	TN Society of CPAs	280		300					
	08	AICPA Memberships	310	177	350		350	350	350	350
	09	INTERNATIONAL INSTITUTE OF MUNICIPAL CLERKS-0119								
	10	AGA								
	11	AWWA								
	12	VARIOUS		325		670				
	13	Grants Professional Association						220	220	220
	*	Amount missing from detail				769				
+	82355	PROFESSIONAL STANDARDS / ACCREDITATION	950	1,130	1,425	595	1,225	1,225	1,225	1,225
	01	GFOA Budget Award			550		600	600	600	600
	02	GFOA CAFR Award	580		850		600	600	600	600
	03	APA	370		25		25	25	25	25
	04	VARIOUS		1,130		595				
	*	Amount missing from detail								
+	82390	PUBLICATIONS, NON-TRAINING	1,960	997	1,300	469	1,100	1,100	1,100	1,100
	01	Tennessean	205	195	250		400	400	400	400
	02	New York Times	195	105	200		200	200	200	200
	03	Wall Street Journal	348	5	350					
	04	Barrons	150	2	150					
	05	Harvard Business Journal	(59)		300					
	06	Money/Fortune Magazine	(2)		50					
	07	APA Publications		317			350	350	350	350
	08	GFOA Publications		125			150	150	150	150
	09	THE ECONOMIST NEWSPAPER-0205								
	10	Misc Publications	1,123							
	11	GASB & GFOA-0230								
	12	GFOA-0205								
	13	Daily Herald								
	14	VARIOUS		248		155				
	*	Amount missing from detail				314				
=	XNSP	TOTAL NOTICES, SUBSCRIPTIONS, PUBLICITY	6,495	6,062	8,675	2,503	6,725	6,945	6,945	6,945
+	82450	TELEPHONE SERVICE	1,301	1,397	1,800	849	1,500	1,500	1,500	1,500
	01	Local	1,111	663	1,800		1,200	1,200	1,200	1,200
	02	Long Distance	190	734		484	300	300	300	300

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	*	Amount missing from detail				365				
+	82455	CELLULAR TELEPHONE SERVICE	1,573	718	1,350	310	1,000	1,000	1,000	1,000
	01	Cell Phone Service	1,573	419	1,350		1,000	1,000	1,000	1,000
	02	0205-REIMBURSEMENT								
	03	0119-REIMBURSEMENT								
	04	VARIOUS		299		257				
	*	Amount missing from detail				53				
+	82470	INTERNET & RELATED SERVICES	2,316	1,801	1,800	1,237	1,800	1,800	1,800	1,800
	01	Network Service	2,316	1,050	1,800		1,800	1,800	1,800	1,800
	02	VARIOUS		751		759				
	*	Amount missing from detail				478				
	82483	CONNECTION CHARGES								
=	XUTIL	TOTAL UTILITIES	5,190	3,916	4,950	2,396	4,300	4,300	4,300	4,300
+	82510	COMPUTER SERVICES	8,988	9,580	15,000	1,589	15,000	15,000	15,000	15,000
	01	Financial Software Services (GP)	6,090	6,877	11,500		7,000	7,000	7,000	7,000
	02	Payroll Reporting Services (Greenshades)	2,898	2,635	3,500		3,000	3,000	3,000	3,000
	03	Time System Services (Empower)								
	04	GREENSHADES-401K REPORTING								
	05	GPUG Membership Renewal								
	06	Greenshades Tax Form Upload								
	07	New Computer Services					5,000	5,000	5,000	5,000
	08	New Finance Computer Services								
	09	VARIOUS		68		969				
	10	Line Item 10								
	*	Amount missing from detail				620				
	82599	OTHER CONTRACTUAL SERVICES	500			54				
=	XCTS	TOTAL CONTRACTUAL SERVICES	9,488	9,580	15,000	1,643	15,000	15,000	15,000	15,000
+	82620	EQUIPMENT REPAIR & MAINTENANCE SERVICES	4,036	2,661	5,000	748	3,000	3,000	3,000	3,000
	01	Novacopy	3,283	749	5,000		3,000	3,000	3,000	3,000
	02	Neopost	753							
	03	VARIOUS		1,912		580				
	*	Amount missing from detail				168				
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	4,036	2,661	5,000	748	3,000	3,000	3,000	3,000
+	82780	TRAINING, OUTSIDE	780	550		1,512				
	01	Various	780	500						
	02	ECONOMIC OUTLOOK CONFERENCE-0205								
	03	NEW HORIZONS-0230		50		50				
	*	Amount missing from detail				1,462				
	82790	TRAINING, IN-HOUSE	27	28						
=	XEPG	TOTAL EMPLOYEE PROGRAMS	807	578		1,512				
+	82810	REGISTRATIONS	4,165	5,282	7,000	2,859	5,000	5,100	5,100	5,100
	01	GFOA Training	1,209	1,701	1,500		1,500	1,500	1,500	1,500
	02	TGFOA Training	1,600	1,215	2,000		1,500	1,500	1,500	1,500
	03	MTAS Training	500	50	1,000		500	500	500	500
	04	ICMA/TCMA Training	1,235	1,188	1,500		1,500	1,500	1,500	1,500
	05	APA Training	70		1,000			100	100	100
	06	Various	(449)	1,128		2,859				
	07	TGFOA								
	08	TGFOA								

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	09	TGFOA								
	10	CMFO								
	11	CMFO								
	12	CMFO								
	13	ROCKHURST UNIVER								
	14	ACCTG BASICS								
	15	GPUG SUMMIT								
	16	GFOA CONFERENCE								
	17	TGFOA SPRING CONFERENCE								
	18	GFOA CONFERENCE								
	19	Prof Dev Seminar								
	*	Amount missing from detail								
+	82820	GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)	2,921	1,518	2,000	257	1,500	2,000	2,000	2,000
	01	Car Rental/PARKING	2,921	943	2,000		1,500	2,000	2,000	2,000
	02	CMFO								
	03	MILEAGE								
	04	MILEAGE								
	05	MILEAGE								
	06	MILEAGE								
	07	MILEAGE								
	08	MILEAGE								
	09	PARKING, CAB								
	10	GFOA								
	11	MILEAGE								
	12	Prof Dev								
	13	VARIOUS		575		257				
	*	Amount missing from detail								
+	82830	AIR TRAVEL	1,960	1,474	2,000	877	2,000	2,000	2,000	2,000
	01	GFOA	1,960	1,009	2,000		2,000	2,000	2,000	2,000
	02	0211								
	03	0205								
	04	0230								
	05	Prof Dev Seminar								
	06	Various		465		340				
	*	Amount missing from detail				537				
+	82840	LODGING	6,022	3,043	5,000	973	5,000	5,000	5,000	5,000
	01	GFOA	6,022	1,680	5,000		5,000	5,000	5,000	5,000
	02	0211								
	03	0205								
	04	0230								
	05	Prof Dev Seminar								
	06	Various		1,363		973				
	*	Amount missing from detail								
+	82850	MEALS (OUTSIDE WILLIAMSON COUNTY)	791	526	500	11	500	500	500	500
	01	Travel Meals	791	327	500		500	500	500	500
	02	0205								
	03	JE NEEDED								
	04	0230								
	05	0211								
	06	Prof Dev Seminar								
	07	4177								
	08	Various		199		11				
	*	Amount missing from detail								
	82890	OTHER TRAVEL EXPENSES	80		20		20	20	20	20

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
=	XPDT	TOTAL PROFESSIONAL DEVELOPMENT/TRAVEL	15,939	11,843	16,520	4,977	14,020	14,620	14,620	14,620
+	83110	OFFICE SUPPLIES	5,534	3,774	5,200	1,504	5,000	5,200	5,200	5,200
	01	Misc Office Supplies	5,534	1,920	5,200		5,000	5,200	5,200	5,200
	02	GREENSHADES								
	03	Envelopes-Payroll								
	04	VARIOUS		1,854		875				
	*	Amount missing from detail				629				
+	83120	OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)		597		148				
	1	VARIOUS		597						
	*	Amount missing from detail				148				
	83130	EMPLOYEE BENEVOLENCE ITEMS	233			44	100	100	100	100
+	83140	MEALS & FOOD (INSIDE WILLIAMSON COUNTY)	1,220	982	700	259	1,000	1,000	1,000	1,000
	01	Business Meals	1,220	569	700		1,000	1,000	1,000	1,000
	02	Misc								
	03	VARIOUS		413		224				
	*	Amount missing from detail				35				
=	XOFS	TOTAL OFFICE SUPPLIES	6,987	5,353	5,900	1,955	6,100	6,300	6,300	6,300
+	83210	TRAINING SUPPLIES				252	300	300	300	300
	1	VARIOUS					300	300	300	300
	3	AUDIT TRAINING				252				
	*	Amount missing from detail								
	83260	UNIFORMS PURCHASED				350	350	350	350	350
+	83299	OTHER OPERATING SUPPLIES	16							
	01	VARIOUS	16							
	*	Amount missing from detail								
=	XOPS	TOTAL OPERATING SUPPLIES	16			602	650	650	650	650
	83320	MILEAGE (INSIDE WILLIAMSON COUNTY)		51						
=	XFUEL	TOTAL FUEL & MILEAGE		51						
	83510	FURNITURE, FIXTURES (<\$25,000)	1,784	411	500			500	500	500
+	83530	MACHINERY & EQUIPMENT (<\$25,000)	12,087		200			200	200	15,200
	01	COPIER	12,087							15,000
	02	VARIOUS			200			200	200	200
	03	SURGE								
	04	PS40 FOLER & INSERTER								
	*	Amount missing from detail								
+	83540	COMPUTER HARDWARE (<\$25,000)	2,016	13,167	10,500	1,378	5,000	5,000	10,000	10,000
	01	Computer Replacements	2,016	9,914	10,500		5,000	5,000	10,000	10,000
	02	HP LASER JET PRINTER								
	03	0218-KEYBOARD & MOUSE								
	04	MISC SUPPLIES								
	05	0205-LENOVO THINKPAD								
	06	VARIOUS		3,253		1,378				
	*	Amount missing from detail								
+	83550	COMPUTER SOFTWARE (<\$25,000)	160	392	250	1,243	5,000	5,000	5,000	5,000
	01	VARIOUS	160	320	250		5,000	5,000	5,000	5,000
	02	FORECASTER LICENSE-6								
	03	GREENSHADE REPORTING FOR 401 K								
	04	COMPUTER RESOURCES - NEGATIVE PR TRANSACTION								
	05	COMPUTER RESOURCES-INTEGRITY DATA		72		1,243				

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
	*	Amount missing from detail								
=	XMEU	TOTAL MACHINERY & EQUIPMENT (<\$25,000)	16,047	13,970	11,450	2,621	10,000	10,700	15,700	30,700
+	83620	EQUIPMENT PARTS & SUPPLIES	1,285	309	500	17	500	500	500	500
	01	VARIOUS	1,285	309	500	17	500	500	500	500
	*	Amount missing from detail								
+	83660	BUILDING MAINTENANCE SUPPLIES			200		200	200	200	200
	01	SAMS (MISC SUPPLIES)								
	02	VARIOUS			200		200	200	200	200
	*	Amount missing from detail								
=	XRMS	TOTAL REPAIR & MAINTENANCE SUPPLIES	1,285	309	700	17	700	700	700	700
	85110	PROPERTY INSURANCE	955	941	1,193	1,193	1,193	1,253	1,315	1,381
	85111	FRAUD INSURANCE		179	669	669	669	702	738	774
	85112	INLAND MARINE INSURANCE	61	57	71	62	62	65	68	72
	85113	AUTO PHYSICAL DAMAGE								
	85115	LIABILITY INSURANCE	2,841	703	720	720	720	756	794	833
	85116	E&O LIABILITY INSURANCE		1,521	1,575	1,575	1,575	1,654	1,736	1,823
	85117	VEHICLE LIABILITY INSURANCE			19,575					
	85119	UMBRELLA LIABILITY	537	589	619	619	619	650	682	717
	85120	PROPERTY DAMAGE COSTS								
	85140	SURETY/NOTARY BONDS			50			50	50	50
=	XPLC	TOTAL PROPERTY & LIABILITY COSTS	4,394	3,990	24,472	4,838	4,838	5,130	5,383	5,650
+	85320	STATE FEES	800	809	800		800	800	800	800
	01	Professional Privilege Tax (CPA)	800		800		800	800	800	800
	02	VARIOUS		809						
	*	Amount missing from detail								
=	XPERM	TOTAL PERMITS	800	809	800		800	800	800	800
	85510	BANKING FEES	17,363	15,633	20,000	13,121	22,000	22,000	22,000	22,000
+	85520	INVESTMENT FEES	33,974	46,003	51,000	30,825	50,500	50,500	50,500	50,500
	01	Investment Management (GPA/Tracker)	33,974	18,383	48,000		48,000	48,000	48,000	48,000
	02	FIFTH THIRD-MARKET VALUE FEES								
	03	PUBLIC FINANCIAL MGMT-FINANCIAL ADVISORY SERVICES								
	04	BUREAU OF PUBLIC DEBT								
	05	PORTFOLIO SERVICES								
	06	TRACKER								
	07	99FEDPCS3 53 MMA								
	08	VARIOUS		27,620		12,000				
	9	Continuing Disclosure Dissemination Agent			3,000		2,500	2,500	2,500	2,500
	*	Amount missing from detail				18,825				
+	85525	FINANCIAL ADVISOR FEES	16,694	16,000	26,000		26,000	26,000	26,000	26,000
	01	Financial Advisor Fees (PFM)	16,694	12,000	26,000		26,000	26,000	26,000	26,000
	02	ANALYSIS ON IMPACT FEES JE								
	03	VARIOUS		4,000						
	*	Amount missing from detail								
	85530	E-COMMERCE FEES	19	9						
=	XFLF	TOTAL FINANCIAL FEES	68,050	77,645	97,000	43,946	98,500	98,500	98,500	98,500
	85990	MISCELLANEOUS	1	(2)	10		10	10	10	10

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@1/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
=	XOBE	TOTAL OTHER BUSINESS EXPENSES	1	(2)	10		10	10	10	10
	87510	REIMB OF INTERFUND SERVICES	(210,910)	(217,013)	(199,429)	(201,511)	(199,429)	(203,418)	(207,486)	(211,636)
=	XREIMB	TOTAL INTERFUND SERVICES REIMBURSEMENTS	(210,910)	(217,013)	(199,429)	(201,511)	(199,429)	(203,418)	(207,486)	(211,636)
=	XOP	TOTAL OPERATIONS	(68,376)	(77,689)	(4,352)	(133,004)	(31,656)	(33,663)	(32,478)	(21,361)
		Capital								
	89550	COMPUTER SOFTWARE (>\$25,000)								
=	XMEQ	TOTAL MACHINERY & EQUIPMENT (>\$25,000)								
=	XCAP	TOTAL CAPITAL								
=	XTOT	TOTAL EXPENDITURES	912,016	818,603	952,456	412,989	924,345	917,929	974,150	1,043,804



City of Franklin, Tennessee

FY 2020 Operating Budget Request

Program Enhancement Summary

Priority	Request	Compensation	Benefits	Expenses	Total	Funded
Finance						
1	CAFR Preparation Software	\$ -	\$ -	\$ 24,000	\$ 24,000	
2	Temporary Assistance	\$ 10,000	\$ 3,000	\$ -	\$ 13,000	
3	Financial Analyst (Data/Analytics)	\$ 61,640	\$ 18,492	\$ 2,200	\$ 82,332	
Total		\$ 71,640	\$ 21,492	\$ 26,200	\$ 119,332	\$ -
		<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>	<u>Total</u>	
Total G/F Requests		\$ 71,640	\$ 21,492	\$ 26,200	\$ 119,332	\$ -

(+1.25 FTE)

FranklinForward Allocations

	A Safe, Clean, Livable City	\$ -
	A Effective and Fiscally Sound City Government Providing High Quality Service	\$ 119,332
	Quality Life Experiences	\$ -
	Sustainable Growth & Economic Prosperity	\$ -

Totals \$ 119,332

Traditional Allocations

	Personnel	\$ 95,332
	Operations	\$ 24,000
	Equipment	\$ -
	Capital	\$ -
Total		\$ 119,332

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **3**

Department:	41500 FINANCE
Division:	Accounting
FranklinForward Theme:	A Effective and Fiscally Sound City Government Providing High Quality Service
Title:	CAFR Preparation Software

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>		\$0	\$0
<u>Expenses</u>			
83550 COMPUTER SOFTWARE (<\$25,000)	\$22,000	\$2,000	\$24,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$22,000	\$2,000	\$24,000

PURPOSE / DESCRIPTION OF REQUEST

Preparation of the City's annual report has evolved to a team effort of personnel in Finance, the Assistant City Administrator/CFO, and City Administrator. The software will permit multiple parties to work on the report during its development. Preparation of the City's annual report has evolved to a team effort of personnel in Finance, the Assistant City Administrator/CFO, and City Administrator. The software will permit multiple parties to work on the report during its development.

Also, we are seeking to be able to include pictures to help convey the report's message, easily insert or delete pages, and to have data carryover to each location it is referenced in the report.

SERVICE IMPLICATION

We anticipate being able to enhance the content and appearance of the City's annual report to its users.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: 2 of 3

Department:	41500 FINANCE
Division:	
FranklinForward Theme:	A Effective and Fiscally Sound City Government Providing High Quality Service
Title:	Temporary Assistance

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81150 TEMPORARY WORK BY NON-CITY EMPLOYEES	\$10,000		\$10,000
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>	\$3,000	\$0	\$3,000
<u>Expenses</u>			
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$13,000	\$0	\$13,000

PURPOSE / DESCRIPTION OF REQUEST

The department no longer has a full-time administrative position. This request is for temporary assistance during busy times for administrative services such as scanning and other record keeping. The assistance may be provided through a temporary staffing service or part-time employee.

We are estimating approximately 480 hours in this request.

SERVICE IMPLICATION

During most times, current staff members are able to perform the needed administrative tasks. This request is for busy periods during the year such as budget and audit.

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **3** of **3**

Department: Division: FranklinForward Theme: Title:	41500 FINANCE Budget & Analytics A Effective and Fiscally Sound City Government Providing High Quality Service Data Analyst
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Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
81110 REGULAR PAY		\$61,640	\$61,640
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>		\$0	\$18,492
<u>Expenses</u>			
82350 DUES FOR MEMBERSHIPS		\$1,000	\$1,000
82355 PROFESSIONAL STANDARDS / ACCREDITATION		\$350	\$350
82390 PUBLICATIONS, NON-TRAINING		\$200	\$200
82800 PROFESSIONAL DEVELOPMENT/TRAVEL		\$400	\$400
82810 REGISTRATIONS		\$250	\$250
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$82,332	\$82,332

PURPOSE / DESCRIPTION OF REQUEST

This City of Franklin has begun to develop its Data Analytics Program. The creation of the Data Analytics Team between IT/Finance in 2015 has allowed the City to begin to organize its data and develop a five-year Analytics Plan to promote the broader application and usage of data within all aspects of government organization and customer service.

The next step in that evolution is the hiring of a Data Scientist/Analyst who can be the go to person to "make it happen" While we want to have the departments and individuals unlock the power of data for themselves, it is clear through our initial research that a dedicated person is needed who can "mine" complex data sources for trends and provide that feedback to department heads and City administration. This person would work with the Budget & Strategic Innovation Manager to prepare findings and reports for all departments.

This position is asked as a Grade H, however, a job description and banding would need to occur.

SERVICE IMPLICATION

Failure to hire this position would limit our continued efforts to harness the true power of data and analytics in the organization. This position, however, may not be ready to join the organization until more work is done by the Data Analytics Team during FY 2018 and FY 2019.



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Appropriations



City of Franklin, Tennessee - FY 2020 Budget Request **Appropriations**

Outline

- Base Budget Request**
- Program Enhancement Requests**



City of Franklin, Tennessee - FY 2020 Budget Request Appropriations

Budget Purpose & Request

The Appropriations budget provides for the allotment of City of Franklin funds to various outside agencies, functions and programs.

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	0	0	0	0	0	0	0.0%
Operations	464,936	464,473	516,301	466,824	475,894	-40,407	-7.8%
Capital	0	0	0	0	0	-	0.0%
Total	464,936	464,473	516,301	466,824	475,894	-40,407	-7.8%

- All funding requests are level-funded, except for:
 - RTA/91X Route Decrease: \$48,727 (FY 20: \$56,185; FY 19: \$104,912)
 - Animal Control Increase: \$8,320 (FY 20: \$118,674; FY 19: \$110,354)



City of Franklin, Tennessee - FY 2020 Budget Request **Appropriations**

Program Enhancement Requests

In addition to the existing two dozen or so requests for funding under the Appropriations budget, there are seven (totaling \$21,250) which would be considered "new" or otherwise not part of the FY19 base budget.

- Mid Cumberland Youth CAN	\$ 5,000	(87130)
- Mid Cumberland Hum Res/Ombudsman	\$ 250	(87130)
- Gentry's Education Center	\$ 10,000	(87130)
- Second Harvest / Nashville's Table	\$ 1,000	(87130)
- Graceworks	\$ 5,000	(87130)
Total	\$ 21,250	



City of Franklin, Tennessee

FY 2020 Operating Budget

Appropriations

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	0	0	0	0	0	0	0.0%
Operations	464,936	464,473	516,301	466,824	475,894	-40,407	-7.8%
Capital	0	0	0	0	0	-	0.0%
Total	464,936	464,473	516,301	466,824	475,894	-40,407	-7.8%

Department Goals

The Appropriations budget provides for the allotment of City of Franklin funds to various outside agencies, functions and programs. A select list of definitions is provided below:

ARC: A family-based organization committed to securing opportunities for persons with intellectual, developmental, or other disabilities.

Boys and Girls Club: Provides a safe place for children and teens, tracks unduplicated services, and tracks teens graduating from high school and their transition to attend college.

Bridges: In partnership with the City, responds to domestic violence calls. These efforts assist in reducing the City's costs and required manpower.

Community Child Care: Gives lower income families the opportunity to work or further education, while children receive affordable child care. Tracks test scores of children transitioning from Community Child Care to kindergarten.

Community Housing Partnership: Assists in helping to keep low income and disabled families in their homes through owner occupied rehabilitation and as an aid for emergency housing for the homeless.

Graceworks: Gives assistance with rent, utility bills, food, medications, gasoline vouchers, school supplies, and senior transportation. Graceworks also partners with the American Red Cross for disaster relief, which included the 2010 floods.

Mid-Cumberland Homemaker: Provides at-home assistance with household tasks to help clients maintain self-sufficiency.

Mid-Cumberland Ombudsman: Serves as an impartial party advocate who seeks to resolve residents' rights complaints and violations voiced by individuals residing in nursing homes, assisted care living facilities, and homes for the aged.

Mid-Cumberland Meals on Wheels: Provides nutritious home-delivered meals/senior center dining.

Second Harvest: Provides food at a very reduced cost to several agencies that are located in Williamson County.

Waves: Provides daily activities and participation in community life for individuals with disabilities; advocacy



City of Franklin, Tennessee

FY 2020 Operating Budget

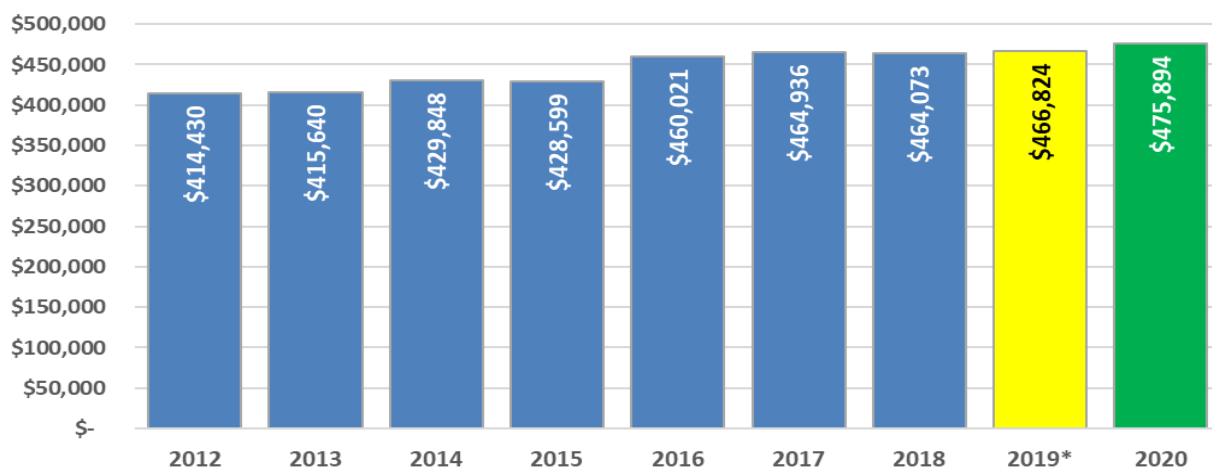
Organizational Chart

There is no organization chart associated with Appropriations. It is supervised by personnel in Administration and the Finance Department.

Staffing by Position

There are no staff formally associated with Appropriations. It is supervised by personnel in Administration and the Finance Department.

Ten-Year Appropriations History



*estimated



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$ %	
Operations							
Contracted Services							
Regional Transit Authority - 91X Bus	56,285	56,185	104,912	56,185	56,185	(48,727)	-46.4%
Franklin Tomorrow	29,610	34,610	34,610	34,610	34,610	-	0.0%
Sister City Program	5,076	5,500	5,500	5,500	5,500	-	0.0%
Total Contracted Services	90,971	96,295	145,022	96,295	96,295	(48,727)	-33.6%
Appropriations to Governments							
Health Department	21,150	21,150	21,150	21,150	21,150	-	0.0%
Animal Control	93,685	91,336	110,354	110,354	118,674	8,320	7.5%
Library - Books	59,220	64,220	64,220	64,220	64,220	-	0.0%
TN Reha @ Franklin	22,495	23,170	23,170	23,170	23,170	-	0.0%
Franklin Housing Authority	-	-	-	-	-	-	100.0%
IDB & Health/Education Board	-	-	750	-	750	-	0.0%
I-65 Corridor Study	-	16,667	-	-	-	-	0.0%
Total Appropriations to Gov't	196,550	216,543	219,644	218,894	227,964	8,320	3.8%
Appropriations to Civic Org.							
ARC	4,230	4,230	4,230	4,230	4,230	-	0.0%
Boys & Girls Club	15,228	18,000	18,000	18,000	18,000	-	0.0%
Bridges	15,040	15,040	15,040	15,040	15,040	-	0.0%
Community Child Care	29,140	29,140	29,140	29,140	29,140	-	0.0%
Community Housing Partnership	8,460	8,460	8,460	8,460	8,460	-	0.0%
J.L. Clay Center/Senior Citizens	20,827	-	-	-	-	-	0.0%
Mid Cum Hum Res/Homemaker	4,700	4,700	4,700	4,700	4,700	-	0.0%
Mid-Cum Hum Res/Ombusdsman	2,061	2,500	2,500	2,500	2,500	-	0.0%
Mid-Cum Meals on Wheels	10,152	10,152	10,152	10,152	10,152	-	0.0%
Second Harvest/Nashville's Table	1,269	1,500	1,500	1,500	1,500	-	0.0%
Waves	22,913	22,913	22,913	22,913	22,913	-	0.0%
Wmson Co Emergency Relief/Graceworks	13,395	15,000	15,000	15,000	15,000	-	0.0%
Gentry's Education Center	10,000	15,000	15,000	15,000	15,000	-	0.0%
Transit Alliance	5,000	5,000	5,000	5,000	5,000	-	0.0%
Masonic Hall Historic Study	15,000	-	-	-	-	-	0.0%
Total Appropriations to Civic Org's.	177,415	151,635	151,635	151,635	151,635	-	
Total Operations	464,936	464,473	516,301	466,824	475,894	(40,407)	-7.8%
Total Appropriations	464,936	464,473	516,301	466,824	475,894	(40,407)	-7.8%

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Operations								
+	87110	CONTRACTED SERVICES	90,971	95,895	145,022	85,968	96,295	96,295	96,295	61,685
	02	Regional Transit Authority - 91X Bus Service	56,285	56,185	104,912	56,185	56,185	56,185	56,185	56,185
	03	Franklin Tomorrow	29,610	34,610	34,610	25,958	34,610	34,610	34,610	
	04	Sister City Program	5,076	5,100	5,500	3,825	5,500	5,500	5,500	5,500
	05	United Way - Community Needs Assessment								
	*	Amount missing from detail								
+	87120	APPROPRIATIONS TO GOVERNMENTS	196,550	216,543	219,644	169,457	218,894	219,644	219,644	219,644
	01	Health Department	21,150	21,150	21,150	21,150	21,150	21,150	21,150	21,150
	02	Animal Control	93,685	91,336	110,354	82,766	110,354	110,354	110,354	110,354
	03	Spay/Neuter Program								
	04	Library	59,220	64,220	64,220	48,165	64,220	64,220	64,220	64,220
	05	TN Rehab @ Franklin	22,495	23,170	23,170	17,376	23,170	23,170	23,170	23,170
	06	Franklin Housing Authority								
	07	IDB & Health/Education Board			750			750	750	750
	08	I-65 Corridor Study		16,667						
	*	Amount missing from detail								
+	87130	APPROPRIATIONS TO CIVIC ORGANIZATIONS	177,415	151,635	151,635	113,727	151,635	151,635	151,635	151,635
	01	ARC	4,230	4,230	4,230	3,173	4,230	4,230	4,230	4,230
	02	Mid Cum Hum Res/Homemaker	4,700	4,700	4,700	3,525	4,700	4,700	4,700	4,700
	03	Mid-Cum Hum Res/Ombudsman	2,061	2,500	2,500	1,875	2,500	2,500	2,500	2,500
	04	Mid-Cum Meals on Wheels	10,152	10,152	10,152	7,614	10,152	10,152	10,152	10,152
	05	Second Harvest/Nashville's Table	1,269	1,500	1,500	1,125	1,500	1,500	1,500	1,500
	06	Waves	22,913	22,913	22,913	17,185	22,913	22,913	22,913	22,913
	07	Wmson Co Emergency Relief/Graceworks	13,395	15,000	15,000	11,250	15,000	15,000	15,000	15,000
	10	Boys & Girls Club	15,228	18,000	18,000	13,500	18,000	18,000	18,000	18,000
	11	Bridges	15,040	15,040	15,040	11,280	15,040	15,040	15,040	15,040
	12	Community Child Care	29,140	29,140	29,140	21,855	29,140	29,140	29,140	29,140
	13	Community Housing Partnership	8,460	8,460	8,460	6,345	8,460	8,460	8,460	8,460
	14	Gap Foundation								
	15	J.L. Clay Center/Senior Citizens	20,827							
	16	Gentry's Education Center	10,000	15,000	15,000	11,250	15,000	15,000	15,000	15,000
	17	Transit Alliance	5,000	5,000	5,000	3,750	5,000	5,000	5,000	5,000
	18	Masonic Hall Historic Study	15,000							
	19	Mid Cum Dues								
	20	Mid Cum Youth Can								
	*	Amount missing from detail								
=	XAPP	TOTAL APPROPRIATIONS	464,936	464,073	516,301	369,152	466,824	467,574	467,574	432,964
=	XOP	TOTAL OPERATIONS	464,936	464,073	516,301	369,152	466,824	467,574	467,574	432,964
=	XTOT	TOTAL EXPENDITURES	464,936	464,073	516,301	369,152	466,824	467,574	467,574	432,964

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **1**

Department:	45920 APPROPRIATIONS
Division:	
FranklinForward Theme:	Quality Life Experiences
Title:	Various Additional Requests

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
Compensation			
			\$0
			\$0
Benefits			
<i>Benefits auto-calculated at 30% of compensation -->></i>		\$0	\$0
Expenses			
87000 APPROPRIATIONS		\$21,250	\$21,250
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$21,250	\$21,250

PURPOSE / DESCRIPTION OF REQUEST

In addition to the existing two dozen or so requests for funding under the Appropriations budget, there are five (totaling \$21,150) which would be considered "new" or otherwise not part of the FY19 base budget.

- | | |
|--------------------------------------|-----------|
| - Mid Cumberland Youth CAN | \$ 5,000 |
| - Mid Cumberland Hum Res/Ombudsman | \$ 250 |
| - Gentry's Education Center | \$ 10,000 |
| - Graceworks | \$ 5,000 |
| - Second Harvest / Nashville's Table | \$ 1,000 |

Details can be found online as part of the agenda item on Granicus.

SERVICE IMPLICATION



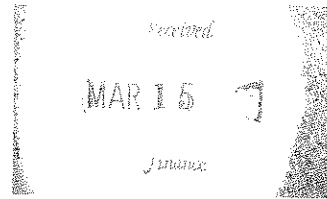
**129 West Fowlkes St., Suite 151
Franklin, TN 37064**

**615-790-5815 phone
615-790-5891 fax
www.thearcwc.org**

Achieve with us.

February 20, 2019

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



RE: Nonprofit Organization request for City of Franklin Funds

Dear Kristine,

Attached is The Arc Williamson County's budget request for 2019-2020 in the amount of \$4230, the same as last year. Also attached is a copy of our most recent audit, a copy of our 501(c)3 letter, a copy of our charitable solicitations approval letter and a copy of our state license. Thank you as always for your support of The Arc. If you need any further information, please do not hesitate to contact me.

Sincerely,

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

Sharon Bottorff
Executive Director

**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN FUNDS
2019-20 FISCAL YEAR**

Organization Name: The Arc Williamson County **Phone:** 615-790-5815, ext. 3
Contact Person & Title: Sharon Bottorff, Executive Director
Mailing Address: 129 West Fowlkes Street, Suite 151, Franklin, TN 37064
Federal Identification # (if applicable): 62-601914700
E-mail address: sbbarc@thearcwc.org

Number of Active Participants in Organization: see attached service statistics.

Does this organization charge fees to participants? Yes _____ No X_____

If Yes, please itemize the structure utilized (use a separate sheet if necessary): _____

If No, please explain: Eligibility is determined by disability and need

Please provide the approximate number of clients served by your program on a yearly basis: 1025-
for detailed breakdown please see attached service statistics.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County citizens. For most of our programs, participants are required to show proof of residency and so we have on file in their records a form of proof of residency usually copy of current driver's license or a recent copy of a utility bill. These are available for review at any time in our office. 99% of those served are residents of Williamson County.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities: There are no other known agencies in the county that provide advocacy specifically to individuals with disabilities and their families.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private sources. The Arc Williamson County receives contributions, sponsorships and grants from many private sources including the Sharing Change Program through Middle Tennessee Electric Membership Corporation, Rehab Resources, ChickFilA,etc, Community Foundation of Middle Tennessee, Predators Foundation and others. The Arc would be happy at any time to share our complete list of supporters, including individual supporters, to a city representative.

The Arc Williamson County Service Statistics			
	2017-2018	2018-2019	2019-2020
Advocacy Program			
Individual Advocacy	102	100	100
Information and Referral	321	285	280
System or Group Advocacy	1016	1025	1050
Student Advocacy	85	88	95
Next Chapter Book Club	54	56	60
Workshops	131	150	150
AbleVoices		25	30
Social Skills Training		20	30
Family Support			
Active	204	215	225
Waiting	10	20	25
Independent Support Coordination	52	50	48

Non-Profit Organization Request for			
City of Franklin Funds - Page Two			
Organization: The Arc Williamson County			
		Projected	
	Actual	Expended	Requested
EXPENDITURES	2017-18	2018-19	2019-20
Personnel Expense	\$151,715.00	\$154,512.00	\$154,780.00
Travel	\$6,234.00	\$7,500.00	\$7,500.00
Printing	\$3,514.00	\$3,000.00	\$3,000.00
Professional & Contracted Services	\$27,200.00	\$39,416.00	\$41,790.00
Supplies	\$5,294.00	\$3,200.00	\$2,500.00
Rental on Office	\$8,860.00	\$8,860.00	\$8,860.00
Telephone	\$1,920.00	\$2,250.00	\$2,250.00
Information Technology	\$2,355.00	\$3,000.00	\$3,000.00
Insurance	\$2,071.00	\$1,882.00	\$1,900.00
Miscellaneous	\$8,239.00	\$1,260.00	\$520.00
Membership Dues	\$3,037.00	\$3,200.00	\$3,200.00
Grants & Subsidies	\$198,507.00	\$200,000.00	\$197,000.00
Conferences & Meetings	\$627.00	\$2,000.00	\$2,000.00
TOTAL BUDGET	\$419,573.00	\$430,080.00	\$428,300.00
		Projected	
	Actual	Expended	Requested
REVENUES: (include any fund raising events)	2017-18	2018-19	2019-20
Williamson County Government	\$1,814.00	\$1,814.00	\$1,814.00
City of Franklin	\$4,230.00	\$4,230.00	\$4,230.00
Other United Way	\$1,407.00	\$2,000.00	\$2,000.00
United Way	\$21,800.00	\$23,000.00	\$25,000.00
Contributions	\$18,617.00	\$20,590.00	\$15,275.00
Family Support	\$204,987.00	\$204,987.00	\$204,987.00
Interest	\$3.00	\$25.00	\$25.00
Fund Raisers	\$19,349.00	\$15,000.00	\$16,000.00
Independent Support Coordination	\$136,346.00	\$138,434.00	\$138,969.00
Other Grants	\$20,000.00	\$20,000.00	\$20,000.00
TOTAL REVENUES	\$428,553.00	\$430,080.00	\$428,300.00

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

1. Specifically what services did your agency provide last year for which you are requesting funding this year? What were the objective and results? (Include description capacity, intensity and duration of services.) *The Arc Williamson County's Advocacy Program is involved in many activities that enable the program to reach its objectives. Information and Referral Services are provided on a daily basis by telephone and office walk-in and include providing individuals with any needed information and names of resources that they might need to resolve their problem. Individual advocacy is often required and involves such things as assessing the family situation to determine what the needs are; making telephone calls and writing letters on behalf of an individual; locating and securing needed resources; and providing counseling.*

The Arc continues to host public meetings to help increase awareness in the community and to provide information. In the fall of 2018, The Arc partnered with Ventures, a collaboration among agencies addressing the needs of adolescents and young adults with disabilities in Williamson County, and held a DisABILITY Resource Fair. We have also partnered with Ventures and sponsored workshops in a Life After High School Series on What You Should Have Already Done!, When Support is Needed, and What About Employment? The Arc's Advocacy Program also continues to maintain four Next Chapter Book Clubs. Next Chapter Book Clubs are for young adults with intellectual disabilities and are led by trained, volunteer facilitators. In addition, in 2018, as a result of a workshop on photography held for young adults with disabilities, the AbleVoice Program was started and leads groups of young adults through a series of stages that help them use the power of photography as a catalyst for self-expression. Also, this past year, The Arc began offering social skills classes to students with deficiencies in appropriate communication and behavior with others.

The Arc is a community partner of United Way of Williamson County. The Arc is a member of the Williamson County Community Advisory Council, the Williamson County Geriatric Council, the Tennessee Respite Care Coalition, Special Olympics, Tennessee Disability Coalition, TASC (Tennessee Alliance of Support Coordinators), and D-SPAT (Direct Support Professionals Association of Tennessee). In addition, the Executive Director is a member of NASW (National Association of Social Workers); a member of TCSW (Tennessee Conference on Social Welfare); alumni of Leadership Franklin; a member of the Patricia Hart Society, the women's initiative of United Way of Williamson County; and a member of the American Association of Persons with Intellectual Disabilities.

The objectives of the Advocacy Program are as follows:

-- Provide information and referral for consumers and self-advocates to locate services and to access them.

--Keep parents and self-advocates informed and empower them to become better advocates on their own behalf through newsletters, Facebook, website and workshops.

--Identify, coordinate and /or secure resources to help as many families as possible.

Continue to participate in the Ventures Annual Resource Fair.

--Maintain communication between The Arc Williamson County and the county's two public school systems to further mutual understanding and to promote the best interests of children with disabilities served by the school systems.

--Utilize social media and outreach to increase public awareness of people with disabilities and their families.

--Promote principles of The Arc and encourage participation in The Arc from the community.

--Provide a setting for parents of children with disabilities to find mutual support and understanding.

--Continue to address issues identified as being important to individuals and families served by The Arc specifically public transportation, affordable housing options for individuals with disabilities, employment supports, after school care and respite care for families.

--Provide a student advocate for 95 students in special education and their families in Williamson County schools with the outcome of improving students' progress.

--Maintain existing book clubs for individuals with intellectual disabilities in Williamson County.

--Provide Social Skills Training to 30 individuals and their caregivers.

--Provide the AbleVoice Program to students in Transition 2 in two area high schools.

2. Are there procedures in place for measuring the results achieved by your agency? If so, provide detailed data. *The Arc Williamson County began using a QI survey at the beginning of the 2007-2008 school year in the Student Advocacy Program. It is sent monthly to all families and school personnel involved in planning meetings with the Student Advocates and addresses such things as whether the student advocate/volunteer appeared knowledgeable regarding the law, whether services were provided in a timely manner and whether they would refer others to the program. Based on these surveys and progress reports on students, over 95% show increase in progress and an over 85% success rate in moving to the next level in their educational plan.*

There are procedures in place by the State of Tennessee Department of Intellectual and Developmental Disabilities to measure outcomes in the Family Support Program through a yearly fiscal review and every three years with a review by the State of Tennessee's Quality Enhancement Team. The State of Tennessee's Quality Enhancement Team reviews the Independent Support Coordination Program yearly. In addition, the Independent Support Coordination Program is reviewed based on Personal Outcomes Measures both externally and internally. The Arc has received exceptional reviews in all of the areas from the State of Tennessee and currently has a Four Star rating based on Quality Enhancement Reviews.

3. Does your agency receive any external quality review or accreditation? If so, provide a copy of certificate or license and please explain. ***Both the Family Support Program and the Independent Support Program receive quality reviews by the State of Tennessee Department of Intellectual and Developmental Disabilities. The Arc maintains a Four Star Rating with the State of Tennessee based on these reviews. Copies of these reviews are available as well as our annual State of Tennessee Fiscal Audit Review which has resulted in no findings over the last thirteen years. The Arc is now required to be licensed to provide our Independent Support Coordination Program and a copy of that is attached.***
4. What percent of your local agency budget is your allocation request for the City of Franklin?
1% of total budget.
5. What other fundraising activities does your agency engage in during the year? ***The Arc Williamson County partnered with The Arc Davidson County for the Second Annual Festival of Trees in December of 2018 and plans to do that again in 2019. The Arc Williamson County will continue to be the beneficiary of a fundraiser by Rehab Resources done yearly in in May. The Arc has also had a yard sale in the spring for the past several years, participates in the Williamson County Parks and Rec Fall Craft Fair and participates in fundraising nights at local restaurants.***
6. Do you charge any fees for your services? ***There are no fees charged in the Advocacy Program.***

City of Franklin
APPLICATION ADDENDUM
For the funding year July 1, 2019 through June 30, 2020

Name of Agency: **The Arc Williamson County**

Date: **2/20/19**

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-2020: The Arc Williamson County is requesting funding to assist with the Advocacy Program. Specifically, we will be providing social skills training to students who attend Williamson County and Franklin Special Schools, maintaining four book clubs for individuals with intellectual disabilities, continuing the annual DisABILITY Fair and Life After High School Workshops, and providing Information and Referral Services to individuals with disabilities and their families. The funds will be used towards salary and supplies.

Please provide information on any interaction that your agency has with the operations of City of Franklin departments (e.g., response to calls from Police after domestic incidents, provision of meals or lodging to displaced persons, etc.): The Arc frequently answers questions and gives information to City of Franklin employees when they interface with a person with a disability particularly an intellectual disability. This has ranged from giving administrative staff information on how a person who is disabled can obtain services to visiting individuals with disabilities at the request of the Police to assess situations and determine what services need to be in place.



Department of the Treasury
Internal Revenue Service

Cincinnati Service Center
CINCINNATI OH 45999-0038

In reply refer to: 0752261065
Mar. 08, 2013 LTR 4168C 0
62-6019147 000000 00

00019964

BODC: TE

ARC OF WILLIAMSON COUNTY
129 W FOWLKES ST STE 151
FRANKLIN TN 37064-3562



309451

Employer Identification Number: 62-6019147
Person to Contact: Customer Service
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Feb. 27, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in June, 1960.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0752261065
Mar. 08, 2013 LTR 4168C 0
62-6019147 000000 00
00019965

ARC OF WILLIAMSON COUNTY
129 W FOWLKES ST STE 151
FRANKLIN TN 37064-3562

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Stephen E. Paxton
Operations Manager, AM Operations 3

Tennessee Secretary of State
Tre Hargett



Division of Charitable Solicitations, Fantasy Sports, and Gaming
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243-1102

Mona Hart
Director

615-741-2555
Mona.Hart@tn.gov

January 8, 2019

Sharon Bottorff
ARC of Williamson County (The)
129 West Fowlkes Street, Suite 151
Franklin, TN 37064

RE: **APPROVAL** - Registration to Solicit Funds for Charitable Purposes
ARC of Williamson County (The) - CO1355
Registration Expiration Date: **December 31, 2019**

Dear Sharon Bottorff:

Pursuant to Tenn. Code Ann. § 48-101-501, *et seq.*, the Division of Charitable Solicitations and Gaming has reviewed your submitted application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

With this approval, your organization has new responsibilities for maintaining statutory compliance, including submission of the proper documents and required fees on an annual basis. The required filings include:

- Completed *Application to Renew Registration* form
- Completed *Summary of Financial Activities* form
- IRS determination letter granting tax-exempt status, if not previously filed
- IRS *Form 990*, *Form 990EZ*, or *990N* for the most recently completed accounting year, if the organization qualifies as tax-exempt
- An audited financial statement if the organization grossed more than \$500,000 in revenue
- Any amendments to the organization's governing documents

The *Application to Renew Registration* and *Summary of Financial Activities* forms are available on our website at <http://sos.tn.gov/charitable>. Additionally, the "CO" number listed above will serve as your organization's identification number specific to this division and should be included on all correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

Tre Hargett
Secretary of State

ETL:CO1355

STATE OF TENNESSEE
DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES



LICENSE

THE DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES GRANTS THIS FULL
LICENSE IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 33, CHAPTER 2, PART 4 TO:

THE ARC WILLIAMSON COUNTY

(Name of Licensee)

TO OPERATE A FACILITY OR SERVICE IDENTIFIED AND LOCATED AS FOLLOWS FOR THE
PROVISION OF THE DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES OR
PERSONAL SUPPORT SERVICES:

The ARC Williamson County Office

(Name of Facility or Service as Known to the Public)

129 West Fowlkes Street Suite 151, Franklin, TN 37064

(Street Address or Location, City or Town)

THE LICENSEE HAS DEMONSTRATED COMPLIANCE WITH T.C.A. TITLE 33, CHAPTER 2, PART 4 AND
WITH RULES OF THE DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES.

THIS LICENSE AUTHORIZES LIFE SAFETY OCCUPANCY CLASSIFICATIONS AND THE FOLLOWING
DISTINCT CATEGORY OF FACILITY OR SERVICES TO BE PROVIDED:

Distinct Category	Accessible to mobile, non-ambulatory individuals	Approved for persons with:			Occupancy Classification
		Hearing Loss	Vision Impairment	Capacity	
Support Coordination Agency	Y	n/a	n/a	n/a	Business

November 01, 2018

Date License Granted

October 31, 2019

Date License Expires

L000000017896

License Number

Commissioner of Department Of Intellectual & Developmental Disabilities

THIS LICENSE IS NON-TRANSFERABLE AND NON-ASSIGNABLE.
POST THIS LICENSE IN A CONSPICUOUS PLACE.

17896

ARC OF WILLIAMSON COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2018

ARC OF WILLIAMSON COUNTY, INC.

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Statement of Cash Flows	6
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FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

Independent Auditor's Report

To the Board of Directors of
ARC of Williamson County, Inc.
Franklin, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of ARC of Williamson County, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARC of Williamson County, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

John R. Poole, CPA

September 15, 2018

FINANCIAL STATEMENTS

ARC of WILLIAMSON COUNTY, INC.

Statement of Financial Position

June 30, 2018

Assets

Current assets:

Cash	\$	46,976
Accounts receivable		29,464
Unconditional promises receivable		23,000
Total current assets		<u>99,440</u>

Property and equipment at cost:

Office equipment		7,517
Less: accumulated depreciation		(7,517)
Net property and equipment		<u>0</u>

Total assets	\$	<u>99,440</u>
--------------	----	---------------

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$	1,633
Funds held for others		4,415
Total current liabilities		<u>6,048</u>

Net assets:

Temporarily restricted		23,000
Unrestricted		70,392
Total net assets		<u>93,392</u>

Total liabilities and net assets	\$	<u>99,440</u>
----------------------------------	----	---------------

ARC of WILLIAMSON COUNTY, INC.

Statement of Activities

For the year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other support:			
State Grant			
Family Support Program	\$ 204,987	-	204,987
ISC	136,346	-	136,346
Contributions	31,120	-	31,120
United Way	7,457	23,000	30,457
County and City appropriations	6,044	-	6,044
Special events, less expenses	19,192	-	19,192
Interest	3	-	3
Miscellaneous	404	-	404
Net assets released from restrictions:			
United Way funding for the year 2017-2018	21,800	(21,800)	0
Total public support and revenues	<u>427,353</u>	<u>1,200</u>	<u>428,553</u>
Expenses:			
Program services	\$ 411,903	-	411,903
Management and general	7,670	-	7,670
Total expenses	<u>419,573</u>	<u>-</u>	<u>419,573</u>
Increase (decrease) in net assets	<u>7,780</u>	<u>1,200</u>	<u>8,980</u>
Beginning of year net assets	62,612	21,800	84,412
End of year net assets	<u>\$ 70,392</u>	<u>23,000</u>	<u>93,392</u>

ARC of WILLIAMSON COUNTY, INC.

Statement of Functional Expenses

For the year ended June 30, 2018

		Supporting Services	
	Program Services	Management and General	Total Expenses
Salaries	\$ 135,211	0	135,211
Employee benefits	5,159	0	5,159
Payroll taxes	10,678	0	10,678
Grants and subsidies	200,820	0	200,820
Conferences	0	627	627
Dues	4,508	0	4,508
Telephone	3,822	425	4,247
Professional services	22,551	1,930	24,481
Office expense	4,576	509	5,085
Supplies	9,238	1,027	10,265
Training and travel	6,234	0	6,234
Rent	9,106	310	9,416
Interest	0	526	526
Insurance	0	2,074	2,074
Miscellaneous	0	242	242
Total Expenses	\$ 411,903	7,670	419,573

ARC of WILLIAMSON COUNTY, INC.

Statement of Cash Flows

For the year ended June 30, 2018

Cash flows from operating activities:	
Support and revenue received	\$ 429,334
Cash paid for:	
Salaries and related expenses	(151,048)
Program and support services	(265,150)
Net cash provided by operating activities	<u>13,136</u>
Net change in cash	13,136
Cash and cash equivalents at beginning of year	33,840
Cash and cash equivalents at end of year	\$ <u><u>46,976</u></u>
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities	
Increase (decrease) in net assets	\$ 8,980
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Changes in assets (increase) decrease:	
Accounts receivable and conditional promises	781
Changes in liabilities increase (decrease):	
Accounts payable	1,200
Funds held for others	2,175
Net cash provided by operating activities	\$ <u><u>13,136</u></u>

NOTES TO THE FINANCIAL STATEMENTS

ARC OF WILLIAMSON COUNTY, INC.

Notes to the Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

ARC of Williamson County, Inc. is a non-profit organization in Williamson County, Tennessee. The Organization's mission is to enable persons with disabilities to achieve their highest level of functioning and progress toward their full potential. The organization provides social and recreational activities for adults with mental retardation and family support for parents of children with mental retardation.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards (SAS) No. 117, *Financial Statements of Not -for-Profit Organizations*. Under SAS No. 117, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization has discontinued its use of fund accounting.

Contributions

In accordance with SAS 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Promises to Give

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

ARC OF WILLIAMSON COUNTY, INC.

Notes to the Financial Statements June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services

ARC of Williamson County, Inc. receives many hours of donated time from various citizens. It is impractical to estimate a value for these services, as such no such value has been placed on these services in the Organization's financial statements.

Donor -Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor- stipulated time restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Depreciation

Depreciation is provided for over the estimated useful lives of the assets. Assets are depreciated using the straight-line method of depreciation.

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. At June 30, 2018 the organization has recorded \$21,800 of promises to give from the United Way of Williamson County.

Functional Allocation of Expenses

The costs of providing the ARC's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs may have been allocated among the programs and supporting services benefited.

Income Taxes

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

ARC OF WILLIAMSON COUNTY, INC.

Notes to the Financial Statements June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

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

Economic Dependence

Approximately 80% of the organization's revenues for the year ended June 30, 2018, was from contracts from various State of Tennessee departments. The State of Tennessee may, at its discretion, request reimbursement of expenses or return of funds, or both as a result of non-compliance by the Organization with the terms of the programs.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment activity is noted below:

	Balance 6/30/17	Addition	Retirement	Balance 6/30/18
Furniture and equipment	7,517	-	-	7,517
Total	7,517			7,517
Less: Accumulated depreciation	(7,517)			(7,517)
Net property and equipment	<u>-</u>			<u>-</u>

ARC OF WILLIAMSON COUNTY, INC.

**Notes to the Financial Statements
June 30, 2018**

3. STATE CONTRACTS AND GRANTS:

Amounts received from the State of Tennessee are subject to audit and adjustment by the State of Tennessee. Any disallowed claims including amounts already collected, could become a liability of the Organization.

4. LINE OF CREDIT

The Organization has a \$30,000 line of credit. There was no outstanding balance at yearend.

NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR

Received

MAR 15 7

11111111

Organization Name: Boys & Girls Clubs of Middle Tennessee (Franklin and Fairview Clubs)

Phone: 794-4800

Contact Person & Title: Denise Carothers, Director of Resource Development Williamson County

Mailing Address: PO Box 1084 Franklin, TN 37065

Federal Identification # (if applicable): 62-0540402

Number of Active Participants in Organization: 658

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

If **yes**, please itemize the structure utilized (use a separate sheet of paper if necessary):

If **no**, please explain: Boys & Girls Clubs of Middle Tennessee utilizes a Need-Based Rate Scale which is based on Scholarship availability and evidence of need; however no child is denied service due to their inability to pay. Families participating in Families First or AFDC are encouraged to enroll their children. Donations from those in the community allow us to provide scholarship support to our Club members. Due to the already low program fee for our services each Club member is already receiving a subsidy of \$30 per week in scholarships for the After School Program and \$25 per week for the Summer Enrichment Program. Our weekly fee as it stands now is \$20/wk. and \$50/wk. for the summer program. Our needs based scale is as such—if the family demonstrates a need for financial assistance they are encouraged to approach the Club Director. The very first question the Club Director will ask the parent is if they qualify for DHS assistance through Family First. If they do then all fees, minus co-pay if applicable, are waived. If the parent does not qualify for Family First, then the Club Director sets up a meeting in which parents are asked to bring in financial data to include 2 most recent pay stubs, tax forms and any other extenuating circumstances. Based on this information the Club Director determines a reasonable program fee for the family.

Please provide the number of clients served by your program on a yearly basis. 658. All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used to service to Williamson County citizens: During the school year we provide transportation from two Williamson County schools and six Franklin Special School District schools to our Clubs. To provide after school transportation we have the

expense of ownership of three buses such as fuel, maintenance, drivers and bus monitors. Other expenses are snacks provided each day to our Club members, program supplies and part time staff.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed): Although the school systems and YMCA facilities offer after school programming, none of these offer the varied programs in character, education, the arts, sports, fitness and health life skills that the club offers. The Clubs are open after school and 11 hours a day in the summer months.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private sources. Specifically, our Franklin and Fairview Clubs conduct two major special events-each with their unique demographic. In the spring, the organization conducts its annual Steak & Burger Dinner. Sponsorships are sought during this event. The Steak & Burger will be held Thursday, May 9th. November 2nd we will hold Wine Down Main Street 19. Close to 2,000 spectators and donors will flock to the streets of Franklin to enjoy food and wine. This is the largest fundraising event for the Williamson County Clubs.

**Non-Profit Organization Request for
City of Franklin-Page Two**

Organization: Boys & Girls Clubs of Middle Tennessee (Williamson County)

EXPENDITURES	Actual 2017-18	Expended 2018-19	Requested 2019-20
Employee Salaries and Benefits	292,902	282,745	334,924
Payroll Taxes	20,201	19,795	24,517
Service Fees	15,428	16,803	14,115
Office Expenses	1,176	1,534	1,800
Information Technology	5,780	6,099	6,959
Occupancy	33,293	32,528	33,892
Travel	2,550	2,500	2,700
Conferences and Meetings	2,397	2,557	1,410
Payment to Affiliates	14,120	13,946	13,380
Depreciation	16,000	17,000	17,000
Insurance	15,301	13,344	15,585
All other (program supplies, transportation, etc.	125,649	135,545	149,608
Total Budget	544,807	544,725	615,891

REVENUES: (include any fund raising events)	2017-18	2018-19	2019-20
City of Franklin Government	18,000	18,000	18,000
Williamson County Government	8,960	8,960	8,960
United Way	107,986	99,754	110,000
Other Government	82,677	116,394	113,060
Fundraising	159,880	154,227	185,655
Other Contributions	40,698	55,604	65,240
Program Service Fees	88,640	79,960	89,952
Membership dues	6,300	4,685	7,075
Investment Income	167	307	0
Other Revenue			
TOTAL REVENUES	513,310	537,895	597,942

Non-Profit Organization Request for City of Franklin-Page Three
Organization: Boys & Girls Clubs of Middle Tennessee (Williamson County)

Personnel & Salary Information

Personnel	Salary 2017-18	Salary 2018-2019	Salary 2019-2020
Director of Resource Development Williamson County	65,000	65,000	66,000
Club Director- Franklin	37,595	24,582 (partial year)	33,900
Club Director- Fairview	35,020	36,500	37,5000
Part-time Positions/Total	\$126,560	\$133,880	\$182,665
Youth Services Coordinator #1*			
Youth Services Coordinator #2*			
Games Room Coordinator (2)*			
Tech Lab (2)*			
Smart Moves Instructor (2)*			
Art Instructors (2) *			
Sports, Fitness and Recreation (2)*			
Bus Drivers (3)*			
		(2 vacant positions for bus driver)	
	264,175	260,962	320,065

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

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

We provide a program of youth development and guidance for school aged youth ages 5 to 18 with a special emphasis on at risk children. Our priority outcomes are Academic Success, Good Character and Citizenship and Healthy Lifestyles. To reach the outcome of Academic Success, we provide each member the opportunity to receive tutoring to correctly complete school assignments and recognition for achievement through the Power Hour program. To reach the outcome of Good Character and Citizenship Club members ages 11-13 and 14 to 19 participate in small group leadership Clubs focusing on service to Club and community; education; health and fitness; and social recreation. The outcome of Healthy Lifestyles is reached through the use of programs such as: Passport to Manhood and SMART Girls. These programs encourage youth to resist alcohol and drug use, make healthy relationship choices, and avoid peer pressure.

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

Yes. Each year the Boys & Girls Clubs of America Annual Report is completed. The annual report tracks demographics of the membership as well as on time grade progression, high school graduation numbers, work experience of members, member volunteer service, meals served, etc.

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

Yes, we are licensed by the Tennessee Department of Education.

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

The \$18,000 requested is 0.03% of the budget.

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

The agency engages in mailings throughout the year.

6. Do you charge any fees for your services?

Boys & Girls Clubs of Middle Tennessee utilizes a Need-Based Rate Scale which is based on Scholarship availability and evidence of need; however no child is denied service due to their inability to pay. Families participating in Families First or AFDC are encouraged to enroll their children. Donations from those in the community allow us to provide scholarship support to our Club members. Due to the already low program fee for our services each Club member is already receiving a subsidy of \$30 per week in scholarships for the After School Program and \$25 per week for the Summer Enrichment Program. Our weekly fee as it stands now is \$20/wk. and \$50/wk. for the summer program. Our needs based scale is as such—if the family demonstrates a need for financial assistance they are encouraged to approach the Club Director. The very first question the Club Director will ask the parent is if they qualify for DHS assistance through Family First. If they do then all fees, minus co-pay if applicable, are waived. If the parent does not qualify for Family First, then the Club Director sets up a meeting in which parents are asked to bring in financial data to include 2 most recent pay stubs, tax forms and any other extenuating circumstances. Based on this information the Club Director determines a reasonable program fee for the family.

Program Description

Boys & Girls Clubs of Middle Tennessee (BGCMT) is a youth development organization that is dedicated to making a difference in the lives of the youth in our community. Our Clubs provide a safe place to learn and grow; ongoing relationships with caring, adult professionals; life-enhancing programs and character development experiences; and hope and opportunity.

The Clubs provide guidance and education in five Core Program Areas: Education & Career Development; Character & Leadership Development; Health & Life Skills; The Arts; and Sports, Fitness and Recreation. The Clubs have become a total life center for many at-risk youth offering a safe and positive place to grow, learn, play and succeed.

Boys & Girls Clubs of Middle Tennessee has been working on expanding our STEAM programming to better engage our Club kids in Science, Technology, Engineering, Arts and Mathematics. During the summer, our Clubs focus on both Science and Math, with a goal of reducing Summer Learning Loss in both programs. By implementing STEAM programming, Boys & Girls Clubs of Middle Tennessee engages local minority and underrepresented youth with STEAM education. This allows these youth to see that hard work in these areas can be beneficial to them. It will also help address the lack of diversity as it relates to gender and ethnicity in technology fields.

In addition Boys & Girls Clubs of Middle Tennessee provides age appropriate programs for youth with the focus being Academic Success, Good Character and Citizenship and Healthy Lifestyles. In the area of Academic Success, the Club supports members' school success through such efforts as homework help and school readiness, engages members in fun, hands-on activities to practice and learn reading, writing, speaking, math and scientific inquiry and provides extra help for members who have difficulty mastering academic content and skills. Lets Go Learn technology is used to provide automated, individualized diagnostic testing, data, reporting, and instruction to boost an individual Club member's performance.

In the area of Good Character and Citizenship the Club engages members in Club and/or community-based service, teaches rights and responsibilities of citizenship and introduces concepts of good character, encourage civility and tolerance, and recognize good behavior. In the area of Healthy Lifestyles, the Club teaches members about basic nutrition and healthy eating, provides multiple ways for members of all ages to engage in fitness activities, track fitness activity levels and reach out to inactive members and teaches decision-making skills. Girls ages 8 to 18 participate in SMART Girls and boys ages 11 to 14 participate in Passport to Manhood. These programs encourage youth to resist alcohol and drug use, make healthy relationship choices, and avoid peer

pressure. The gender targeted programs (Passport to Manhood and SMART Girls) assist adolescent youth to navigate the space between childhood and adulthood. SMART Moves and Passport to Manhood run for consecutive 12 week sessions.

Use of Funds

100% of the funds will be used for program support. Funds will be used to provide afterschool transportation. In addition funds will be used to provide healthy snacks, educational resources, and technology and program supplies.

Internal Revenue Service

Department of the Treasury

District
Director

Delaware-Maryland District

31 Hopkins Plaza, Baltimore, MD 21201

JULY 14, 1998

P.O. Box 13163, Room 817
Baltimore, MD 21203

Employer Identification Number:
62-0540402

BOYS AND GIRLS CLUB OF
MIDDLE TENNESSEE, INC.
PO BOX 110268
NASHVILLE, TN 37222-0268

Person to Contact:
EP/BO Tax Examiner

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry received JULY 10, 1998, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective SEPTEMBER, 1954.

We have also determined that the organization is not a private foundation because it is described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you under section 170 of the Code.

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

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

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,



2017
Financial Statements
With
Auditor's Letters

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

FINANCIAL STATEMENTS

DECEMBER 31, 2017

WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

(With Independent Auditor's Report Thereon)

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
FINANCIAL STATEMENTS
DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

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PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Boys & Girls Clubs of Middle Tennessee

We have audited the accompanying financial statements of the Boys & Girls Clubs of Middle Tennessee (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Middle Tennessee as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in NOTE 20 to the financial statements, temporarily restricted net assets were overstated in previously issued financial statements. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited the Boys & Girls Clubs of Middle Tennessee's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2017. In our opinion, except as noted in the Emphasis of Matter paragraph, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 13, 2018

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

	<u>ASSETS</u>	
	2017	2016
Current Assets:		
Cash and cash equivalents	\$ 1,129,662	\$ 1,421,935
Grants and contracts receivable	415,314	77,373
Contributions receivable, net	2,615	97,119
Prepaid expenses and deposits	16,574	41,792
Investments	416,344	328,018
Total current assets	1,980,509	1,966,237
Property and Equipment, net	1,365,452	1,449,741
Membership rights, net	17,333	7,500
	1,382,785	1,457,241
Assets Held for Sale, net	29,965	29,965
Assets Whose Use is Limited:		
Cash	125,543	151,524
Grants receivable	56,184	55,058
Restricted pledges, net	72,199	78,547
Beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee	32,964	28,981
Investments	938,498	938,498
Total assets whose use is limited	1,225,388	1,252,608
	<u>\$ 4,618,647</u>	<u>\$ 4,706,051</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Note payable - current portion	\$ 44,917	\$ 39,229
Accounts payable	46,767	42,245
Accrued expenses	79,676	81,047
Total current liabilities	171,360	162,521
Note payable - long-term portion	220,633	269,200
Total liabilities	391,993	431,721
Net Assets:		
Unrestricted	3,001,266	3,014,222
Restricted Net Assets:		
Temporarily restricted	253,926	292,629
Permanently restricted	971,462	967,479
Total restricted net assets	1,225,388	1,260,108
Total Net Assets	4,226,654	4,274,330
	<u>\$ 4,618,647</u>	<u>\$ 4,706,051</u>

See accompanying notes to financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	2017			Total	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	2016
Public Support and Revenue:					
Gross special events revenue	\$ 670,217	\$ -	\$ -	\$ 670,217	\$ 593,821
Less direct cost of special events	(292,901)	-	-	(292,901)	(246,428)
Net special events revenue	377,316	-	-	377,316	347,393
Individual gifts and contributions	584,470	3,652	-	588,122	881,241
Grants and contracts	895,770	4,500	-	900,270	766,020
United Way grants, allocations, and designations	63,577	51,684	-	115,261	125,284
Program service fees	619,458	-	-	619,458	520,948
Gain on sale of asset	2,000	-	-	2,000	-
Donated rent	86,790	-	-	86,790	107,267
Investment income - net	7,968	188,432	3,983	200,383	85,591
Recovery of bad debt	25,000	-	-	25,000	-
Other, net of \$38,118 direct expenses in in 2016, \$0 in 2017	45,515	29	-	45,544	58,643
Net assets released from restrictions	287,000	(287,000)	-	-	-
Total public support and revenue	2,994,864	(38,703)	3,983	2,960,144	2,892,387
Expenses:					
Program services:					
Comprehensive youth development	2,578,285	-	-	2,578,285	2,294,836
Supporting services:					
Management and general	289,603	-	-	289,603	310,457
Fundraising	139,932	-	-	139,932	304,955
Total expenses	3,007,820	-	-	3,007,820	2,910,248
Increase (decrease) in net assets	(12,956)	(38,703)	3,983	(47,676)	(17,861)
Net assets at beginning of year:					
As previously reported	2,255,485	1,051,366	967,479	4,274,330	4,292,191
Adjustment for release of restriction	758,737	(758,737)	-	-	-
Balance at beginning of year, as restated	3,014,222	292,629	967,479	4,274,330	4,292,191
Net assets at end of year	\$ 3,001,266	\$ 253,926	\$ 971,462	\$ 4,226,654	\$ 4,274,330

See accompanying notes to financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	2017				
	Program Services	Supporting Services			
	Comprehensive Youth Development	Management and General	Fundraising	Total 2017	Total 2016
Salaries	\$ 1,394,628	\$ 140,575	\$ 96,083	\$ 1,631,286	\$ 1,608,543
Employee taxes & benefits	226,738	26,347	18,588	271,673	227,216
Total payroll & related expenses	1,621,366	166,922	114,671	1,902,959	1,835,759
Awards and grants	685	-	-	685	3,236
Communications	15,767	1,982	-	17,749	17,503
Increase in allowance for doubtful accounts	-	-	-	-	15,000
Depreciation & amortization	116,645	2,381	16,167	135,193	134,331
Equipment rental and maintenance	25,704	7,020	-	32,724	51,296
Field trips & other youth events	45,308	-	-	45,308	32,319
In-kind expense	86,790	-	-	86,790	107,267
Interest expense	13,436	-	-	13,436	10,043
Marketing	7,958	-	3,411	11,369	16,846
Membership dues	28,966	3,287	-	32,253	30,222
Miscellaneous	20,041	33,843	2,992	56,876	66,986
Postage	465	1,395	465	2,325	2,337
Professional fees	69,864	26,333	925	97,122	101,101
Special events	104,610	-	188,291	292,901	246,428
Supplies	217,182	15,754	118	233,054	179,585
Training and conferences	15,282	12,926	-	28,208	34,337
Transportation	76,105	-	-	76,105	57,696
Travel and mileage	8,973	1,500	1,125	11,598	10,460
Utilities and occupancy costs	207,748	16,260	58	224,066	203,924
Total expenses by function	2,682,895	289,603	328,223	3,300,721	3,156,676
Less expenses included with revenues on the statement of activities:					
Direct cost of special events	(104,610)	-	(188,291)	(292,901)	(246,428)
Total expenses included in the expense section on the statement of activities	<u>\$ 2,578,285</u>	<u>\$ 289,603</u>	<u>\$ 139,932</u>	<u>\$ 3,007,820</u>	<u>\$ 2,910,248</u>

See accompanying notes to financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Decrease in net assets	\$ (47,676)	\$ (17,861)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	135,193	134,331
Realized (gain) loss on investments	(92,352)	12,801
Adjustments to allowance	25,000	(11,720)
Bad debts	-	39,790
Present value discount	-	(13,070)
Unrealized gains on investments	(80,274)	(72,756)
Change in value of beneficial interest in agency endowment fund	(3,983)	(2,373)
Changes in:		
Grants and contracts receivable	(337,941)	(717)
Contributions receivable	69,504	(53,813)
Prepaid expenses and deposits	25,218	(17,331)
Assets whose use is limited	31,203	(171,053)
Accounts payable	4,522	9,317
Accrued expenses	(1,371)	27,510
Total adjustments	<u>(225,281)</u>	<u>(119,084)</u>
Net cash used in operating activities	<u>(272,957)</u>	<u>(136,945)</u>
Cash Flows From Investing Activities:		
Proceeds from sale of investment	545,009	532,393
Purchase of investments	(460,709)	(673,621)
Purchase of property and equipment	(34,737)	-
Purchase of intangible asset	(26,000)	-
Net cash provided by (used in) investing activities	<u>23,563</u>	<u>(141,228)</u>
Cash Flows From Financing Activities:		
Payments on long-term debt	(42,879)	(27,501)
Net cash used in financing activities	<u>(42,879)</u>	<u>(27,501)</u>
Net decrease in cash	(292,273)	(305,674)
Cash and cash equivalents - beginning of year	<u>1,421,935</u>	<u>1,727,609</u>
Cash and cash equivalents - end of year	<u>\$ 1,129,662</u>	<u>\$ 1,421,935</u>

Supplemental Cash Flow Information

Interest paid during the year ended December 31, 2017 and 2016, was \$13,436 and \$10,043, respectively.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

NOTE 1 – Summary of Significant Accounting Policies

Nature of Activities

In these notes, the terms "Organization", "we", "us" or "our" mean Boys & Girls Clubs of Middle Tennessee. We have chosen to present our name how it is recognized nationally as "Boys & Girls Clubs of Middle Tennessee," rather than our official name of "Boys and Girls Clubs of Middle Tennessee" in accordance with the Secretary of State. We are a nonprofit organization affiliated with the Boys & Girls Clubs of America. Founded in 1917, the Boys & Girls Clubs of Middle Tennessee consist of eight Club facilities throughout the region. The goal of the organization is to enable all young people, especially those who need us most, to reach their full potential as productive, caring, and responsible citizens. We strive to improve each child's life by instilling in them a sense of competence, usefulness, belonging, and power/influence. We focus on three priority outcomes: academic success, healthy lifestyles, good character and citizenship.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may, or will be, met by our actions and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by us. Generally, the donors of these assets permit us to use all or part of the income earned and any related investments for general or specific purposes.

Prior Year Summarized Financial Information

While comparative information is not required under United States generally accepted accounting principles ("US GAAP"), we believe this information is useful and have included certain summarized financial information from our 2016 financial statements. Such summarized information is not intended to be a complete presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with our financial statements as of and for the year ended December 31, 2016, from which it was derived.

Reclassifications

Certain reclassifications of prior year summarized amounts have been made to conform to the current year presentation.

Revenue

We recognize revenue as it is received or promised to us in accordance with generally accepted accounting principles for non-profit organizations.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

NOTE 1 – Summary of Significant Accounting Policies (continued)

Cash Equivalents

For the purposes of the Statement of Cash Flows, we consider all unrestricted cash and investment instruments purchased with an original maturity date of ninety days or less from the date of issuance to be a cash equivalent. At December 31, 2017, we had cash equivalents in the amount of \$142,910. At December 31, 2016, we had cash equivalents in the amount of \$34,837.

Contributions Receivable

Unconditional promises to give (pledges) are recognized as contribution revenue when the donor's commitment is received. Pledges with payments due to us in future periods are recorded as increases in temporarily restricted or permanently restricted net assets at the estimated present value of future cash flows, net of an allowance for estimated uncollectible promises. Allowance is made for uncollectible contributions receivable based upon our analysis of past collection experience and other judgmental factors. At December 31, 2017 and 2016, an allowance of \$0 and \$25,000, respectively, was considered necessary.

In contrast to unconditional promises as described above, conditional promises are not recorded until donor contingencies are substantially met.

Grant Receivable

We recognize grant revenue when the grant is awarded. At December 31, 2017 and 2016, no allowance was considered necessary for uncollectible grant receivables based upon our analysis of past collection experience with grantors.

Prepaid expenses

Prepaid expenses consist of insurance premiums paid by us in advance.

Property and Equipment

Property and equipment is recorded at cost, or, if donated, at the estimated fair market value at the date of donation. Our capitalization policy is to capitalize any expenditure over \$5,000 for property and equipment, and any expenditure over \$500 for leasehold improvements. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2017 and 2016, no assets were considered to be impaired.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Marketing

Marketing is expensed as incurred. Total marketing expense for the years ended December 31, 2017 and 2016, was \$11,369 and \$16,846, respectively.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

NOTE 1 – Summary of Significant Accounting Policies (continued)

Donated Services and Goods

Donated services are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by us if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

We received donated rent for the years ended December 31, 2017 and 2016, of \$86,790 and \$107,267, respectively. See NOTE 13.

Income Taxes

We are a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

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

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to short maturities of these instruments. The fair value of the note payable approximates the carrying amount and is estimated based on current rates offered to us. All of our financial instruments are categorized as level 1 in the fair value hierarchy.

NOTE 2 – Contributions Receivable

Contributions receivable consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Due in less than one year	\$ 12,615	\$ 132,119
Due in one or more years	<u>80,000</u>	<u>90,000</u>
	92,615	222,119
Less: discounts to net present value	(17,801)	(21,453)
Less: allowance for doubtful accounts	<u>-</u>	<u>(25,000)</u>
Net contributions receivable	<u>\$ 74,814</u>	<u>\$ 175,666</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2016

NOTE 2 – Contributions Receivable (continued)

Contributions receivable as shown on the Statement of Financial Position as follows at December 31:

	<u>2017</u>	<u>2016</u>
Contributions receivable, net	\$ 2,615	\$ 97,119
Restricted pledges, net	<u>72,199</u>	<u>78,547</u>
Net contributions receivable	<u>\$ 74,814</u>	<u>\$ 175,666</u>

Gross restricted pledges receivable of \$100,000 for golf membership renewal rights in 2017 have been discounted for the time value of money using a discount rate of 4.65%. The rate was determined using the interest method after an allowance had been established. The net restricted pledges for the golf membership rights at December 31, 2017 and 2016 was \$72,199 and \$78,547, respectively.

NOTE 3 – Investments

Investments consisted of the following at December 31:

	<u>2017</u>		<u>2016</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
LLC Ownership	\$ 135,098	\$ 133,506	\$ 127,130	\$ 133,506
Equity	845,744	641,448	786,673	658,693
Fixed Income Taxable	340,579	339,649	277,448	278,835
Real Estate	19,545	14,862	65,176	66,265
Commodities	<u>13,876</u>	<u>12,822</u>	<u>10,089</u>	<u>9,711</u>
	1,354,842	<u>\$ 1,142,287</u>	1,266,516	<u>\$ 1,147,010</u>
Less: restricted investments	<u>(938,498)</u>		<u>(938,498)</u>	
	<u>\$ 416,344</u>		<u>\$ 328,018</u>	

Investment income (loss) consisted of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 38,236	\$ 36,149
Realized gain (loss) - net	92,352	(12,801)
Unrealized gain - net	80,274	72,756
Investment fees	(14,462)	(11,886)
Change in value of beneficial interest		
In agency endowment fund (see NOTE 9)	<u>3,983</u>	<u>1,373</u>
Investment income - net	<u>\$ 200,383</u>	<u>\$ 85,591</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
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NOTE 3 – Investments (continued)

At December 31, 2017, our investments were held in a trust, we are the sole beneficiary of this trust.

At December 31, 2017, we owned units of ownership in a limited liability company (LLC). Our ownership is a result of a contribution made in 2010.

We have elected to report other investments that do not have a readily determinable value, at carrying value, except those for which the fair value option has been elected.

We have recognized our LLC ownership interest at fair market value in accordance with generally accepted accounting principles under the fair value option. The fair value of the ownership interest is measured annually based on the values of the underlying investment held in the LLC. As of December 31, 2017 and 2016, the fair value of this ownership interest was \$135,098 and \$127,130, respectively.

NOTE 4 – Fair Value Measurements

We use a framework for measuring fair value and disclosing fair values. We define fair value at the price which would be received to sell an asset in an orderly transaction between market participants at the measurement date. We use this framework for all assets and liabilities measured and reported on a fair value basis and enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Each asset and liability carried at fair value is classified into one of the following categories:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities
- Level 2 - Observable market based inputs or unobservable inputs corroborated by market data
- Level 3 - Unobservable inputs not corroborated by market data.

The following table summarizes our financial assets measured at fair value on a recurring basis segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value as of December 31, 2017:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Common Stocks-Public	\$ 845,744	\$ 845,744	\$ 845,744	\$ -	\$ -
LLC Ownership	135,098	135,098	-	135,098	-
Fixed Income Taxable	340,579	340,579	340,579	-	-
Real Estate	19,545	19,545	19,545	-	-
Commodities	13,876	13,876	13,876	-	-
Beneficial interest in agency endowment fund	32,964	32,964	-	-	32,964
	<u>\$ 1,387,806</u>	<u>\$ 1,387,806</u>	<u>\$ 1,219,744</u>	<u>\$ 135,098</u>	<u>\$ 32,964</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 – Fair Value Measurements (continued)

As shown on the financial statements as follows at December 31:

	<u>2017</u>	<u>2016</u>
Unrestricted investments	\$ 416,344	\$ 328,018
Restricted investments	<u>938,498</u>	<u>938,498</u>
	1,354,842	1,266,516
Beneficial interest in agency endowment fund	<u>32,964</u>	<u>28,981</u>
	<u>\$ 1,387,806</u>	<u>\$ 1,295,497</u>

The following table summarizes our financial assets measured at fair value on a recurring basis segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value as of December 31, 2016:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Common Stocks-Public	\$ 786,673	\$ 786,673	\$ 786,673	\$ -	\$ -
LLC Ownership	127,130	127,130	-	127,130	-
Fixed Income Taxable	277,448	277,448	277,448	-	-
Real Estate	65,176	65,176	65,176	-	-
Commodities	10,089	10,089	10,089	-	-
Beneficial interest in agency endowment fund	<u>28,981</u>	<u>28,981</u>	<u>-</u>	<u>-</u>	<u>28,981</u>
	<u>\$ 1,295,497</u>	<u>\$ 1,295,497</u>	<u>\$ 1,139,386</u>	<u>\$ 127,130</u>	<u>\$ 28,981</u>

There were no transfers between Level 1, Level 2, and Level 3 investments during the years ended December 31, 2017 and 2016.

A reconciliation of changes in the amounts reported for the asset valued using Level 3 inputs is included in NOTE 9.

NOTE 5 – Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 26,530	\$ 26,530
Buildings and improvements	1,997,719	1,962,982
Vehicles	652,495	652,495
Furniture, equipment and software	<u>504,890</u>	<u>504,890</u>
	3,181,634	3,146,897
Less accumulated depreciation	<u>(1,816,182)</u>	<u>(1,697,156)</u>
Net property and equipment	<u>\$ 1,365,452</u>	<u>\$ 1,449,741</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – Property and Equipment (continued)

Total depreciation expense for the years ended December 31, 2017 and 2016, was \$119,026 and \$104,331, respectively.

The Thompson Lane facility is not currently in use and has a net book value of \$29,965 as of December 31, 2017. This fixed asset is segregated on the face of the financials. See NOTE 18.

NOTE 6 – Membership Rights

During 2007, we entered into a membership purchase agreement with the Golf Club of Tennessee (the "Club") and paid \$300,000 for membership rights. We received a restricted contribution to finance the membership, which allows for 10 years of annual fundraising golf tournaments at the Club and the right to unlimited use of the Club's facilities for the cultivation and solicitation of donors. We have no equity or ownership or any other property interest in the Club. We are amortizing the cost of the membership rights over the term of the agreement. For the years ended December 31, 2017 and 2016, we reported amortization expense of \$7,500 and \$30,000, respectively.

In 2017, we renewed the membership purchase agreement with the Club for \$260,000 for an additional 10 years. A \$100,000 cash contribution and a \$100,000 pledge were made in 2016 specifically to cover the cost. We will pay the balance of \$60,000 if we are unable to receive more contributions. In the agreement, the Club allowed for 10 \$26,000 annual payments to cover the cost. See NOTE 2 for the pledge receivable and NOTE 7 for the inclusion of membership rights, net of amortization. The amortization expense for December 31, 2017 is \$8,667. Total amortization expense for the year for membership rights was \$16,167.

NOTE 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Scholarship - Youth of the Year	\$ 30,165	\$ 30,156
United Way of Williamson County	51,684	51,250
City of Franklin grant	4,500	3,808
Ray White Fund	20,370	20,360
Golf Membership Renewal	146,199	178,547
Membership rights - net of amortization	-	7,500
Scholarships	1,008	1,008
Capital Campaign	-	758,737
Total, as previously reported		1,051,366
Prior period adjustment (NOTE 20)	-	(758,737)
	\$ 253,926	\$ 292,629

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
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NOTE 8 – Permanently Restricted Net Assets

Permanently restricted net assets consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Beneficial interest in agency endowment fund	\$ 32,964	\$ 28,981
Endowment fund	<u>938,498</u>	<u>938,498</u>
	<u>\$ 971,462</u>	<u>\$ 967,479</u>

NOTE 9 – Beneficial Interest in Agency Endowment Fund

In the years ended December 31, 2017 and 2016, the Community Foundation of Middle Tennessee, (the Foundation) a non-profit organization, is in control of an endowment fund for us. The endowment has been recorded as permanently restricted. The Foundation has ultimate authority and control over all property of the fund and the income derived therefrom. The endowment is considered a reciprocal transfer and is therefore recorded as an asset on our Statement of Financial Position.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Since the Foundation has control over the fund and the earnings, we have not established an investment policy for the fund nor have we established policies for expenditures from the fund. We are not aware of any deficiencies in the fair value of assets in the fund as compared to the required amounts by the donors. We recognize contribution income when the Foundation makes a distribution to us. We recognize investment earnings and fees in the Statement of Activities, as they are reported to us by the Foundation.

The following is the balance and activity reported in our financial statements for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Balance - beginning of period	\$ 28,981	\$ 26,608
Change in value of beneficial interest in agency endowment fund:		
Contributions	-	1,000
Investment income	4,183	1,621
Administrative expenses	<u>(200)</u>	<u>(248)</u>
Total change in value of beneficial interest in agency endowment fund	<u>3,983</u>	<u>2,373</u>
Balance - end of period	<u>\$ 32,964</u>	<u>\$ 28,981</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
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NOTE 10 – Endowment Funds

Our endowment consists of funds established by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations. Our permanently restricted endowment funds are based on the spending policies described below which follow the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act (SUPMIFA).

Financial accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. Financial accounting standards also require additional disclosures about our endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not we are subject to UPMIFA.

Interpretation of applicable law - The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, we classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

Spending policy - we have a policy of appropriating for distribution each year a payout equal to the total earnings from the funds. Funds released from restriction as of December 31, 2017, were \$(188,432). Funds released from restriction as of December 31, 2016, were \$(89,283).

Investment return objective, risk parameters and strategies - The objective of our endowment portfolio is a balanced approach between equities and fixed income securities. The investment horizon is long-term and balances the need for income and growth. The portfolio allows for a 30% to 70% investment in equities and a 30% to 70% investment in fixed income.

At December 31, 2017, our investments were held in a trust, we are the sole beneficiary of this trust.

A schedule of endowment net asset composition (including both the cash and investments) by type of fund as of December 31, 2017, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds	\$ 424,157	\$ -	\$ 938,498	\$ 1,362,655

A schedule of endowment net asset composition by type of fund as of December 31, 2016, is as follows:

	<u>Unrestricted (Deficit)</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds	\$ 235,725	\$ -	\$ 938,498	\$ 1,174,223

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
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NOTE 11 – Changes in Endowment Fund Net Assets

The following is a schedule of changes in endowment net assets for the two years ended December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, January 1, 2016	\$ 146,442	\$ -	\$ 938,498	\$ 1,084,940
Investment income	-	36,149	-	36,149
Administrative expenses	-	(11,886)	-	(11,886)
Net appreciation (realized and unrealized)	-	65,020	-	65,020
Amounts released from restriction	89,283	(89,283)	-	-
Endowment net assets, December 31, 2016	235,725	-	938,498	1,174,223
Investment income	-	38,236	-	38,236
Administrative expenses	-	(14,463)	-	(14,463)
Net appreciation (realized and unrealized)	-	164,659	-	164,659
Amounts released from restriction	188,432	(188,432)	-	-
Endowment net assets, December 31, 2017	<u>\$ 424,157</u>	<u>\$ -</u>	<u>\$ 938,498</u>	<u>\$ 1,362,655</u>

NOTE 12 – Joint Costs

During the year ended December 31, 2017, we had certain joint costs pertaining to special events that have been allocated between fundraising and program expense as follows:

	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
Special events	<u>\$ 104,610</u>	<u>\$ 188,291</u>	<u>\$ 292,901</u>

During the year ended December 31, 2016, we had certain joint costs pertaining to special events that have been allocated between fundraising and program expense as follows:

	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
Special events	<u>\$ 90,965</u>	<u>\$ 155,463</u>	<u>\$ 246,428</u>

All criteria required to allocate joint costs were met during the years ended December 31, 2017 and 2016.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
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NOTE 13 – Leases

We have an agreement with another organization to lease administrative office space and reimburse certain operating costs through June 2017. The agreement calls for a reimbursement of actual costs to operate the facility including association fees, utilities, janitorial costs, insurance, maintenance and other items. Operating costs reimbursable under the agreement include a prorata share of an office services associate, telephone and internet service, consumable supplies and other items. An accounting of the actual costs is prepared on a semi-annual basis and any adjustment from the projected cost to the actual cost is reimbursed at that time. For the years ended December 31, 2017 and 2016, expenses under this agreement totaled \$24,408 and \$24,408 respectively.

On December 1, 2007, we entered into a lease agreement for a club facility that has been extended and expires October 31, 2018. Expenses under this agreement totaled \$13,200 for the year ended December 31, 2017, and \$13,200 for the year ended December 31, 2016.

We currently have a variable lease for 3 of our locations. The rent expense as of December 31, 2017, totaled \$10,522. The monthly rent charged is calculated as follows: \$2.80 per week per child based on the average number of children in attendance each week.

We also lease various office equipment under operating lease agreements. Equipment rental expense for the years ended December 31, 2017 and 2016, was \$8,273 and \$7,779, respectively, which is included in equipment rental and maintenance on the Statement of Functional Expenses.

Expenses incurred under operating leases for the year ended December 31, 2017, were \$56,403, not including donated rent of \$86,790 from five club locations that we do not have a lease agreement with and one with whom we do. Expenses incurred under operating leases for the year ended December 31, 2016, were \$46,920, not including donated rent of \$107,267. As of the date of this report, the lease for one of the office spaces has not been renewed but has been properly accrued for since it is expected to be renewed.

The following is a schedule of future minimum lease payments:

<u>Year Ending December 31,</u>	
2018	\$ 7,440
2019	6,995
2020	<u>1,098</u>
	<u>\$ 15,533</u>

NOTE 14 – Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, and various grant, contract and contributions receivables. Grant, contract and contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources.

Four donors represent 79% of total receivables at December 31, 2017. Four donors represent 73% of total receivables at December 31, 2016. Four vendors represent 70% of total accounts payable at December 31, 2017. Two vendor represents 30% of total accounts payable at December 31, 2016.

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NOTE 14 – Concentrations of Credit Risk (continued)

We maintain our cash in bank accounts which, at times, may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe this exposes us to any significant credit risk on our cash. At December 31, 2017, we had \$788,087 of uninsured cash and cash equivalents.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

NOTE 15 – Employee Benefit Plan

Substantially all of our employees are covered by a defined contribution money purchase plan known as the Boys & Girls Clubs of America Master Pension Plan and Trust (the "Plan"). We fund our share of pension expense for the year in quarterly contributions to the Plan.

The plan provides for elective employer contributions. We contribute five percent of eligible employees' annual compensation to the Plan. Employees become eligible to participate on the plan anniversary date if they are at least 21 years of age and have worked at least 1,000 hours in the immediately preceding twelve months. Employee benefits are fully vested after six years of service as a plan participant.

For the year ended December 31, 2017, we contributed \$63,407 to the plan, which is included in employee taxes and benefits on the Statement of Functional Expenses. For the year ended December 31, 2016, we contributed \$32,910 to the plan, which is included in employee taxes and benefits on the Statement of Functional Expenses.

We have an HRA plan that is administered by a third party. Various times we have been underfunded and overfunded by an amount immaterial to the financial statements as a whole. Due to the amounts being immaterial, we expense the amounts as bills are due.

NOTE 16 – Related Parties

We are a locally governed affiliate that is required to pay membership dues to the national organization. In return, we receive support from the national organization which helps fund our programs. During the year ended December 31, 2017, we remitted a total of \$9,946 respectively, in membership dues and received \$305,951 in funding. As of December 31, 2017, we were due \$151,088 from our national affiliate, which is grouped with grants and contract receivable. During the year ended December 31, 2016, we remitted a total of \$9,155 respectively, in membership dues and received \$366,015 in funding. As of December 31, 2016, we were due \$33,042 from our national affiliate, which is grouped with grants and contract receivable.

We are also part of the Tennessee Alliance which is a collective of all Boys & Girls Clubs of Tennessee which raises money to distribute to the Tennessee clubs. During the year ended December 31, 2017, we remitted \$22,307 in membership dues and received funding of \$198,970. As of December 31, 2017, we were due \$69,060 from Tennessee Alliance, which is grouped with grants and contracts receivable. During the year ended December 31, 2016, we remitted \$17,796 in membership dues and received funding of \$203,047. As of December 31, 2016, we were due \$50,842 from Tennessee Alliance, which is grouped with grants and contracts receivable.

NOTE 17 – Contingencies

From time to time, we may be and have been named as a defendant in lawsuit. At December 31, 2017, we do not believe that any claims have merit and intend to vigorously defend our position. At December 31, 2017, we have not accrued any legal fees.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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NOTE 18 – Assets Held for Sale

At December 31, 2016, we included assets in property, plant, and equipment on the statement of financial position that are held for sale. As of December 31, 2017 the assets were not sold. Accounting principles generally accepted in the United States of America require that assets that are held for sale be recorded as a separate line item on the statement of financial position. The net book value of these assets at December 31, 2017, and 2016, was \$29,965.

NOTE 19 – Note Payable

In April 2016, we entered into an agreement to purchase four vehicles for \$335,930. The vehicles are secured by a loan which bears interest annually at 4.650% annually. Until maturity, the loan requires a minimum monthly payment of \$4,693, which will be applied to the monthly interest calculation with any excess applied to principal. The note matures in April 2023, with any unpaid principal due at that time.

<u>Year ending December 31,</u>	
2018	\$ 44,917
2019	47,050
2020	49,285
2021	51,627
2022	54,079
Thereafter	18,592
Total	<u>\$ 265,550</u>

NOTE 20 – Prior Period Adjustment

A reclass from temporarily restricted to unrestricted net assets was made to the beginning net assets for \$758,737 with a net effect of \$0 in relation to the release of the capital campaign funds.

NOTE 21 – New Pronouncements

In May 2014, FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Update provides guidance about recording contract revenue on an organization's statement of activities. The amendments in this Update are effective for annual periods beginning after December 15, 2018, and for annual periods and interim periods thereafter with early adoption permitted for annual periods beginning after December 15, 2016. We are currently evaluating the impact of adopting this statement.

In February 2016, FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2019, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

In August 2016, FASB issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Update provides guidance about the presentation of financial statements for non-profit organizations. The amendments in this Update are effective for annual periods beginning after December 15, 2017, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
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NOTE 21 – New Pronouncements (continued)

In August 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows. The amendments will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting this statement.

In November 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting this guidance on the financial statements.

NOTE 22 – Subsequent Events

We have evaluated events subsequent to the year ending December 31, 2017. As of April 13, 2018, the date that the financial statements were available to be issued, we are not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.



TENNESSEE DEPARTMENT OF EDUCATION
CERTIFICATION OF APPROVAL

FRANKLIN BOYS AND GIRLS CLUB

This agency has met the minimum standards for child care program approval
pursuant to TCA 49-1-302(l) et seq. for fiscal year 2018-2019.

CAPACITY: 120

EXPIRATION DATE: SEPTEMBER 30, 2019

LOCATION: 129 WEST FOWLKES STREET, SUITES 1000

COUNTY: WILLIAMSON

Candice McJannet

Commissioner

Misty Moody

Director, School-based Support Services

Issue date: 11/13/18

NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN FUNDS
2019-20 FISCAL YEAR

MAR 15

Organization Name: Bridges Domestic Violence Center Phone: 615-591-7752
Contact Person & Title: Linda Crockett, Executive Director
Mailing Address: P.O. Box 1592, Franklin, TN 37065-1592
Federal Identification # (if applicable): 62-1753127
Email Address: lindaj@bridgesdvc.org

Number of Active Participants in Organization: 1382

Does this organization charge fees to participants? Yes X No

If Yes, please itemize the structure utilized (use a separate sheet if necessary):

Participants in the Batterers Intervention Program pay for services. This program is state certified and provides a 26 week training to voluntary and court ordered abusers for prevention of further of re-occurrence of violence. The participants pay a nominal fee to attend classes.

If No, please explain: BRIDGES Domestic Violence Center is funded through Government Grants, United Way, Special Events and Corporate/Private/Foundation contributions victims are provided services at no charge.

Please provide the approximate number of clients served by your program on a yearly basis: 1387.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County citizens: Based on last year's actual numbers 64% of our clients were from Williamson County. The funding requested is 1.6% of our total budget.

List ANY agency (or agencies in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities: Graceworks provides clothing for a minimal fee and will provide limited assistance with food and utilities in times of crisis. Victim Witness provides the victims of all crimes assistance, in court, but not specific to domestic violence.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.

For fiscal year 2016-17 our audit shows a valuation of \$31,400 in-kind donations and we raised \$108,159 through special events and \$210,856 in private/corporate donations.

**Non-Profit Organization Request for
City of Franklin Funds - Page Two
Organization: BRIDGES Domestic Violence Center**

EXPENDITURES:	Actual 2017-18	Expended 2018-19	Requested 2019-20
Personnel	505,539	560,350	561,768
Employee Tax/Benefits	88,429	90,435	90,550
Professional Fees	15,481	15,050	15,055
Supplies	8,091	7,550	6,350
Communications/Postage	16,478	14,500	18,000
Occupancy	30,433	30,500	32,000
Equip. Repair & Mtce.	762	1,000	1,000
Printing/Publications	3,526	3,500	3,000
Travel/Mileage	4,219	4,500	4,000
Conferences/Meetings	3,942	3,500	3,500
Specific Assistance	112,504	130,600	130,000
Dues/Subscriptions	6,971	7,000	7,000
Insurance	23,436	24,000	25,000
Equipment Purchase	2,036	1,000	1,000
Fundraising Expense	39,271	35,000	35,000
Social Enterprise Expense	1,207	1,000	800
Volunteer Expense	87	500	-
Misc. Expense	2,055	2,000	1,650
Total	864,467	931,985	935,673

REVENUES: (Include any fund raising events)			
	2017-18	2018-19	2019-20
Williamson County Gov	15,701	15,701	15,701
City of Franklin	15,040	15,040	15,040
Other Gov. Funding	228,979	323,239	323,239
United Way	177,315	196,000	199,060
Foundations/Corp.	72,691	85,850	88,000
Private Contributions	141,269	125,000	118,000
Education Revenue	56,321	58,000	60,000
Special Events	107,922	110,705	114,533
Social Enterprise	2,428	2,400	2,050
Other	50	50	50
Total	817,716	931,985	935,673

**Non-Profit Organization Request for
City of Franklin - Page Three
Organization: BRIDGES Domestic Violence Center**

Personnel & Salary Information

Personnel	Salary 2017-18	Salary 2018-19	Salary 2019-20
Executive Director	78,975	81,344	83,784
Residential Mgr/Vol. Cord.	49,074	50,547	52,063
Evening Residential Mgr.	50,359	56,369	54,000
Court Advocate	40,346	45,500	46,865
Children's Advocate	30,000	46,600	43,363
Development Director	64,787	64,787	65,405
Bilingual Outreach Advocate	40,343	36,000	36,312
Transitional Housing Advocate	20,011	40,777	42,230
*Weekend Women's Adv. (3)	21,409	21,409	21,877
Administrative Asst.	27,851	29,119	29,993
*Insurance Specialist	2,400	2,400	2,400
Childcare Worker	12,731	12,731	8,320
*Property Manager	12,000	12,360	12,937
BIP Director	40,346	45,500	46,865
*Therapist	14,907	14,907	15,354
Totals	505,539	560,350	561,768

* Part-time

List any equipment owned by this organization funded, in whole or in part, by City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use separate sheet if necessary):

None

City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Bridges Domestic Violence Center Date: 2/18/19

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

Below is an overview of Bridges operations/programs provided to residents

- Crisis Intervention Team - responds to domestic violence assaults with the Franklin Police Department and the Williamson County Sheriff's Department. This service is designed to reach a domestic violence population that is under served. This population consists of victims who do not access the Domestic Violence Shelter Program. Staff offers immediate support, education and networking with other agencies at the scene of the assault. We are on call for this service 24 hours a day, 7 days per week.
- Shelter Services - BRIDGES provides emergency shelter to victims of domestic violence and their children. While in shelter residents receive supportive counseling, case management, safety planning and referrals. With these services they are able to move forward with rebuilding their lives.
- Support Groups - Support groups are designed to identify issues that promote personal growth and independence. The groups for men, women and children meets weekly.
- Case Management - The case manager meets with the families on a regular basis to provide on-going support to victims as they transition from a life focused on survival to one that is violence free. Immediate needs are prioritized and a "life plan" is developed to achieve their goals. This approach empowers victims to become proactive rather than moving from one crisis to another.
- Court Advocacy - The Court Advocate provides support for the victim during the legal process. They explain the process of the court system, advocate with the judges and district attorney. The Court Advocate connects victims with referrals to pro bono attorney programs, other shelter services and Victims Compensation.
- Transitional Housing Case Management - The Transitional Advocate works with shelter clients to find and maintain housing when moving back into the community. This program has grant funding to provide rental and utility assistance for one year. The goal at the end of the year is that the client will be able to maintain housing on their own.
- Child Advocacy - The Children's Advocate provides weekly group play therapy for children who have experienced domestic violence. This group focuses on play and art therapy. The Children's Advocate also provides one on one counseling for children living at the shelter and is a liaison for the children and the school system.
- Childcare - In-shelter childcare provided
- CHOICES Program - Batterers Intervention Classes
- Clinic Services - Mental health care.

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

Crisis Intervention Team - responds to domestic violence assaults with the Franklin Police Department. This service provides the victim with the support they need to make informed choices for their safety and the safety of their children. Also, it allows us access to children, which will enhance our efforts in breaking the cycle of violence before behaviors are learned and attitudes are formed. By providing these services, officers are freed to make the arrest and leave the scene, which saves officer time and cost saving to the city.

This service is a formal collaboration between the City of Franklin Police Department and Bridges Domestic Violence Center and carries a Standard Operating Practice in the police department's policy and procedure manual.

Answer completely the following questions using additional pages if necessary:

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

The requested funds will be used to provide staffing 24 hours a day, 7 days per week, and 365 days per year to respond to domestic violence assault calls with the Franklin Police Department and provide continued supportive services to victims with shelter, court and child advocacy. Expenses include staff salaries, mileage reimbursement, cell phones, and specific assistance funds for victims and supplies.

Crisis Intervention Team - responds to domestic violence assaults with the Franklin Police Department. This service provides the victim with the support they need to make informed choices for their safety and the safety of their children. Also, it allows us access to children, which will enhance our efforts in breaking the cycle of violence before behaviors are learned and attitudes are formed. By providing these services, officers are freed to make the arrest and leave the scene, which saves officer time and cost saving to the city.

This service is a formal collaboration between the City of Franklin Police Department and Bridges Domestic Violence Center and carries a Standard Operating Practice in the police department's policy and procedure manual.

Objectives: To provide knowledge of options and be the catalyst to provide services to enable victim to access options. Most of the initial life decisions need to be decided and implemented within 8 hours of arrest of the batterer. This is due to the 8 hour hold law for domestic violence assault arrest. Also, to free officers to make the arrest without needing to be detained at the scene to provide counseling and other supportive services to the victim.

Capacity - We responded to 100% of the request from the Franklin Police Department within fifteen minutes of receiving a call.

Intensity - Client served through CIT are maintained cumulatively for all CIT calls (Franklin Police, all other county police departments (respond only to magistrates office), hospital and doctor's offices.

Duration of services - 24/7 365 days per year

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

We measure Outcomes through a confidential shelter client survey which includes a 5 point scale.

The agency helped me learn how to access benefits or community resources
334 Strongly Agree, 141 Agree, 2 Disagree, 1 Strongly Disagree

The information and help I received helped me feel safer.
335 Strongly Agree, 142 Agree, 1 Disagree, 1 Strongly Disagree

I am satisfied with the services I have received.

334 Strongly Agree, 138 Agree, 2 Disagree, 1 Strongly Disagree

Question 1 is for shelter clients only, whom we have multiple case management opportunities.

Question 2 and 3 are ask of all shelter, support group and court clients.

Hotline callers are not surveyed due to the nature of the services.

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

We don't have certification or licenser requirements. However, are audited by the Department of Finance and Administration, Office of Criminal Justice Programs. This audit is conducted in a lottery style where programs may or may not be monitored annually. Last year's audit had no findings.

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

This request is 1.6% of our budget.

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

Golf Scramble at Legions, May 14, 2019

Bridges Gala at the Factory on October 12, 2019.

We have many other events hosted by the community where we are the benefactor.

6. Do you charge any fees for your services?

Yes, however only for the Choices Batter's Intervention Program. We are **NOT** requesting any funding be allocated to this program.

This program is state certified and provides a 26 week training to voluntary and court ordered abusers for prevention of further of re-occurrence of violence. The participants pay a nominal fee to attend classes.

If No, please explain: BRIDGES Domestic Violence Center is funded through Government Grants, United Way, Special Events and Corporate/Private/Foundation contributions; victims are NOT charged for services.

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

DEPARTMENT OF THE TREASURY

Date: **SEP 15 2003**

BRIDGES OF WILLIAMSON COUNTY
PO BOX 1592
FRANKLIN, TN 37065

Employer Identification Number:
62-1753127
DLN:
17053221731083
Contact Person:
L. WAYNE BOTHE ID# 31462
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated December 1998, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

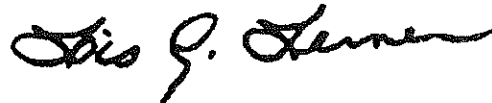
Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2018 and 2017

Report

of

Examination

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Statement of Activities	4
Statement of Cash Flows	5
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PARSONS AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

234 4th Avenue North

P. O. BOX 604

FRANKLIN, TENNESSEE 37065

TELEPHONE # 615-794-4313

FAX # 615-595-2297

**DAN H. PARSONS, CPA
PATRICIA L. PARSONS, CPA**

**MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

INDEPENDENT AUDITOR'S REPORT

January 8, 2019

Board of Directors
BRIDGES of Williamson County
Franklin, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of BRIDGES of Williamson County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridges of Williamson County as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Parsons and Associates

Parsons and Associates

**BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
Cash	\$ 184,170	\$ 228,129
Prepaid expenses	3,685	4,881
Grants receivable	19,095	16,087
Other receivable	8,000	0
<u>Total Current Assets</u>	<u>214,950</u>	<u>249,097</u>
<u>Property and Equipment (at cost)</u>		
Property and equipment (net of depreciation)	732,746	772,498
<u>Total Assets</u>	<u>\$ 947,696</u>	<u>\$1,021,595</u>
 <u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 2,021	\$ 3,702
Deferred revenue	10,088	10,335
<u>Total Liabilities</u>	<u>\$ 12,109</u>	<u>\$ 14,037</u>
 <u>NET ASSETS</u>		
Unrestricted Net Assets	935,587	1,007,558
<u>Total Liabilities and Net Assets</u>	<u>\$ 947,696</u>	<u>\$1,021,595</u>

See accompanying notes and accountant's report.

**BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30**

	<u>2018</u>	<u>2017</u>
<u>Support and Other Revenues</u>		
Contributions	\$ 463,612	\$ 387,736
Government grants	262,728	197,739
Fund raiser	108,159	112,959
In-kind contributions	31,400	42,800
Interest income	76	102
Other	7,178	23,975
Program	<u>56,321</u>	<u>0</u>
<u>Total Support and Other Revenues</u>	<u>929,474</u>	<u>765,311</u>
<u>Expenses</u>		
Program services	864,360	691,052
Management and general	91,874	88,900
Fundraising	<u>45,211</u>	<u>51,364</u>
<u>Total Expenses</u>	<u>1,001,445</u>	<u>831,316</u>
<u>Change in Net Assets</u>	(71,971)	(66,005)
Net Assets – July 1	<u>1,007,558</u>	<u>1,073,563</u>
Net Assets – June 30	<u>\$ 935,587</u>	<u>\$1,007,558</u>

See accompanying notes and accountant's report.

BRIDGES OF WILLIAMSON COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30

	<u>2018</u>	<u>2017</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 463,612	\$ 387,736
Grants and reimbursements	259,720	194,094
Fund raiser	107,912	117,294
Interest income	76	102
Program services	56,321	0
Other receipts	7,178	27,677
Cash paid for expenses	(344,811)	(238,881)
Cash paid for payroll and benefits	<u>(593,967)</u>	<u>(513,195)</u>
Net cash provided by operating activities	<u>(43,959)</u>	<u>(25,173)</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>0</u>	<u>(45,055)</u>
Increase (decrease) in cash	(43,959)	(70,228)
Cash – July 1	228,129	298,357
Cash – June 30	<u>\$ 184,170</u>	<u>\$ 228,129</u>

See accompanying notes and accountant's report.

**BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

BRIDGES of Williamson County was incorporated October 1998, in accordance with the Tennessee General Corporation Act. Its primary purpose is to serve area women, men and children affected by domestic violence ensuring a safe transition to successful independent community living through education, intervention, and case management.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For Profit Organizations. Under SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Net assets subject to imposed stipulations that they be maintained permanently by the Organization. Generally, these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at June 30, 2018 and 2017.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of thirteen months or less to be cash equivalents.

Income Tax Status

BRIDGES of Williamson County qualifies as a tax exempt organization under Internal Revenue Code Section 501(c) (3) and, therefore, has no provisions for federal income taxes. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a) (1).

Concentration of Contribution

The Organization received approximately 28.27% of its cash contributions from various local governments in 2018 and 25.8% in 2017

Deferred Revenue

Income from fundraising events is deferred and recognized in the period in which it relates. The Organization allocates certain annual grants on a yearly basis, deferring the revenue for months after June.

**BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2 – DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

NOTE 3 – DONATED SUPPLIES AND EQUIPMENT

Donations of supplies and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time.

NOTE 4 – PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

	<u>2018</u>	<u>2017</u>
Building and improvements	\$ 1,033,452	\$1,033,452
Equipment and furniture	125,549	125,549
Accumulated depreciation	<u>(426,255)</u>	<u>(386,503)</u>
	<u>\$ 737,746</u>	<u>\$ 772,498</u>

NOTE 5 – ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

NOTE 6 – INCOME TAX

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization 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 taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2018 and 2017.

The Organization files its forms 990 in the U.S. federal jurisdiction and the office of the Tennessee Secretary of State. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2014.

**BRIDGES OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 – CONTINGENCIES

The Organization is a co-signor on the mortgage on the property donated in June 2017 to another charitable organization. Bridges of Williamson County is able to determine that the loan obligation being fulfilled due to contact to the other entity.

	2018			2017		
	Program Services	Management and General	Fund-raising	Program Services	Management and General	Fund-raising
	\$	\$	\$	\$120,131	\$	\$
Program services	\$ 213,145			\$120,131		
Insurance	21,676	2,956		18,077	2,465	
Fund raiser expenses			39,271			46,232
Occupancy expense	12,649			6,225		
Small equipment purchases	3,180			2,838		
Maintenance and repairs	962	144		6,631	991	
Office expense and supplies	7,282	809		5,014	557	
Publications and printing		3,526			2,223	
Mileage, parking, travel	2,109	2,110		2,268	2,267	
Telephone, utilities	33,771	8,443		31,818	7,954	
Conferences and meetings	552	3,390		483	2,968	
Payroll and benefits	528,632	59,397	5,940	456,744	51,319	5,132
Professional fees		2,670			2,350	
Dues and subscriptions	209	6,762		245	7,920	
Other	1,054	1,055		5,270	5,269	
Depreciation	39,139	612		35,308	2,617	
Total	\$ 864,360	\$ 91,874	\$ 45,211	\$691,052	\$88,900	\$51,364
			\$ 1,001,445			\$831,316

See accompanying notes and accountant's report.

NON- PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-2020 FISCAL YEAR

Received
MAR 15
2019

Organization Name: Phone: Community Child Care, Inc. - 615.794.8986

Contact Person & Title: Tara Blue – Executive Director

Mailing Address: 129 West Fowlkes Suite 1270 – Franklin, TN 37064

Federal Identification # 62-0852972

Email Address: communitychild@bellsouth.net

Number of Active Participants in Organization: 60 families- 12 staff persons

Does this organization charge fees to participants? Yes ☒ No

If yes, please itemize the structure utilized (use a separate sheet if necessary):

\$175/weekly= Infants/Toddlers \$155/weekly= Toddlers/2's and 3's

\$135.00/weekly= Pre-school

If no, please explain:

Please provide the approximate number of clients served by your program on a yearly basis
72

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: 98% of our children live in Williamson County. Our private funds and donations are used to assist all of our children at the center. Since we are a daycare, we provide resources to all of our children not separating the activities and opportunities based on the county they live in. It is our goal to have the majority of our families live in Williamson County.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

Headstart- provides discounted childcare to families who cannot afford full tuition

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.

Please see attached letters that were distributed to organizations seeking funds

Non- Profit Organization Request for City of Franklin - Page Two

Organization: Community Child Care, Inc.

Expenditures:	Actual 2017-18	Expended 2018-19	Requested 2019-20
Salaries	\$ 367,138.00	\$406,868.00	\$406,868.00
Accounting & Audit	\$ 12, 112.00	\$16,468.00	\$17,000.00
Occupancy	\$ 1,800.00	\$1,800.00	\$1,800.00
Supplies	\$46,105.00	\$54,600.00	\$56,000.00
Conferences, Training	\$799.00	\$500.00	\$800.00
Utilities	\$13,085.00	16,840.00	\$17,500.00
Insurance	\$ 12,435.00	12,290.00	\$13,000.00
Other	\$19,417.00	\$15,000.00	\$17,000.00
Depreciation	\$1,372.00	\$1,500.00	\$1,500.00
Employee Benefits	\$12,445.00	\$12,486.00	\$13,000.00
Payroll Taxes	\$27,966.00	\$30,600.00	\$32,000.00
Advertising & Promo	\$1,459.00	\$3,376.00	\$3,500.00
Total Budget	\$516,133.00	\$572,328.00	\$579,968.00

Revenues:	2016-17	2018-19	2019-20
Williamson County Govt.	\$7,508.00	\$7,508.00	\$7,508.00
City of Franklin Government	\$29,140.00	\$29,140.00	\$29,140.00
United Way	\$179,328.00	\$180,033.00	\$180,033.00
Childcare Vouchers	\$73, 062.00	\$103,959.00	\$133,000.00
CACFP (Food Service)	\$32, 763.00	\$34,479.00	\$36,000.00
Daycare Fees	\$138,233.00	\$205,001.00	\$225,00.00
Fundraising	\$16,233.00	\$22,795.00	\$30,000.00
Investment Income	\$1,277.00	\$1,200.00	\$1,200.00
Total	\$477,544.00	\$584,115.00	\$641,881.00

Non- Profit Organization Request for City of Franklin- Page Three

Organization: Community Child Care Inc.

Personnel & Salary Information

Personnel	Salary- Actual 2017-18	Salary- Projected 2018-19	Salary- Requested 2019-20
Director's (2)	95,000.00	102,000.00	102,000.00
Food Service (1)	24,739.82	26,000.00	26,000.00
Pre-school (3)	74,219.46	82,411.00	82,411.00
Toddler (3)	74,219.46	82,411.00	82,411.00
Infant (2)	49,479.64	56,134.64	56,134.64
Floater (2)	37,479.64	44,134.64	44,134.64
Custodial (1)	12,000.00	13,776.72	13,776.72
Total	367,138.00	\$406,868.00	406,868.00

List any equipment owned by this organization funded, in whole or in part, by the City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary):

We own all of the equipment currently in our building. The county will repair most of our equipment when we put in a work order. If not, we are responsible for repairs such as: refrigerator or stove repairs.

City of Franklin

Application Addendum

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Community Child Care, Inc. Date: March 4, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019- 2020:

- Updated curriculum and resources
- Classroom resources (toys, books, cleaning supplies, furniture and manipulatives)
- Teacher and Director training mandated by the Department of Human Services
- Assist with tuition fees and computer classes that are not affordable for Williamson County residents
- In- house speakers and field trips
- Diapers and wipes for infants and toddlers when they arrive to the center without any
- Additional playground equipment
- Upkeep of computer lab that will be installed this summer
- Upkeep of library and resource room to be completed by this summer

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

- We work with Bridges to assist mothers with their children's daycare needs during their time of transition

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

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

The services provided last year and the funding request for this was and is to provide daycare for children under the age of six years old. The objectives of the program is to provide a safe, nurturing and stimulating childcare experience for the children while preparing them to enter into a total structure and learning environment. We aim to give our families a stable and tenured staff in a convenient location, a well-kept facility that is in compliance and exceeding state license requirements. We provide parent workshops to enhance their parenting and budgeting skills, health tips and professional services. We also offer an excellent curriculum, diversity, strong leadership and a broad base public support system is available to our clients. We have earned a 3 star rating from the State of Tennessee which is the highest rating a childcare facility can obtain. Workshops - field trips/speakers - computer classes - supplies - mother's breastfeeding room - children's closet- these services are on-going

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

The center receives a total of six (6) reviews annually to measure the program at different times of the year. Four (4) of these reviews are unannounced and the other two (2) are scheduled by the State of Tennessee Board of Licensing.

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

The center receives an annual total agency evaluation including health and fire inspections. Based on their findings the center is given a license to operate or a non-compliance write up.

- 4. What percent of your local agency budget is your allocation request from the City of Franklin? 5.1 %**

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

Casino Night

The Taste of Williamson

Annual Giving Campaign- starting this fall (2018)

Leadership Franklin- adopted our center to assist with financial needs

- 6. Do you charge any fees for your services?**

The center bases each family's fees on free and reduced income as established by the Department of Human Services



November 20, 2018

Dear Friends,

I am elated and proud to be the Executive Director of the Community Child Care Center located in the heart of Franklin, Tennessee. We are a non-profit agency that relies heavily on donations and acts of service. Here at CCC we are committed to serving and providing the best childcare experience to every family that walks through our doors. We are fortunate to assist children with delayed milestones by working closely with community agencies that visit our center weekly. These children receive one on one therapy and have individualized set goals. We believe that it is our goal and purpose to lay a solid educational foundation for each child. What you pour into these young minds plays a major role in their future growth. We count it an honor and a privilege to shape, nurture, educate and love on our children and families. We have high expectations for both and we feel that it is our responsibility as educators to provide them with a solid beginning.

Our Staff:

The numbers speak for themselves-

We have a dedicated staff whose service ranges from 1 year to 43 years. They are committed to shaping and training our future leaders. It would be impossible to carry out our daily mission without their dedication.

Our Purpose:

We exist to provide an affordable childcare for all families who either work or in school. We also offer some of the most affordable childcare rates in the Williamson County area. In order to stay true to our mission we rely heavily on donations and volunteers.

Would you consider partnering with us?

Your financial support will –

- Help us maintain our 3 star rating
- Add to our kid- friendly playground
- Financially assist families with fees
- Build up our technology curriculum
- Purchase resources for each classroom
- Provide on- going training for the teachers and staff
- Provide on-site field trips, speakers, celebrations and establish a fine arts curriculum

We could not exist without the help of the community. When you get a moment, please stop by to visit our facility. Once you have entered our doors, you will see why we exist and how important it is to support an agency such as ours. Thank you for your consideration and may the remaining of your year be filled with peace and love.

Sincerely,

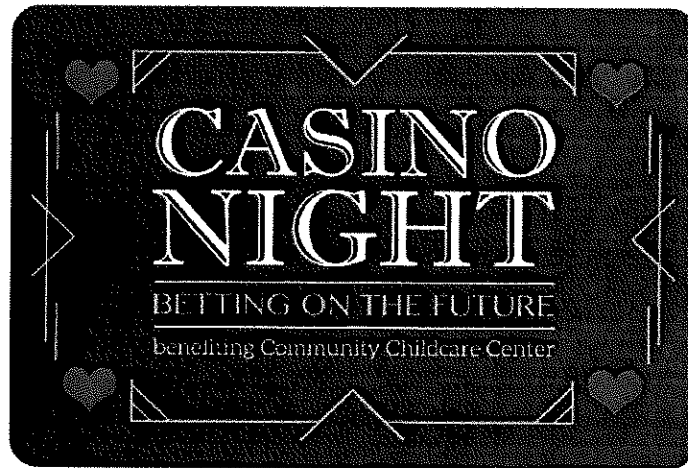
Tara Blue- Executive Director

129 W. Fowlkes Suite 1270

Franklin Tenn. 37064

615.794.8986

Join Us for a Casino Night!



Eastern Flank Event Facility

March 29, 2019

6:30 to 10:00 pm

*For tickets, call 615.794.8986
or visit*

www.casinonightfranklin.eventbrite.com

\$65 per ticket*
(includes food and entertainment)



childcarefranklin.org

*A portion of the ticket price is tax deductible,
Benefitting Community Child Care.

Tennessee Secretary of State
Tre Hargett



Division of Charitable Solicitations, Fantasy Sports, and Gaming
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243-1102

Mona Hart
Director

615-741-2555
Mona.Hart@tn.gov

November 5, 2018

Tara Blue
Community Child Care, Inc.
129 West Fowlkes Street, Suite 1270
Franklin, TN 37064

RE: **APPROVAL** - Registration to Solicit Funds for Charitable Purposes
Community Child Care, Inc. - CO4568
Registration Expiration Date: **December 31, 2019**

Dear Tara Blue:

Pursuant to Tenn. Code Ann. § 48-101-501, *et seq.*, the Division of Charitable Solicitations and Gaming has reviewed your submitted application and is pleased to announce your organization's registration to solicit contributions has been approved.

With this approval, your organization has new responsibilities for maintaining statutory compliance, including submission of the proper documents and required fees on an annual basis. The required filings include:

- Completed *Application to Renew Registration* form
- Completed *Summary of Financial Activities* form
- IRS determination letter granting tax-exempt status, if not previously filed
- IRS Form 990, Form 990EZ, or 990N for the most recently completed accounting year, if the organization qualifies as tax-exempt
- An audited financial statement if the organization grossed more than \$500,000 in revenue
- Any amendments to the organization's governing documents

The *Application to Renew Registration* and *Summary of Financial Activities* forms are available on our website at <http://sos.tn.gov/charitable>. Additionally, the "CO" number listed above will serve as your organization's identification number specific to this division and should be included on all correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

Tre Hargett
Secretary of State

CFW:CO4568



TENNESSEE DEPARTMENT OF REVENUE

SALES AND USE TAX CERTIFICATE OF EXEMPTION

COMMUNITY CHILD CARE, INC.
PO BOX 681205
FRANKLIN TN 37068-1205

Effective Date: July 1, 2015
Exemption Number: 100251998
Expiration Date: June 30, 2019
129 W FOWLKES ST
FRANKLIN TN 37064-3561

The Tennessee Department of Revenue has issued a tax-exemption number for the educational, religious, historical, or charitable non-profit organization or institution named above. State law (Tenn. Code Ann. § 67-6-322) gives the Department the authority to allow this organization to make tax-exempt purchases of goods and services that it will use, consume or give away. This authorization for exemption does not extend to sales tax that the organization must collect or pay on its regular sales of goods or taxable services.

This authorization for exemption is limited to sales made directly to the above named organization. This certificate may not be used for sales made to individuals paying with personal checks or personal debit or credit cards, even if the individual is a representative or employee of the above named organization, and he or she will be reimbursed for the purchase. Sellers must refuse to accept the certificate when the sale is made to someone other than the above named organization.

The organization must furnish its suppliers of goods and services with a copy of this certificate. The lower portion of the certificate must be properly completed. The organization must retain the original certificate for copy purposes. The supplier will maintain a file copy as evidence of the exempt sale to the organization. Later purchases made before the expiration date do not require the submission of additional copies.

The organization must notify the Department immediately if it ceases to exist or if its location or mailing address changes.

Richard H. Roberts
Commissioner of Revenue

To Be Completed by the Organization

TO: Supplier's Name Community Child Care
Address 129 W. Fowlkes Suite 1270
City Franklin State TN Zip 37064

I, Sara Blair, as an authorized representative of the organization named above, affirm that the purchases made under this authority will be used and consumed by the organization or will be given away.

Under penalty of perjury, I affirm this to be a true and correct statement.

Print Name of Organization Community Child Care

Print Name of Purchaser _____

Signature of Purchaser _____ Date _____

COMMUNITY CHILD CARE, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2018 AND 2017

COMMUNITY CHILD CARE, INC.

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Independent Auditor's Report	3
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Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9



BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Child Care, Inc.
Franklin, Tennessee

We have audited the accompanying financial statements of Community Child Care, Inc., which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position Community Child Care, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bellenfant, PLLC

July 27, 2018

COMMUNITY CHILD CARE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	324,718	250,296
Certificates of Deposit	-	150,000
County Government Receivable	7,508	7,508
Child Care Assistance Receivable	3,946	4,505
Child Care Food Program Receivable	3,280	2,352
Prepaid Expenses	<u>1,800</u>	<u>-</u>
Total Current Assets	<u>341,252</u>	<u>414,661</u>
NON-CURRENT ASSETS		
Certificates of Deposit	<u>140,000</u>	<u>-</u>
Total Non-Current Assets	<u>140,000</u>	<u>-</u>
FIXED ASSETS		
Furniture and Equipment	46,068	36,612
Less: Accumulated Depreciation	<u>(32,982)</u>	<u>(31,610)</u>
Total Fixed Assets	<u>13,086</u>	<u>5,002</u>
Total Assets	<u><u>\$ 494,338</u></u>	<u><u>\$ 419,663</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	<u>\$ 4,930</u>	<u>\$ 322</u>
Total Current Liabilities	<u>4,930</u>	<u>322</u>
NET ASSETS		
Net Assets - Unrestricted	<u>489,408</u>	<u>419,341</u>
Total Net Assets	<u>489,408</u>	<u>419,341</u>
Total Liabilities and Net Assets	<u><u>\$ 494,338</u></u>	<u><u>\$ 419,663</u></u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY CHILD CARE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

SUPPORT AND REVENUE:	<u>2018</u>	<u>2017</u>
Tennessee Department of Human Services		
Child Care Food Program	\$ 34,479	\$ 32,763
Child Care Assistance	103,959	73,062
Total Tennessee Department of Human Services	138,438	105,825
United Way	180,033	179,328
Day Care Fees	205,001	138,233
City of Franklin	29,140	29,140
Williamson County	7,508	7,508
Contributions	22,795	16,233
Interest	1,277	1,345
Computer Center	208	-
Total Support and Revenue	584,400	477,612
EXPENSES:		
Program Services		
Community Day Care	335,857	283,575
Meals	66,110	65,386
Total Program Services	401,967	348,961
Support Services		
Management and General	112,366	104,346
Total Expenses	514,333	453,307
Change in Net Assets	70,067	24,305
Net Assets - Unrestricted, beginning of year	419,341	395,036
Net Assets - Unrestricted, end of year	<u>\$ 489,408</u>	<u>\$ 419,341</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY CHILD CARE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Services			Support Services	
	Community Day Care	Meals	Total Program Services	Management and General	Total All Funds
Salaries	\$ 254,250	\$ 29,541	\$ 283,791	\$ 83,347	\$ 367,138
Payroll Taxes	19,416	2,199	21,615	6,351	27,966
Fringe Benefits	7,579	-	7,579	4,866	12,445
Payroll Processing Fees	2,737	-	2,737	-	2,737
Supplies	19,786	25,534	45,320	785	46,105
Computer Center	872	-	872	-	872
Maintenance and Cleaning	9,835	-	9,835	1,025	10,860
Professional Services	839	-	839	9,375	10,214
Advertising	-	-	-	1,459	1,459
Utilities	2,065	8,525	10,590	695	11,285
Special Events	2,785	-	2,785	141	2,926
Insurance	12,435	-	12,435	-	12,435
Taxes and Licenses	-	-	-	280	280
Dues and Subscriptions	-	-	-	2,060	2,060
Training and Seminars	495	-	495	304	799
Rent	1,800	-	1,800	-	1,800
Other	265	117	382	1,198	1,580
Total Expenses before Depreciation	335,159	65,916	401,075	111,886	512,961
Depreciation	698	194	892	480	1,372
Total Expenses	\$ 335,857	\$ 66,110	\$ 401,967	\$ 112,366	\$ 514,333

The accompanying notes are an integral part of these financial statements.

COMMUNITY CHILD CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Services			Support Services	
	Community Day Care	Meals	Total Program Services	Management and General	Total All Funds
Salaries	\$ 209,824	\$ 27,312	\$ 237,136	\$ 75,756	\$ 312,892
Payroll Taxes	13,969	2,641	16,610	6,684	23,294
Fringe Benefits	10,386	-	10,386	4,140	14,526
Payroll Processing Fees	3,746	-	3,746	-	3,746
Supplies	5,953	29,731	35,684	2,167	37,851
Maintenance and Cleaning	14,098	-	14,098	451	14,549
Professional Services	2,908	-	2,908	9,200	12,108
Telephone		-	-	4,560	4,560
Utilities	3,616	5,150	8,766	-	8,766
Storage	336	-	336	-	336
Insurance	9,000	-	9,000	-	9,000
Taxes and Licenses	-	-	-	172	172
Dues and Subscriptions	-	-	-	479	479
Training and Seminars	529	-	529	-	529
Rent	1,800	-	1,800	-	1,800
Other	7,330	192	7,522	257	7,779
Total Expenses before Depreciation	283,495	65,026	348,521	103,866	452,387
Depreciation	80	360	440	480	920
Total Expenses	\$ 283,575	\$ 65,386	\$ 348,961	\$ 104,346	\$ 453,307

The accompanying notes are an integral part of these financial statements.

COMMUNITY CHILD CARE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2018</u>	<u>2017</u>
Change in Net Assets	\$ 70,067	\$ 24,305
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation	1,372	920
(Increase) Decrease in:		
County Government Receivable	-	(7,508)
Child Care Assistance Receivable	559	1,710
Child Care Food Program Receivable	(928)	695
Prepaid Expenses	(1,800)	-
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	<u>4,608</u>	<u>(2,358)</u>
Net Cash Provided (Used) by Operating Activities	<u>73,878</u>	<u>17,764</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) Redemption of Certificates of Deposit	10,000	-
(Purchase) Disposal of Furniture and Equipment	<u>(9,456)</u>	<u>(3,262)</u>
Net Cash Provided (Used) by Investing Activities	<u>544</u>	<u>(3,262)</u>
Net Increase (Decrease) in Cash	74,422	14,502
Cash, beginning of year	<u>250,296</u>	<u>235,794</u>
Cash, end of year	<u><u>\$ 324,718</u></u>	<u><u>\$ 250,296</u></u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY CHILD CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Community Child Care, Inc. ("the Organization"), located in Franklin, Tennessee, is a nonprofit corporation organized to provide child care services to low-income families.

Basis of Presentation

Community Child Care, Inc. prepares its financial statements and maintains its financial accounting records on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had no temporarily restricted net assets as of June 30, 2018 and 2017.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no permanently restricted net assets as of June 30, 2018 and 2017.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all certificates of deposit purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit with original maturities exceeding three months are classified as investments and stated at fair value. Investments were \$140,000 and \$150,000 as of June 30, 2018 and 2017, respectively.

COMMUNITY CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Organization accounts for contributions in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification topic relating to Accounting for Contributions Received and Contributions Made. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Under the FASB Accounting Standards Codification, certain contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration or resolution of the donor restrictions. The Organization had no temporarily or permanently restricted contributions as of June 30, 2018 and June 30, 2017.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, certificates of deposit, accounts receivable, and accounts payable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible: accordingly, no allowances for doubtful accounts is required. If accounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Grant income is recognized over the grant period in relation to the expenditures incurred and services provided, as outlined in the grant documents. Cash received in excess of grant expenditures to date is recorded as deferred revenue, and an account receivable is recorded when allowable expenditures exceed cash received.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COMMUNITY CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Equipment

Equipment is stated at cost for purchased equipment and at fair market value on the date received for contributed equipment less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of five years for equipment. Assets purchased with a cost of less than \$500 are expensed to minor equipment.

2. FEDERAL INCOME TAX STATUS

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Organization files a U.S. Federal Form 990-*Return of Organization Exempt from Income Tax*. The Organization's returns for the years prior to fiscal year ended June 30, 2015 are no longer open for examination.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

3. GRANT REVENUE RECEIVABLE

Grant revenue receivable consists of receivables of the annual budgeted amount from Williamson County, Tennessee and Child Care Food Program, and the Child Care Assistance Program funded by the Tennessee Department of Human Services.

4. PENSION PLAN

The Organization has a defined contribution pension plan for all eligible employees. The employer contributes up to 6% of each participants salary, depending on the employee's length of service. Employer contributions for the years ended June 30, 2018 and 2017 were \$12,445 and \$14,526, respectively.

COMMUNITY CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

5. CONCENTRATIONS OF RISK

The financial condition of all depository banks, including those with balances less than the Federal Deposit Insurance Corporation's \$250,000 insured limit, is continually reviewed by the board. The Fifth Third Operating account is currently exceeding the FDIC insured limit.

6. SIGNIFICANT SOURCE OF REVENUE RISK

The Organization receives over 24% and 22% of its revenue from the State of Tennessee Department of Human Services and over 31% and 38% from United Way for child care assistance and child care food programs for the years ended June 30, 2018 and 2017, respectively. A major reduction of funds by the grantor agencies would have a significant effect on future operations.

7. CONTINGENCY

Expenditures related to government contracts are subject to adjustment based upon review by the granting agencies. The Organization does not anticipate that adjustments, if any, arising from such reviews will have a material effect on the financial statements.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 27, 2018 which is the date the financial statements were available to be issued.



**community housing
partnership**
of willamson county

129 West Fowlkes Street, Ste. 124
Franklin, Tennessee 37064
P: 615.790.5556, F: 615.595.1215
communityhousingpartnershipwc.org

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

Friday, February 22, 2019

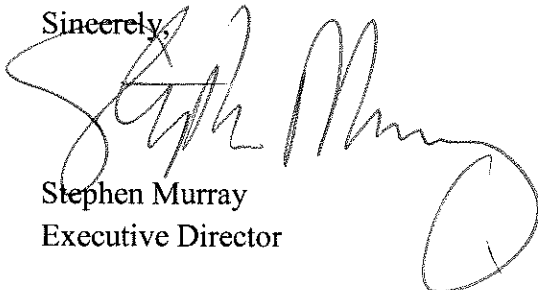
Dear Ms. Tallent,

Enclosed is our 2019-2020 application for City funding. This package includes the following:

1. The Request for City of Franklin Funds
2. The Application Addendum
3. Exhibits A, B and C
4. Our 501©-3 Designation Letter from the IRS
5. Our current audit for the fiscal year ending June 30, 2017
6. Our financial statement for June 30, 2018
7. Our Strategic Business Plan for July 2018 to June 2021

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

Sincerely,



Stephen Murray
Executive Director



**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Community Housing Partnership of Williamson County **Phone:** 615-790-5556
Contact Person & Title: Stephen Murray, Executive Director
Mailing Address: 129 West Fowlkes Street, Suite 124, Franklin, TN 37064
Federal Identification # (if applicable): 62-1572386
Email address murray@communityhousingpartnershipwc.org
Number of Active Participants in Organization: 5 full-time, 16 board members and 450 volunteers

If Necessary, use separate sheet to provide requested information.

Does this organization charge fees to participants? Yes ☐ No ☒

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

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

Please provide the approximate number of clients served by your program on a yearly basis. The number of persons CHP served in our 2017-2018 fiscal year (July 1, 2017-June 30, 2018) was 1,006.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County citizens. CHP is expecting to serve 950 in the 2019-2020 fiscal year. The number of persons served varies from year to year, and persons served by CHP programs that use any type of funding are Williamson County residents or become Williamson County residents. Sometimes CHP will advise some out-of-county residents, but we only fund one particular program in Maury County and no Williamson County funds are used in conjunction with that program. When funds are dispensed to a customer through any program, a file is established for that customer. Within that file is a copy of the government identification (i.e.; drivers license) that proves the Williamson County residency of the customer. It would be too cumbersome for us to provide that documentation with this application, however it is available for compliance monitoring by the appropriate Williamson County personnel at any time. Please note that the City of Franklin Funds are likewise only spent on City of Franklin residents who are income and residency vetted.

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

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

Franklin Breakfast at Rotary

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

Graceworks

Westminster Home Connection

United Cerebral Palsy

Both Hands Foundation

Williamson County

Brentwood Baptist Church

Private Individuals

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



Non-Profit Organization Request for City of Franklin - Page Two

Organization: Community Housing Partnership of Williamson County

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

EXPENDITURES:	Actual 2017-18 *	Expended 2018-19	Requested 2019-20
Owner Occupied Repairs/Homeless	297,197.00	122,763.00	135,000.00
Single Family Construction	670,172.00	2,931,316.00	19,751,450.00
Salaries, payroll taxes and benefits	304,456.00	389,333.00	480,500.00
Taxes, Insurance, and Depreciation	97,378.00	164,500.00	176,000.00
Administrative and Rental operating expenses	38,948.00	77,700.00	83,000.00
Rental Reserves/Repairs/Write offs	27,544.00	55,000.00	65,000.00
THDA/HOME /HTF projects**			
West Main Street	1,732,143.00	1,620,000.00	0.00
TOTAL BUDGET	3,167,838.00	5,360,612.00	20,690,950.00

REVENUES: (include any fund raising events)	2017-18 *	2018-19	2019-20
City of Franklin	8,460.00	8,460.00	8,460.00
Williamson County Government	38,131.00	38,131.00	38,131.00
Franklin CDBG/FEMA/Other Gov.	649,517.00	117,228.00	851,294.00
United Way	55,000.00	51,312.00	51,312.00
Miscellaneous Contributions and Other Revenue	58,922.00	35,000.00	35,000.00
Gross Rental Income	294,932.00	300,000.00	335,000.00
City of Franklin	2,115.00	2,115.00	2,115.00
Single Family Construction	759,049.00	3,106,316.00	21,121,910.00
West Main Project	1,794,645.00	2,120,000.00	0.00
TOTAL REVENUES	3,660,771.00	5,778,562.00	22,443,222.00

Please note: CHP Fiscal Year is from July 1st to June 30th. As the 2018-2019 fiscal year has not completed our figures are estimated from the Board approved budget, with estimated actual. 2019-2020 figures are from the Board approved Business and Strategic Plan.

* The 2017-2018 audit (year ending 6/30/2018) is not completed so these figures are from the Financial Statement ending 6/30/2018.

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

Non-Profit Organization Request for City of Franklin - Page Three

Organization: Community Housing Partnership of Williamson County



Personnel & Salary Information

Personnel (list by Positions)	Actual Salary 2017-18	Salary 2018-19	Projected Salary 2019-20
Executive Director	89,650.00	100,000.00	105,000.00
Senior Housing Rehabilitation Specialist	64,000.00	70,000.00	73,500.00
Director of Development	41,500.00	47,300.00	50,000.00
Housing Rehabilitation Director	39,100.00	44,200.00	46,750.00
Operations Specialist	12,401.00	Position Dropped	Position Dropped
Development Specialist	0.00	30,000.00	35,000.00
Executive Director Designate (3/1/19 start date)	0.00	28,333.00	85,000.00
Benefits & Taxes	57,805.00	69,500.00	85,250.00
TOTAL PERSONNEL EXPENSE	304,456.00	389,333.00	480,500.00

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



City of Franklin

APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Community Housing Partnership of Williamson County

Date: February 13, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-2020:

Community Housing Partnership of Williamson County (CHP) is requesting the same amount of funding as was received in the previous year (\$8,460). The purpose of the funding is the Owner Occupied rehabilitation program, serving low income, elderly, or disabled homeowners in the City of Franklin with emergency repairs to their homes. CHP has had an ongoing owner occupied repair program for twenty-five years through a number of vehicles. Activity in owner occupied repairs has occurred through volunteer rehabilitation with the partnership of area churches, businesses and community volunteers as well as the Catholic Heart Work Camp, Graceworks, Franklin Rotary at Breakfast, MFUGE, Group Workcamps, Greater Nashville Regional Council, THDA and RECONSTRUCT. There continues to be a steady number of calls for housing assistance for the elderly and low income residents within Franklin. Current funding to support the anticipated rehabilitations in 2019-2020 comes from donations, Williamson County, Greater Nashville Regional Council, THDA and United Way of Williamson County. Volunteer labor is used extensively with over 20 volunteer groups currently working with CHP. The City of Franklin funding is a small portion of the funding for this overall program (see enclosed Strategic Business Plan).

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

CHP has extensive interaction with a number of the City of Franklin Departments. As CHP is the homeless provider for the City of Franklin, we have interaction with the City of Franklin Police Department when they have located a homeless individual or family. CHP interviews the family and upon acceptance provides lodging and emergency food to the family to attempt to stabilize them for a period while working with them towards a permanent solution. CHP works extensively with the City of Franklin Building and Neighborhood Services Department to

stabilize housing and with codes violation. This is done by attempting to find solutions that will address the problem and correct it within the confines of this application and outside the confines of this grant money by using volunteers and other less restrictive funding. The successes on this item are too broad to list within this document, but include many deteriorated, flood damaged and structures with serious violations. We work closely with many members of this department to insure the welfare of the family, the safety of the structure, the integrity of the house and the concerns of the City of Franklin. CHP works with the City of Franklin Planning and Sustainability Department on a variety of committees and activities related to the future of the City of Franklin particularly on housing and development issues. Within the City of Franklin government, CHP has a seat on the Franklin Housing Commission and the CHP Executive Director has served as the Vice Chair in 2011-2012 and 2013-2014 and was the Chair in 2012-2013. CHP employees participate regularly on the discussion on these vital issues in housing for the City of Franklin as well as scheduled clean up days in Franklin neighborhoods. Additionally, CHP has in the past participated at the Board of Mayor and Alderman and other City of Franklin committees as needed or requested. CHP continues to maintain an open relationship with the City of Franklin staff and elected officials to insure that we are performing the tasks that are needed by the City of Franklin and its citizens.



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

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

CHP provided emergency rehabilitation services for low income, elderly or disabled households in the City of Franklin with this funding in the previous year. The City of Franklin funding was leveraged with further funding from Greater Nashville Regional Council, THDA, United Way of Williamson County and Williamson County to increase the number of households we could serve with these funds. The objective of this program is to provide emergency repairs for a maximum value of \$1,000 so it would serve 8 to 9 households on average with emergency repairs to heat and air systems, roofing, plumbing issues and electrical issues as well as other housing repairs. (However, many families do not need the full \$1,000 in support, so we serve more like 22 families with the City of Franklin funding). Approximately 120 families within the City of Franklin were served under the full program in the past fiscal year (again funding from the five sources). Disproportionately, more of the funding by Williamson County and United Way of Williamson County is spent in Franklin than the rest of the county due to the leverage of the City of Franklin funding. Funding for each project is based on the need and the capacity of the recipient to pay. The duration and scope of each project is dependent on the individual job. Additionally, funding is leveraged by volunteer labor where necessary.

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

CHP has evaluation programs in place so the Board of Directors can evaluate each specific program. For owner occupied rehabilitations and homeless, there is an approval process by the Board on a monthly basis that includes the request and evaluation of the request by staff. A review of the finished projects is also submitted to the Board monthly. That review recaps the length of time to perform the request and a cost comparison of the estimate versus the actual. This has improved the process so it is more responsive to the need and allows control of costs to insure viable funding year long. It allows better coordination with the volunteer groups performing the work and better control over the limited funding for the program. CHP has evaluations on the rental program that allow the Board to view delinquencies and turnovers on the units on a monthly basis. This has allowed better control over the units, more efficient problem solutions and better cash flow from the rental operations. In general CHP has extensive reports and evaluations of all operations and programs (including individual

program accounting). The Board of Directors meets monthly (unless no business needs to be conducted) and has full reporting of all activities and evaluates programs and their performance on a monthly basis. This results in more efficient and effective services for our customers.

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

CHP has external quality review on some of our rental properties and single family housing by Tennessee Housing Development Agency. This is done on an individual project basis for last year and on an annual basis, including verification on the physical condition of the units (Housing Quality Standards inspections) and verification on regulated paperwork (income and other verifications). The Department of Housing and Urban Development reviews CHP's activity under the HUDHOMES program to insure that CHP remains in compliance on the purchase and resale of HUD homes. FEMA monitors the expenditures on the homeless program to insure proper use of their funds. The Federal Home Loan Bank of Atlanta reviews the Affordable Housing Program grants to insure that those grants are administered by CHP with the proper qualifying of the grantees and that future monitoring procedures for each family are in place. The City of Franklin reviews the Community Development Block Grant program on a monthly basis. Some staff members have individual professional certificates or accreditations. No certificates or accreditations are issued.

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

Of the total proposed budget of \$20,690,950 for 2019-2020, \$8,460 is proposed from the City of Franklin or .04% of Community Housing Partnership of Williamson County's budget.

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

Community Housing Partnership of Williamson County (CHP) does not actively solicit donations, although we do receive some individual donations usually connected with a particular customer we might be serving. CHP is a United Way Agency and is funded on an annual application and review basis by United Way of Williamson County for the Owner Occupied Rehabilitation Program and the Homeless Program. Additionally, CHP is funded by Williamson County on an annual basis for the Owner Occupied Rehabilitation Program. FEMA additionally funds CHP for the Homeless Program. The City of Franklin CDBG programs funds some activity for owner occupied rehabilitation that is paid directly by the City of Franklin to the contractors with some administrative

fees coming to CHP. Some other grant activities through Tennessee Housing Development Agency (generally capital funding for rental or single family production), Middle Tennessee Electric's Sharing Change, USDA Rural Development (projects in rural sections of Williamson County) and other organizations do present opportunities on occasion. Finally, through the Single Family Housing Program, CHP does generate some net revenues that are used in other programs.

6. Do you charge any fees for your services?

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

EXHIBIT A

STATEMENT OF WORK AND PROGRAM OBJECTIVES

The Agency 2019-2020 Annual Work Plan shall include:

1. Owner occupied emergency housing rehabilitation for low income City of Franklin homeowner residents

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

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

EXHIBIT B

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

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

T.C.A. 6-54-111 Exhibits

EXHIBIT B

Description of Program

CHP performs emergency repairs and restores existing structures to owner occupied houses through the use of volunteer labor, donated materials and services, financial contributions and government funding. Repairs can include heating and air conditioning, handicap ramps, light carpentry, plumbing or electrical. There continues to be an increase in calls for emergency repair assistance for the elderly, disabled and low to moderate income residents in the county. All applicants must income qualify.

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

EXHIBIT C

Proposed use of Municipal Assistance

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

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

DEPARTMENT OF THE TREASURY

Date: MAY 6 1 2001

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

Employer Identification Number:
62-1572386

DLN:

17053104800031

Contact Person:

EVELYN D GRIFFITHS

ID# 31432

Contact Telephone Number:

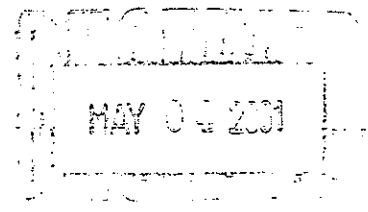
(877) 829-5500

Our Letter Dated:

December 1994

Addendum Applies:

No



Dear Applicant:

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

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

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

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

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

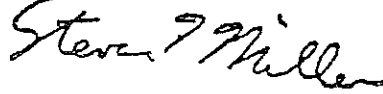
Letter 1050 (DO/CG)

COMMUNITY HOUSING PARTNERSHIP OF

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

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

Sincerely yours,

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

Steven T. Miller
Director, Exempt Organizations

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

DEPARTMENT OF THE TREASURY

Date:

DEC 05 1994

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

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

Dear Applicant:

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

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

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

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

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

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

Letter 1045 (00/CG)

COMMUNITY HOUSING PARTNERSHIP OF

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

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

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

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

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

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

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

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

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

COMMUNITY HOUSING PARTNERSHIP OF

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

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

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

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

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

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

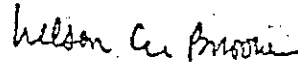
If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

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

COMMUNITY HOUSING PARTNERSHIP OF

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

Sincerely yours,



Nelson A. Brooke
District Director

COMMUNITY HOUSING PARTNERSHIP OF

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

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



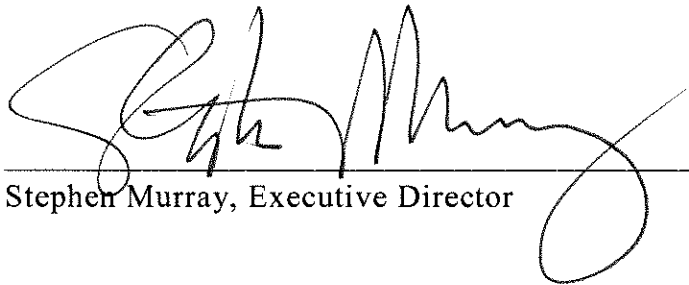
**community housing
partnership**
of williamson county

129 West Fowlkes Street, Ste. 124
Franklin, Tennessee 37064
P: 615.790.5556, F: 615.595.1215
communityhousingpartnershipwc.org

By this document and as an authorized representative of Community Housing Partnership of Williamson County, I hereby certify the following:

The attached audit is for the fiscal year ending June 30, 2017. Additionally, we are supplying the June 30, 2018, financial statement which was used for the Budget Request sheet. The current audit for the fiscal year ending June 30, 2018, is in process and is not completed. Should you have questions regarding the audit in process, you may contact Catherine Rainey at McMurray, Fox and Associates, PLLC. Her number is (615)-824-2724, extension 209. Her email is catherine@mcmurrayassociates.com.

Certified to,

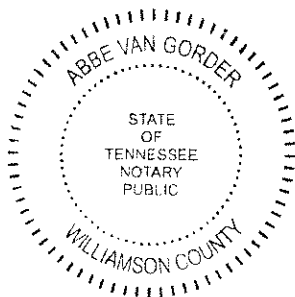


Stephen Murray, Executive Director

STATE OF TENNESSEE
COUNTY OF Williamson

Before me, Abbe Van Gorder, a Notary Public of said County and State, personally appeared Stephen Murray, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged to be Executive Director of Community Housing Partnership of Williamson County, the within named bargainer, a corporation, and that he/she as such Executive Director executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by as Executive Director.

Witness my hand and seal, at Office, this 20 day of February, 2019.



Notary Public

My Commission Expires: 10-16-22

Community Housing Partnership of Williamson County

Financial Statements
June 30, 2017

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McKerley Noonan

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



McKerley & Noonan, P.C.

February 9, 2018

-1-

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

Assets

Current Assets	
Cash in Bank	\$ 150,200
Marketable Securities	116,705
Accounts & Notes Receivable - Net	38,146
Inventory of Rehabilitation Homes	1,857,596
Contributions Receivable - United Way	55,000
Total Current Assets	<u>2,217,647</u>
Fixed Assets	
Land	203,493
Buildings	2,669,485
Office Furniture and Equipment	30,066
Less: Accumulated Depreciation	(1,034,819)
Net Fixed Assets	<u>1,868,225</u>
Other Assets	
Notes Receivable - Property Sales	366,832
Discount on Notes Receivable - Property Sales	(254,959)
Total Other Assets	<u>111,873</u>
Total Assets	<u><u>\$ 4,197,745</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 64,479
Tenants' Deposits	10,500
Payroll Liabilities	3,287
Current Portion of Long-Term Debt	416,781
Total Current Liabilities	<u>495,047</u>
Long-Term Liabilities	
Line of Credit	11,850
Long-Term Debt	1,308,328
Total Long-Term Liabilities	<u>1,320,178</u>
Total Liabilities	<u>1,815,225</u>
Net Assets	
Unrestricted Net Assets	2,327,520
Temporarily Restricted Net Assets	55,000
Total Net Assets	<u>2,382,520</u>
Total Liabilities and Net Assets	<u><u>\$ 4,197,745</u></u>

Community Housing Partnership of Williamson County, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2017

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

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

Cash Flows from Operating Activities:	
Change in Net Assets	\$ 243,778
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	95,990
Amortization of Discount on Notes Receivable	(8,622)
Unrealized Loss on Investments	(2,954)
Increase in Accounts and Notes Receivable - Other	(19,239)
Increase in Notes Receivable - Property Sales	(23,474)
Increase in Inventory of Rehabilitation Homes	(714,474)
Increase in Accounts Payable and Other Liabilities	35,068
Decrease in Tenant Deposits	(400)
Decrease in Payroll Liabilities	(5,192)
Total Adjustments	<u>(643,297)</u>
Net Cash Used by Operating Activities	<u>(399,519)</u>
 Cash Flows from Investing Activities	
Purchase of Marketable Securities	(62,231)
Purchase of Fixed Assets	(23,427)
Net Cash Provided by Investing Activities	<u>(85,658)</u>
 Cash Flows from Financing Activities	
Principal Payments on Notes Payable	(1,337,550)
Proceeds from Notes Payable	1,910,604
Net Cash Provided by Financing Activities	<u>573,054</u>
 Net Increase in Cash	<u>87,877</u>
 Cash - Beginning of the Year	<u>62,323</u>
 Cash - End of Year	<u><u>\$ 150,200</u></u>
 Supplemental Cash Flow Information:	
Interest Paid	<u><u>\$ 7,902</u></u>

Community Housing Partnership of Williamson County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2017

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

Community Housing Partnership of Williamson County, Inc.

Notes to the Financial Statements
June 30, 2017

NOTE 1 - DESCRIPTION AND PURPOSE OF THE ORGANIZATION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates

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

Financial Statement Presentation

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

Unrestricted Net Assets

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

Temporarily Restricted Net Assets

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

Permanently Restricted Net Assets

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

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

Fair Value Measurements

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

Contributed Services

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

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

Marketable Securities

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

Accounts Receivable

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

Contributions Receivable – United Way

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

Inventory of Rehabilitation Homes and Grants to Homebuyers

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

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

Fixed Assets

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

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

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

In-Kind Contributions

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

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

Classification of Expenses

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

Income Taxes

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

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

NOTE 3 – CREDIT RISK

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

NOTE 4 – NOTES PAYABLE

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

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

A \$117,650 promissory note secured by property payable to Republic Bank bearing interest at 0% maturing in 2017.

117,650

A \$196,000 promissory note payable with Pinnacle Bank bearing interest at 4% below Prime and maturing January 2021.

172,212

Total

\$1,736,959

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

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

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

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

NOTE 5 – RETIREMENT PLAN

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

NOTE 6 – NOTES RECEIVABLE – PROPERTY SALES

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

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

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

NOTE 7 – GRANTS

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

NOTE 8 – COMMITMENTS

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

NOTE 9 – SUBSEQUENT EVENTS

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

**Community Housing Partnership
Of Williamson County**

**Financial Statements
June 30, 2018**

**Compiled by Stephen Murray
(Unaudited figures)**

Community Housing Partnership of Williamson County
BALANCE SHEET

ASSETS	Checking/Savings/Investments	
Current Assets	CASH Franklin Synergy Bank	\$49,838
	Morgan Stanley	\$118,398
	CASH US Bank	\$69,244
	CASH Reliant MM	\$64,352
	CASH Franklin Syn. Bank MM	\$3,893
	Cash Republic Bank	\$1,457
	CASH Pinnacle Bank	\$154,934
	CASH Regions Bank	\$1,290
	Bills.com Money Out Clearing	\$1,553
	Undeposited Funds	\$0
	TOTAL Checking/Savings/Cash	\$464,959
	Accounts Receivable	\$57,172
	Other Current Assets	
	1319 West Main Street	\$2,591,368
	311 Edgewood	\$154,064
	Whispering Winds	\$1,000
	Hillsboro Road	\$3,936
	2070 Wild Cherry	\$108,698
	158 Cadet Lane	\$251,094
	Walker Project	\$20,000
	Note Rec./Wyer	\$1,800
	Allowance Bad Accounts	-\$6,900
	Total Other Current Assets	\$3,125,060
	Total Current Assets	\$3,647,191
Fixed Assets		
	Furniture and Fixtures	\$32,268
	Property (Land)	\$203,493
	613 Hillsboro RD D24	\$45,869
	628 Westminster	\$170,092
	613 Hillsboro RD B23	\$65,035
	160 Cadet Lane	\$162,036
	254 Natchez Street	\$368,474
	7222 Blue Ridge Road	\$158,265
	7344 Hidden Lake Circle	\$154,652
	2505 Penny Lane	\$125,362
	Scruggs Apartments	\$508,433
	Edgewood Triplex	\$121,201
	Fairview Duplex	\$111,908
	4007 Kelsey Way	\$128,408
	Pleasant Hills 1-9	\$809,327
	Chestnut Lane Duplex	\$127,832
	(40 Yr) Receivable Present Value	\$81,473
	Acc. Depreciation, Furn & Real Prty	-\$1,072,857
	Total Fixed Assets	\$2,301,271
Total Assets		\$5,948,462

Community Housing Partnership of Williamson County
BALANCE SHEET

LIABILITIES & Equity		
Current Liabilities	Accounts Payable	\$7,217
	Security Deposits	\$11,600
	Payroll Liabilities	\$0
	12 month Portion Property Debt	\$26,735
	Payroll Taxand Employee SEP Liability	\$856
	N/P Avenue/Pinnacle 1319 W Main St	\$2,660,237
	N/P Fr Syn 311 Edgewood	\$35,400
	N/P Republic Bank HOME	\$26,025
	N/P Reliant 158 Cadet Lane	\$176,158
Total Current Liabilities		\$2,944,228
Long Term Liabilities		
	LT Chestnut, Kelsey, Penny, Edg, West (Fr. Syn. Note Minus Current Portion)	\$55,463
	Scruggs Apartments	\$86,298
	N/P Avenue Bank 254 Natchez	\$187,894
	N/P Pinnacle 160 Cadet Lane	\$38,223
	N/P 7222 Blue Ridge Road	\$37,719
	N/P Pinnacle 7344 Hidden Lake	\$36,926
Total LT Liabilities	(Fr. Syn. & Reliant-Current Portion)	\$442,523
Total Liabilities		\$3,386,751
Equity		
	Retained Earnings	\$1,987,170
	Opening Balance Eq.	\$0
	Net income Yr to date (05/18)	\$493,068
	(40 yr) Income Present Value	\$81,473
Total Equity		\$2,561,711
Total Liabilities & Equity		\$5,948,462

Community Housing Partnership of Williamson County
Financial Statement

REVENUE	Previous Month	Monthly Actual	Year to date Actual	Prorated Budget	Year to date Budget (12/12)	2017 Budget	Monthly Variance	Year to date Variance
OPERATING REVENUE								
FRANKLIN REVENUE	\$0	\$0	\$1,776	\$150	\$1,800	\$1,800	-\$150	-\$24
UNITED WAY REVENUE	\$820	\$820	\$9,840	\$820	\$9,834	\$9,834	\$1	\$6
WILLIAMSON COUNTY REVENUE	\$0	\$0	\$9,834	\$820	\$9,834	\$9,834	-\$820	\$0
USDA RD Administrative	\$0	\$0	\$200	\$0	\$875	\$875	\$0	-\$675
2016 THDA/HTF Administrative Fees	\$0	\$0	\$925	\$0	\$0	\$0	\$0	\$925
INTEREST/INVESTMENT INCOME	\$0	\$46	\$46	\$417	\$5,000	\$5,000	-\$371	-\$4,954
GROSS RENTAL INCOME	\$27,324	\$25,659	\$294,932	\$24,333	\$292,000	\$292,000	\$1,326	\$2,932
OTHER REVENUE	\$2,175	\$2,869	\$28,980	\$1,250	\$15,000	\$15,000	\$1,619	\$13,980
DEVELOPMENT FEES	\$0	\$50,251	\$55,666	\$6,667	\$80,000	\$80,000	\$43,584	-\$24,334
Whispering Winds Subdivision	\$0	\$0	\$0	\$6,667	\$80,000	\$80,000	-\$6,667	-\$80,000
DONATIONS	\$63	\$0	\$19,900	\$42	\$500	\$500	-\$42	\$19,400
DONATIONS IN KIND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MIDDLE TN EMC /US Bank	\$0	\$0	\$10,000	\$833	\$10,000	\$10,000	-\$833	\$0
FEMA (35%)	\$0	\$0	\$0	\$108	\$1,300	\$1,300	-\$108	-\$1,300
City of Franklin CDBG	\$0	\$0	\$2,206	\$792	\$9,500	\$9,500	-\$792	-\$7,294
2014/15 THDA/HOME Administration Fees	\$1,381	\$0	\$6,600	\$2,500	\$30,000	\$30,000	-\$2,500	-\$23,400
1319 West Main Street	\$0	\$0	\$0	\$25,000	\$300,000	\$300,000	\$255,793	-\$300,000
SUBTOTAL OPERATING INCOME	\$31,763	\$79,645	\$440,905	\$70,470	\$845,643	\$845,643	\$9,175	-\$404,738
PROJECT REVENUE								
SINGLE FAMILY CONSTRUCTION	\$21,740	\$0	\$703,363	\$62,500	\$750,000	\$750,000	-\$62,500	-\$46,617
HO REHABILITATION Franklin	\$0	\$0	\$6,684	\$555	\$6,660	\$6,660	-\$555	\$24
HO REHABILITATION United Way	\$3,763	\$3,763	\$45,156	\$2,931	\$35,166	\$35,166	\$833	\$9,990
HO REHABILITATION William.Cty	\$0	\$0	\$28,297	\$2,358	\$28,297	\$28,297	-\$2,358	\$0
2016 THDA/HTF	\$0	\$0	\$162,846	\$6,814	\$81,771	\$81,771	-\$6,814	\$81,075
FEMA (65%)/United Way Homeless	\$0	\$0	\$0	\$992	\$11,900	\$11,900	-\$992	-\$11,900
USDA RD	\$0	\$0	\$2,500	\$909	\$10,904	\$10,904	-\$909	-\$8,404
City of Franklin CDBG CBDO	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000
2014/15 THDA/HOME Project	\$8,706	\$33,721	\$401,355	\$36,917	\$443,000	\$443,000	-\$3,196	-\$41,645
Whispering Winds subdivision	\$0	\$0	\$0	\$110,583	\$1,327,000	\$1,327,000	-\$110,583	-\$1,327,000
1319 West Main Street	\$127,191	\$280,793	\$1,794,645	\$281,042	\$3,372,500	\$3,372,500	-\$249	-\$1,577,855
SUBTOTAL PROJECT REVENUE	\$161,400	\$318,277	\$3,219,866	\$505,600	\$6,067,198	\$6,067,198	-\$187,323	-\$2,847,332
TOTAL REVENUE	\$193,163	\$397,922	\$3,660,771	\$576,070	\$6,912,841	\$6,912,841	-\$178,148	-\$3,252,070

Financial Statement June 2018

Community Housing Partnership of Williamson County
Financial Statement

EXPENSES	Previous Month	Monthly Actual	Year to date Actual	Prorated Budget	Year to date Budget (12/12)	2017 Budget	Monthly Variance	Year to date Variance
OPERATING EXPENSES								
SALARIES	\$21,731	\$19,410	\$246,651	\$23,750	\$285,000	\$285,000	-\$4,340	-\$38,349
EMPLOYEE BENEFITS	\$5,357	\$2,400	\$34,007	\$3,588	\$43,050	\$43,050	-\$1,545	-\$9,043
PAYROLL TAXES	\$1,657	\$2,043	\$23,798	\$1,833	\$22,000	\$22,000	-\$1,833	\$1,798
WORKMANS COMP INSURANCE	\$0	\$0	\$0	\$259	\$3,110	\$3,110	-\$259	-\$3,110
INSURANCE	\$3,940	\$3,537	\$26,198	\$2,387	\$28,640	\$28,640	\$1,150	-\$2,442
FIDELITY BONDING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MARKETING	\$0	\$0	\$1,195	\$83	\$1,000	\$1,000	-\$83	\$195
LEGAL EXPENSE	\$0	\$0	\$0	\$167	\$2,000	\$2,000	-\$167	-\$2,000
ACCOUNTING/AUDIT	\$0	\$0	\$5,245	\$746	\$8,950	\$8,950	-\$746	-\$3,705
POSTAGE	\$107	\$0	\$565	\$83	\$1,000	\$1,000	-\$83	-\$435
MEETING EXPENSE	\$34	\$26	\$243	\$100	\$1,200	\$1,200	-\$74	-\$957
PROFESSIONAL FEES	\$102	\$100	\$478	\$375	\$4,500	\$4,500	-\$275	-\$4,022
MILEAGE	\$464	\$677	\$5,698	\$433	\$5,200	\$5,200	\$244	\$498
OFFICE EXPENSE/SUPPLIES	\$554	\$348	\$5,387	\$583	\$7,000	\$7,000	-\$235	-\$1,613
PUBLICATIONS	\$0	\$0	\$0	\$25	\$300	\$300	-\$25	-\$300
TELEPHONE	\$196	\$184	\$3,286	\$325	\$3,900	\$3,900	-\$141	-\$614
UTILITIES	\$0	\$0	\$9,603	\$500	\$6,000	\$6,000	-\$500	\$3,603
STORAGE FACILITY	\$0	\$0	\$1,020	\$92	\$1,100	\$1,100	-\$92	-\$80
PROPERTY TAXES	\$0	\$0	\$14,446	\$1,250	\$15,000	\$15,000	-\$1,250	-\$554
INTEREST EXPENSE (Rental property)	\$152	\$1,327	\$5,635	\$917	\$11,000	\$11,000	\$410	-\$5,365
MEMBERSHIP EXPENSE	\$0	\$0	\$1,604	\$167	\$2,000	\$2,000	-\$167	-\$396
TRAVEL/TRAINING	\$297	\$0	\$297	\$417	\$5,000	\$5,000	-\$417	-\$4,703
CONTINGENCY	\$0	\$0	\$0	\$2,083	\$25,000	\$25,000	-\$2,083	-\$25,000
EQUIPMENT PURC/RENTAL/MAIN	\$0	\$0	\$0	\$83	\$1,000	\$1,000	-\$83	-\$1,000
CLEANING SERVICE	\$20	\$120	\$910	\$50	\$600	\$600	\$70	\$310
VEHICLE EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RENTAL REPAIRS	\$2,544	\$4,119	\$27,544	\$2,083	\$25,000	\$25,000	\$2,036	\$2,544
RENTAL RESERVES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RENTAL SUPPLIES AND MAT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BAD DEBT WRITE OFF (non cash)	\$0	\$0	\$0	\$500	\$6,000	\$6,000	-\$500	-\$6,000
DEPRECIATION (non cash)	\$3,458	\$3,458	\$41,496	\$4,696	\$56,350	\$56,350	-\$1,238	-\$14,854
OTHER EXPENSES	\$995	\$1,223	\$12,885	\$1,208	\$14,500	\$14,500	\$15	-\$1,615
SUBTOTAL OPERATING EXPENSES	\$41,608	\$38,972	\$468,191	\$48,783	\$585,400	\$585,400	-\$9,811	-\$117,209
NET OPERATING REVENUE	-\$9,845	\$40,673	-\$27,286	\$21,687	\$260,243	\$260,243	\$18,986	-\$287,529
NET CASH OPERATING REVENUE	-\$6,387	\$44,131	\$14,210	\$26,383	\$316,593	\$316,593	\$17,748	-\$302,383

Financial statement June 2018

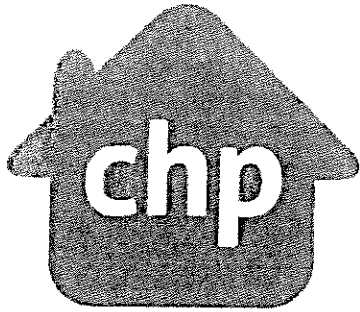
Community Housing Partnership of Williamson County
Financial Statement

PROJECT EXPENSES	Previous Month	Monthly Actual	Year to date Actual	Prorated Budget	Year to date Budget (12/12)	2017 Budget	Monthly Variance	Year to date Variance
SINGLE FAMILY CONSTRUCTION	\$21,740	\$0	\$670,172	\$62,500	\$750,000	\$750,000	-\$62,500	-\$79,828
HOMEOWNER REHABILITATION	\$415	\$1,243	\$22,038	\$5,427	\$65,123	\$65,123	-\$4,184	-\$43,085
1319 West Main Street	\$125,898	\$280,793	\$1,732,143	\$281,042	\$3,372,500	\$3,372,500	-\$249	-\$1,640,357
HOMELESS	\$853	\$0	\$13,584	\$2,242	\$26,900	\$26,900	-\$2,242	-\$13,316
2016 THDA/HTF	\$0	\$0	\$72,399	\$0	\$0	\$0	\$0	\$72,399
CHP Homeownership grants	\$0	\$0	\$17,325	\$0	\$0	\$0	\$0	\$17,325
FEMA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014/2015 THDA/HOME	\$2,279	\$48,720	\$169,351	\$17,499	\$209,986	\$209,986	\$31,221	-\$40,635
Whispering Winds Subdivision	\$0	\$0	\$0	\$110,583	\$1,327,000	\$1,327,000	-\$110,583	-\$1,327,000
USDA RD Projects	\$0	\$0	\$2,500	\$909	\$10,904	\$10,904	-\$909	-\$8,404
SUBTOTAL PROJECT EXPENSE	\$151,185	\$330,756	\$2,699,512	\$480,201	\$5,762,413	\$5,762,413	-\$149,445	-\$3,062,901
TOTAL EXPENSES	\$192,793	\$369,728	\$3,167,703	\$528,984	\$6,347,813	\$6,347,813	-\$159,256	-\$3,180,110
NET PROJECT REVENUE	\$10,215	-\$12,479	\$520,354	\$25,399	\$304,785	\$304,785	-\$37,878	\$215,569
NET REVENUE OVER/(UNDER) EXP.	\$370	\$28,194	\$493,068	\$47,086	\$565,028	\$565,028	-\$18,892	-\$71,960
DEBT SERVICE PAYMENTS	\$1,910	\$3,960	\$30,449	\$2,333	\$28,000	\$28,000	\$1,627	\$2,449
CAPITAL RENTAL REPAIRS/Purchases	\$4,433	\$2,390	\$22,891	\$2,250	\$27,000	\$27,000	\$140	-\$4,109
NET REVENUE AFTER CAPITALIZATIONS	-\$5,973	\$21,844	\$439,728	\$42,502	\$510,028	\$510,028	-\$20,658	-\$70,300
NET CASH REVENUE AFTER CAPITAL.	-\$2,515	\$25,302	\$481,224	\$47,698	\$572,378	\$572,378	-\$22,396	-\$91,154

CHP CASH FLOW ANALYSIS

MONTHLY DATE	Jul-18	Aug-18	Sep-18	TOTAL	NOTES
Operating Revenue					
Franklin	\$575	\$0	\$0	\$575	Franklin in July
United Way	\$820	\$820	\$820	\$2,460	
Williamson County	\$9,834	\$0	\$0	\$0	
Rental	\$25,000	\$25,000	\$25,000	\$75,000	Actual
Development Fees	\$0	\$10,000	\$20,000	\$30,000	Cadet, New
Donations	\$42	\$42	\$42	\$126	Budget
Franklin CDBG	\$625	\$625	\$625	\$1,875	Budget
2014/15 THDA HOME Adm.	\$1,000	\$1,000	\$1,000	\$3,000	
2016 HTF	\$0	\$0	\$0	\$0	
1319 West Main Street	\$0	\$0	\$0	\$0	
FEMA	\$650	\$0	\$0	\$650	
Middle TN Electric	\$0	\$0	\$0	\$0	
Other	\$1,250	\$1,250	\$1,250	\$3,750	Budget
USDA RD	\$0	\$0	\$0	\$0	
Total Operating Revenue	\$39,796	\$38,737	\$48,737	\$127,270	
Project Revenue					
Single Family Construction	\$ 20,000	\$0	\$175,000	\$ 195,000	Cadet, New
HO rehabilitation	\$ 33,600	\$3,763	\$ 3,763	\$ 41,126	Franklin in July, Williamson County July
1319 West Main Street	\$300,000	\$300,000	\$250,000	\$ 850,000	
2016 HTF	\$ 20,000	\$20,000	\$0	\$ 40,000	
FEMA Homeless	\$ 950	\$0	\$0	\$ 950	
2015 THDA HOME Project	\$5,000	\$0	\$0	\$ 5,000	
Total Project Revenue	\$ 379,550	\$ 323,763	\$ 428,763	\$ 1,132,076	
Total Revenue	\$419,346	\$362,500	\$477,500	\$1,259,346	
Operating Expenses					
Cash operating Expenses	\$ 42,333	\$ 42,333	\$ 42,333	\$ 126,999	Budget
Non Cash operating Exp.	\$ 8,000	\$ 8,000	\$ 8,000	\$ 24,000	Budget
Total Operating Expenses	\$ 50,333	\$ 50,333	\$ 50,333	\$ 150,999	
Project Expenses					
					Budget
Single Family Construction	\$ 20,000	\$0	\$175,000	\$ 195,000	Cadet, New
HO rehabilitation	\$ 5,427	\$ 5,427	\$5,427	\$ 16,281	Budget
1319 West Main Street	\$300,000	\$300,000	\$250,000	\$ 850,000	
2016 HTF	\$ 10,000	\$10,000	\$0	\$ 20,000	partial capitalized grant
Homeless	\$ 2,242	\$ 2,242	\$2,242	\$ 6,726	
2014 THDA HOME Project	\$14,999	\$14,999	\$14,999	\$ 44,997	Grants to Homeowners
Total Project Expenses	\$ 352,668	\$ 332,668	\$ 447,668	\$ 1,133,004	
Total Expenses	\$ 403,001	\$ 383,001	\$ 498,001	\$ 1,284,003	
Net Operating Revenue	-\$10,537	-\$11,596	-\$1,596	-\$23,729	
Net Project Revenue	\$ 26,882	-\$8,905	\$ (18,905)	\$ (928)	
Net Revenue	\$16,345	-\$20,501	-\$20,501	-\$24,657	
Net Cash Revenue	\$24,345	-\$12,501	-\$12,501	-\$657	
Note that the THDA funds will recapture on sale to be used again, after 2nd sale will be net revenue.					

Cash Flow July 2018 to Sept 2018



community housing
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of williamson county

Strategic Business Plan
JULY 2018 - JUNE 2021
our blueprint for the future

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United Way
of Williamson County

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Executive Summary 2018

Through a highly participatory plan that has included review of 2010 Census Data and input from the Board of Directors of Community Housing Partnership of Williamson County (CHP), CHP staff, financial funders of CHP, governmental entities associated with CHP and some members of the community at large we have developed this three year plan that will guide the operations and expansion of CHP's programmatic, administrative and financial aspects of business. This Strategic Business Plan, which will be referred to as SBP from here forward, represents a thoughtful and ambitious response to needs and assets of Williamson County in the current economy. The SBP addresses the evolving needs of CHP as we further develop the existing programs we have and as we add new programs. CHP also focuses on the competition and collaboration of other non-profit entities in the community development field of Williamson County as well as the availability and accessibility of the assets CHP needs to be successful with this plan. The SBP *includes specific programmatic and administrative recommendations* for CHP. Collectively they will create a stimulating and effective future. Key themes in this SBP are:

■ Rental Development/Property Management

The SBP provides the framework for the *improvement on the operations and financial status* of the existing rental units. *Additional development of rental units* through the HUD program, THDA LIHTC or THDA HOME grants are current alternatives and are possibilities within the SBP to address the growing need for affordable rental and social service housing in Williamson County.

■ Single Family Mortgage Assistance

The SBP provides for the *possible assistance to low income homebuyers through small lending programs* associated with Moderately Priced Development Units in Williamson County and through *possible and current THDA HOME grants through CHP and counseling to those families* searching for available mortgage products for housing in Williamson and Maury Counties. This program uses resources available from partnerships with other area not for profits in securing the necessary capital and providing the necessary home buyers education for the customer to secure a loan.

■ Single Family Development and Construction

The SBP concentrates on the *purchase of existing houses for rehabilitation and new housing construction for the provision of more available housing stock for low income home buyers* of Williamson County. This will be done through government grant funding, the HUD HOMES program, the HUD CDBG CBDO program from the City of Franklin, the Federal Home Loan Bank grant funding, the THDA HOME grants, and funding from the private sector at large and will enable a reduced buying price for the homebuyers and create new low income homebuyers in Williamson and Maury Counties. CHP, under the CHDO, will be including Maury County for 2016-2018.

■ Owner Occupied Repair Program

The SBP builds upon past strengths and new opportunities in this program to increase the funding and operational capacity of CHP in the ability to *provide current low income home owners of Williamson County a vehicle to have emergency repairs* performed for them. These activities shall be made through a combination of United Way of Williamson County, Williamson County, USDA Rural Development and City of Franklin grants, partnerships (such as Group Work Camps), the THDA Preserve Loan Program, and the USDA RD Repairs program, and CHP generated funds.

■ Condominium Development

The SBP focuses on new opportunities to assist low income homebuyers with the ability to obtain affordable, safe housing in Williamson County. In 2016 construction began on condominiums which will provide 30 units of work-force housing on West Main Street in Franklin. Upon completion, which is set for 2018, all of the units will be sold and occupied.

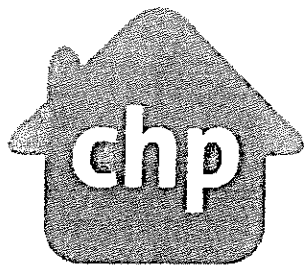
■ Homeless Solutions

Within this SBP will be a current focus on activity on *providing assistance for homeless families* of Williamson County. As a provider for assistance for homeless, CHP continues to search for resources and solutions for Williamson County's increasing number of homeless families.

■ Resource Development, Quality and Productivity

At the core of the SBP is a *commitment to improve the quality of the programs, the productivity of the staff and volunteers and to develop the resources* to move CHP closer to self-sufficiency. Reassessment of fees, program costs and funding methods at the Director's and staff level is a constant theme in the plan.

The CHP Strategic Business Plan should be understood as a dynamic, working document, evolving as it is performed by the organization.



community housing
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Mission Statement:

To establish a public/private partnership as Williamson County's leading agency in achieving quality affordable housing for elderly, low income, disabled and work force families of Williamson County Tennessee through housing alternatives to create, supply and maintain appropriate housing by rehabilitation, maintenance and restoration.

Strategic Goals

During the upcoming three-year period, Community Housing Partnership of Williamson County (CHP) will pursue these strategic goals which will strengthen the capacity of the organization to achieve its mission statement. These strategic goals are:

- To continue effective revitalization of older Williamson County housing through the efforts under the Homeowner Rehabilitation program including City of Franklin Community Development Block Grant funds and general funds, United Way of Williamson County funds, Williamson County funds, USDA Rural Development, CHP funds, Tennessee Housing Development Agency Emergency Grant funds and Preserve Loan Program and Group Work Camps.
- To continue to diversify and broaden CHP Board of Directors to strengthen community participation.
- To continue to solidify consistent sources of income to provide self-sufficiency.
- To continue to improve the rental operation to further the operational funding of CHP while looking for new rental opportunities through the Low-income Housing Tax Credit program and other vehicles, to address the small amount of work force rental in Williamson County.
- To provide a community resource for emergency homeless Williamson County residents.
- To provide for the development of affordable housing for Williamson County residents through the purchase and rehabilitation of existing housing or the construction of new housing for homeownership purposes including the use of the Community Investment Tax Credit, City of Franklin CDBG CBDO funds, and other funding through THDA and the HUD HOMES program.
- To assist Williamson County government and all municipal governments within Williamson County in their efforts to provide work force housing in Williamson County.
- To organize staff to support the growth curve of CHP, especially in new rental and homeownership activities, increased development activities, and increased homeowner rehabilitation activities.
- To continually reassess and set fees for services on all programs.

CHP History

Community Housing Partnership of Williamson County (CHP) came into existence in October 1994. Established as a 501(c)-3 United Way agency, CHP was developed through a partnership of Williamson County citizens, local governmental units including Williamson County, the City of Franklin and the United Way of Williamson County. As Williamson County has experienced tremendous population growth to become the 16th richest county in the U.S.A. and currently has higher priced housing, there exists a need in the community to provide safe and reasonably priced housing for the community's workforce in this fast-paced growth market.

Governed by a volunteer Board of Directors, CHP has seen significant activity since its inception. CHP has purchased and rehabilitated 37 rental units of low-income housing for Williamson County residents through private sector funds and HUD HOME grants from Tennessee Housing Development Agency. Additionally, CHP is a limited partner in an 88-unit apartment complex in Fairview. These units are occupied by low-income residents of the county in conjunction with other social service agencies in the county.

CHP has done and continues to do extensive homeowner rehabilitation for substandard housing in Williamson County. Partnering with area churches and local government, over 1900 elderly, disabled and/or low-income families have been assisted with major repairs to their homes. As the only housing not for profit doing rehabilitation for low-income families, this has become an important part of CHP's work.

Using financial resources generated through Community Development Block Grant funds, from the HUD HOMES Program, the City of Franklin, Williamson County, the Federal Home Loan Bank of Atlanta, the THDA HOME program, and funds from United Way, CHP has successfully renovated and sold numerous houses for homeownership in Williamson and Maury Counties.

Additional houses have been generated for homeownership through donated properties from area government and through community donations. The establishment of a certified homebuyers counseling program also embellished the work program of single family homeownership for CHP. This has enabled CHP to counsel over 600 families in homeownership and help a number of them secure a home.

In 24 years since CHP was established, staff has built numerous partnerships with community agencies, local governments and the public. These partnerships have enabled CHP to go through a period of growth during the previous 10 years of business. CHP continues to increase their activity and by this SBP CHP is intending to significantly improve its performance and activities in Williamson County.

Current Assets and Structures

Introduction

In the fulfillment of its mission, Community Housing Partnership of Williamson County (CHP) delivers products and services both in multi-family and single-family programs, as well as a variety of other activities.

Products and Services

I. Multi Family Programs

Rental Rehabilitation

The organization has been making an impact on the quality of low-income rental housing in Williamson County since 1995 and continues to do so. CHP received and administered a Tennessee Housing Development Agency (THDA) HOME grant in 1995 to rehabilitate condemned property into 6 units of rental housing for low-income tenants. Those funds were spent to acquire and renovate one duplex in Fairview, one condominium in Franklin and one triplex in Franklin. In 1996 CHP received a second THDA HOME grant and constructed 9 single family houses in conjunction with domestic violence programs so that permanent housing for this social cause could be provided.

In addition to the federal funding that built rental housing, 2 additional single-family structures have been acquired through local donations and have been rehabilitated for rental purposes. CHP received THDA HOME funds in 2009 for funding the purchase and rehabilitation of 8 units of rental housing in Franklin. In 2011 CHP received a THDA HOME grant to rehabilitate 2 homes for group homes for developmentally disabled adults and 4 units for independent living for developmentally disabled adults. In 2014 CHP received a THDA HOME Grant to complete three group homes for developmentally disabled. In 2016 CHP received a THDA Housing Trust Fund Grant to develop a group home for disabled men and three additional rental units. The total portfolio of rental housing for CHP currently stands at 37 completed units, 22 in multi-unit structures and 15 in single family units, with four additional units under construction.

Operation of these rental units has been good in recent years. As the rental income is restricted by HUD requirements, the net income on the units has been essentially at a break even. Some activity in 2008 has increased the net revenue on the units through refinancing and property tax exemption where applicable. The use of the Community Investment Tax Credit is keeping current mortgage payments at 0% interest and payments are going completely to pay off the debt. A major mortgage was paid off in 2017.

Other Multi Family Programs

CHP successfully funded a 2009 Low-income Housing Tax Credit (LIHTC) allocation for 88 townhouses in Fairview called Caspian Hills Apartments. Those units started in February 2009 and concluded with rent up in 2010. As this project is a separate Limited Liability Company, which CHP serves as the General Partner, the revenue from this project will be separate from CHP books. CHP has maintained a relationship with Franklin Housing Authority and THDA within the region and currently continues to look for further rental opportunities.

II. Single Family Programs

Home Buyers Counseling Programs

Community Housing Partnership of Williamson County's (CHP) Home Buyers Counseling Program is a fast track session certified by THDA and National Industry Standards for Homeownership Education and Counseling. The graduates go through a recognized program of 6 hours of classroom training and one on one counseling. They are eligible for a variety of mortgage programs, including THDA mortgage programs and American Dream Down payment Initiative grants, USDA Rural Development programs, The Housing Fund, The Waller Fund, MGIC, Section 8 to Homeownership and other CRA individual bank loans.

Individualized counseling is available and used extensively, along with eHome America. In the past years, people across all income levels have participated with most receiving Certificates of Completion. In the previous years, 45 families used this vehicle to secure Federal Home Loan Bank grants of \$30,000 toward homeownership and all are now in their homes.

The information presented to the clients is based on NeighborWorks America's (NWA) *Realizing the American Dream* program. Counseling of consumers on a variety of housing issues from foreclosure to homelessness has become a moderate part of CHP's business. CHP has three staff members that are certified HUD/THDA/NIS counselors. Additionally, CHP is an approved agency through eHome America an internet based counseling program approved by most lending sources.

Mortgage Assistance Program

CHP has been limited in the mortgage assistance business with 40-year, 0% interest/or due on sale second mortgage connected with the Moderately Priced Dwelling Unit (MPDU) program with the City of Franklin. This program has generated 9 customers in previous years and CHP has no known available units in the 2017-2018 fiscal year, as the dynamics on this program have changed with the economy. The 2016 fiscal year saw no activity in this program due to market conditions.

Additionally, CHP secured two different Federal Home Loan Bank of Atlanta Affordable Housing Program grants, one through Regions Bank and one through SunTrust Bank. These grants provided \$30,000 of assistance to each low-income family for the purpose of increasing their buying power and paying closing costs related to the house. As of the date of this report all 45 families have closed on their houses. This significant program has spurred a considerable amount of activity in first time homeownership within Williamson County and there may be changes made that provide the potential for some future grants similar to past grants.

Activity in the mortgage products deteriorated in the mortgage market from 2009 to 2011 showing some strength in 2012 and has risen back to or above pre-recession figures in the 2015 year, accenting the need for CHP to assist Williamson County customers to secure their mortgages. While not lending directly to the customer, CHP has provided extensive assistance

through active involvement in the customer's mortgage negotiations. The need for first mortgage lending for the low-income population of Williamson County is evident and partnering with area banks continues to be a viable alternative for CHP's customers.

Employer Assisted Housing

Community Housing Partnership of Williamson County (CHP) continues to support Employer Assisted Housing programs with area governments and businesses in conjunction with other programs. While CHP has not been successful in this endeavor to date, continued efforts to secure alternative funding through Employer Assisted Housing programs for the public service sector are ongoing. Partnership with the City of Franklin has seen some discussions on this issue.

Owner Occupied Repair Program

CHP has had an ongoing owner-occupied repair program for a number of years through a number of vehicles. Initial work in this area came through a 1995 THDA HOUSE grant of \$58,300 that was used to renovate substandard housing in Franklin. In 1996, a partnership THDA HOME grant with Williamson County and Community Development Partners of Nashville for \$500,000 was used to renovate 15 substandard low-income houses county wide. Finally, a 1996 Tennessee Department of Economic and Community Development, Community Development Block Grant (CDBG) grant of \$500,000 was used to do rehabilitation work on 17 substandard low-income housing structures on Mount Hope.

In each case the grant funds were matched by in-kind donations of volunteer labor, local government assistance through codes departments and leverage from the individual recipients. In 2006-2007 Williamson County secured a THDA/HOME grant for major rehabilitation of owner occupied housing.

CHP has worked with the Greater Nashville Regional Council (GNRC), the Development District for Williamson County. This grant performed 8 major owner-occupied rehabilitations in the county, which CHP has helped facilitate. Additionally, in 2007-2008 the City of Franklin became a Community Development Block Grant (CDBG) entitlement city and initiated an Emergency Demonstration Repair Grant Program and CHP was selected to administer that program.

Under a contract in late 2007, CHP administered funds to provide rehabilitation activity in the Natchez and Hard Bargain neighborhoods of Franklin. This activity was for funding from \$2,000 to \$12,000 per project and served 18 families. Further CDBG activity for the 2008-2009 fiscal year concluded with the rehabilitation of 9 homes. Activity in 2009-2010 concluded with 7 rehabilitations. In 2010-2011 CDBG activity rehabilitated 14 homes. 2011-2012 CDBG rehabilitation activity was for \$108,432 and 10 homes, 2012-2013 had 6 houses for \$91,960 completed, and in 2013-2014 10 homes for \$101,000. The City of Franklin has discontinued this program for CHP's 2017 and 2018 fiscal years.

In 2007 THDA instituted an Emergency Repair program for elderly and disabled low-income families. CHP, through GNRC, accesses that funding to aid in larger rehabilitation activities. Funding assisted approximately 45 families with major rehabilitation items from 2007. Funding

on a limited basis is expected in subsequent years.

Additional activity in owner occupied repairs has occurred through USDA Rural Development funding which started at the end of the 2011-2012 plan and through volunteer rehabilitation with the partnership of area churches, businesses and community volunteers, including Lifeway's MFUGE and Group WorkCamps. The volunteer groups participating with CHP in this area continues to grow through CHP's association with Volunteer Match, where volunteers can match up with CHP on individual projects. New partnerships are consistently established.

Over 175 families will be assisted with repairs in this method during the 2018-2019 business year. There continues to be a steady amount of calls for housing assistance for the elderly and low-income residents in the county. Planned service days address some of the need, but limited resources (through Williamson County and United Way of Williamson County) restrict the ability of CHP to meet the current needs.

New Construction/Purchase/Rehabilitation Program

CHP has opportunity through area governments to buy and rehabilitate single family housing for resale to first time homebuyers. Prior to 2006-2007, such opportunities have presented themselves in about five instances through donations and condemned property. Through a variety of methods, properties have been demolished, moved and/or renovated, creating affordable homes that have were sold to qualified families. This includes houses in Franklin, Fairview, and Spring Hill.

While the previous approach to single family housing construction has been based upon something that has been offered to CHP, there has been considerable effort starting in the 2006-2007 business year to begin the facilitation of property in conjunction with Habitat for Humanity and other interested social service organizations. This resulted in homeownership opportunities for 4 families in 2006-2007, over 10 families in 2007-2008, 15 families in the 2008-2009, 16 families in 2009-2010, 15 families in 2010-2011, 7 families in 2011-2012, and 7 families in 2012-2013. A more comprehensive approach to the construction or rehabilitation of single family housing for low to moderate income families is now being pursued in the SBP due to this activity.

CHP has begun to pursue available property for single family construction in conjunction with foreclosures. Efforts were made with help from the City of Franklin and Williamson County to locate specific properties and discussions were held with current property owners for the development of these properties for the work force population for homeownership. As the economy has improved this has proved more difficult.

CHP has also participated in a program with Liberty LLC in the construction of five townhouses for workforce housing in Franklin prior to the 2006-2007 business year and another 3 units during the 2006-2007 business year. These townhouses were built by Liberty LLC and sold to CHP at Liberty LLC's cost of construction. The townhouses were then sold to fire fighters, policemen and teachers at the appraised value of the home, with a first mortgage being obtained by the final customer for the original cost to build the house and a due on sale or 40-year second mortgage

held by CHP for the difference between the cost and the appraised value. Liberty LLC then secures a donation to CHP for the same amount of the due on sale or 40-year second mortgage. Further commitments for future townhouses have been secured with the Simmons Ridge project in Franklin. These projects were held up due to the economy in 2011-2012, but the opportunities still exist.

CHP has secured HUD HOMES status through HUD in the purchase of many of these homes mentioned, allowing CHP to buy the homes at a reduced price. During the US governments stimulus legislation of 2008-2009 a new program called the Neighborhood Stabilization Program emerged. This program allowed CHP to buy HUD foreclosed homes at significant discounts, rehabilitate them and sell them to low-income first-time homebuyers, all using federal dollars. This program is completed and should not impact the current SBP.

CHP will be serving 28 individuals or families in Maury County during 2015 – 2018 by securing two CHDO grants through THDA. Though the SBP's main focus is on Williamson County, because of CHP's past success of providing low income homebuyers with affordable home prices by purchasing and rehabbing existing houses, CHP is able to assist residents of neighboring Maury County with the same opportunity.

III. Latest Project

Main Street

With the focus of the SBP being on affordable and safe housing for low income homebuyers, CHP purchased land on West Main Street in Franklin and is in the process of developing a 30-unit condominium. These units, set for completion in 2018, will provide individuals and families an opportunity to live where they work.

Hope House

With assistance from the THDA Housing Trust Fund Grant, CHP was able to purchase a property located at 254 Natchez Street with the intention of renovating the home then turning the property over to Franklin Community Development to operate and manage the home and all its programming. This property will be utilized by Franklin Community Development as a home for disabled men. This property consists of a house (approximately 2,700+ square feet) and an additional building (approximately 1,300 square feet. Within these two structures are 2 apartments (1-2 bedroom and 1-1 bedroom), and an additional apartment (1-1 bedroom) attached to the primary home that will be utilized for low-income housing. The goal is to open Hope House by June 2017 and the remaining apartments in mid-2018.

The Hill

CHP, Habitat for Humanity Williamson/Maury, the Franklin Housing Authority and Hard Bargain Association are petitioning the City of Franklin in order to build affordable and workforce housing in downtown Franklin. Currently, there is a piece of surplus property known as "The Hill", located at the intersection of Hillsboro Road and Del Rio Pike in Franklin. CHP, Habitat, the Franklin

Housing Authority, FrankTown Open Hearts, and Hard Bargain are asking the City of Franklin to allow them to use this site to develop new and affordable and workforce housing.

313 Natchez Street

This lot is being purchased in May 2017 from South Central Conference of Seventh Day Adventist Church. CHP is excited about this purchase and will be conducting a similar build as the one completed at 311 Natchez Street. The house will be approximately 970 sq ft with 2 bedrooms and one and a half bathrooms. This home has been sold to an income qualified first time homebuyer in January 2018 and is scheduled for completion in April of 2018.

IV. Other Programs

Hard Bargain Association (HBA)

CHP staff established a very active relationship with HBA during the 2006-2007 business year that has continued to date. HBA is a 501(c)-3 not for profit serving a specific neighborhood in Franklin. This organization has a mission to completely rebuild an African American neighborhood and prevent gentrification from excluding the residents from homeownership in the neighborhood their previous family had built. CHP staff served as a staff liaison to the Board of Directors and Advisory Board and then in a mentoring relationship with the staff at HBA. All HBA customers for homeownership now go through pre-qualifying at CHP. Additional time was spent on organizational activities and submittals of a THDA/HOME grant for future funding. This activity and relationship will continue to grow in this SBP.

BRIDGES Domestic Violence Shelter (BRIDGES)

During the course of 2006-2007 BRIDGES lost their maintenance personnel for their domestic violence shelter. Upon their request, CHP now periodically provides experience maintenance personnel to BRIDGES when needed. The relationship between BRIDGES and CHP has enabled CHP to further develop the property management segment of our business. Additionally, CHP assists BRIDGES in grant opportunities.

Center for Nonprofit Management

CHP remains a partner with the Center for Nonprofit Management using our partnership as a resource for technical assistance on not for profit and housing matters.

Williamson County and Fairview Chamber of Commerce

CHP remains an active member in the new Williamson County Chamber of Commerce (three chambers merged) and Fairview Chamber of Commerce using our memberships as partnerships with area business and government to build a consensus on housing issues.

United Community Resource Foundation (UCRF)

CHP has partnered with UCRF in the marketing of the houses they develop in the Natchez neighborhood of Franklin. This resulted in the sale of UCRF's first house during the 2007-2008 fiscal year and their second house in 2009-2010. CHP also serves in a mentoring role with the staff of UCRF. They were somewhat dormant for the 2016 fiscal year.

United Way of Williamson County

CHP is a partner agency of United Way of Williamson County and receives an annual funding allotment from United Way of Williamson County. Extensive participation by CHP staff and volunteers has been apparent in 2015-2016 and previous business years. This includes being instrumental in the facilitation of the *United Way of Williamson County, CASH Alliance, Williamson County Economic Development Three Star Housing Committee, Homeless Committee and New Options for Housing Subcommittee*, serving as the chair for the committee as well. Additionally, staff has served with United Way staff in a number of assignments including grants and specific requests by the United Way staff and Board of Directors. CHP believes in the United Way of Williamson County and is making every effort to support their mission and activities. The CHP Executive Director served as the Agency Representative on the United Way Board for the 2008-2009 year.

Planning, Government and Zoning Issues

The organization keeps watch on planning and zoning issues in the market area as they are detrimental in many instances to the development of affordable housing in the market. These include zoning issues and variances, zero lot lines, new construction practices and Employer Assisted Housing from governmental entities and the private sector businesses. Relationships with the City of Franklin and Williamson County staff have been nurtured during the past business years to further enable their input into CHP's programs and services. Relationships with the cities of Fairview, Nolensville, Brentwood and others are being developed. By this effort, the citizens of Williamson County are better able to get the assistance they need.

City of Franklin, Tennessee Community Development Block Grant (CDBG)

The organization has actively participated in the Comprehensive Planning process that the City of Franklin has gone through during the past ten business years. As a certified entitlement city by HUD, this process by the City of Franklin under the direction of The Housing Fund, has been extensive and included numerous statistics and research, some of which were provided by CHP. Additionally, CHP participated in public comments and meetings to further the housing issues under this process. As this is the tenth year for the City of Franklin in the CDBG process, CHP is involved and participating in the process. Staff is participating with the Franklin Advisory Commission on Housing (a City of Franklin Committee) and the CHP Executive Director served as Chair of the Commission.

Current Staffing and Staff Structure

CHP's in-house staff configuration is headed by a full time Executive Director, who is responsible for the overall management and operations of the organization and its projects. The full time Property Manager/Rehabilitation Specialist is responsible for the maintenance of all rental property and the development, coordination and completion of all owner-occupied projects. The full time Director of Development is responsible for project development in the rental and single-family areas of production, social media, and web design. The full time Property Development Specialist is responsible for project production in single family homes and marketing. The full time Assistant Housing Rehab Specialist is responsible for quarterly inspections on all rental units, coordination and completions of all owner-occupied projects. Prior years have seen additional positions that have come and gone, further staff development is paramount for the development of the organization. An overall organizational chart is shown in Attachment A.

Board of Directors and Board Committee Structure

The CHP Board of Directors is the core leadership and governing body of the organization. Currently, the Board is comprised of sixteen (16) members, representing key partnership

constituencies. Board composition also is governed by CHP's designation as a Community Housing Development Organization (CHDO) and a Community Based Development Organization (CBDO). According to CHP's by-laws, the board can be expanded to as many as 30 seats. All fiscal decisions and contractual relationships are approved through the Board of Directors. The committees of CHP are ADHOC with the exception of the Investment Committee and Executive Committee, which governs the daily operations of CHP through the Executive Director. An organization chart is shown in Attachment A. A list of the 2017-2018 Board of Directors and committee assignments is shown in Attachment B.

Property Portfolio

As of June 30, 2017, CHP owned and continues to manage 31 units of rental property. These properties consist of two rehabilitated triplexes in Franklin, one renovated duplex in Fairview, four condominium units in Franklin, four duplex structures in Franklin and 17 single family structures in Franklin. With the rental units, CHP currently owns real estate on West Main Street which will be developed into a 30-unit condominium set to be completed by 2017. Additionally, CHP currently owns the property at 254 Natchez Street which will be developed into a group home for men along with three additional units which will be used for rental. Franklin Community Development will be responsible for the daily operations of the group home.

The buildings that compose one triplex and three duplexes have ended their compliance periods with THDA (September 23, 2006) as they were funded with HOME funding. Nine single family structures in Franklin will remain in compliance until 2020 as they were funded with HOME funds. One triplex, one duplex and one single family house will have compliance issues until 2020 as they were funded with HOME funds in 2009. Two single family houses and four condominium units will have compliance issues until 2026 as they were funded with HOME funding in 2011-2012. Two single family houses will have compliance issues until 2027 as they were funded with HOME funding in 2012-2013. One single family unit was purchased and renovated through private sector methods and has no compliance issues.

Mortgages exist on all properties, except the duplex in Fairview and four condominium units, which are debt free. Properties were refinanced to a lower interest rate in 2012 and 2010 (currently 0%) while keeping the balance of the amortization the same. All mortgage payments are up to date. Rents are adjusted yearly at initial occupancy or lease renewal based on prevailing HUD guidelines. All units are currently rented to very low or low-income tenants. One of the units is an efficiency, 5 units are a one bedroom, 15 are 2-bedroom units, 14 are 3-bedroom units and two are four bedroom units.

Eighty-eight additional units are completed in Fairview. Known as Caspian Hills Apartments, the units are not directly owned by CHP, but CHP serves as the general partner under a Low Income Housing Tax Credit project. Income from these units is not part of this plan.

Loan Portfolio

CHP has a current loan portfolio totaling \$336,432 from previous years funding of the MPDU program with the City of Franklin. These loans were originated at 0% interest for 40 years or due

on sale. The auditor has currently valued these loans at \$76,702 at the fiscal year end of 6/30/2016. This program will continue with a limited number of loans. It is not the intention of this plan to suggest that CHP will be building a loan portfolio; rather that CHP will begin to facilitate good loan products to our customers and provide some loans through the MPDU program.

Social Service Partnerships

CHP has been slow in the development of partnerships with social service organizations in the past, but has seen significant improvement in the past seven fiscal years. While there has been a slight partnership with Habitat for Humanity of Williamson County in the facilitation of lots for the construction of single family housing, there have only been limited partnerships with other social service organizations. This improvement the last years has been through the establishment of Memorandums of Understanding (MOU) with additional social service agencies to maximize the services that CHP can bring to customers in Williamson County. These organizations include, but are not limited to:

Affordable Housing Resources, Inc.

American Red Cross Williamson County Chapter
 ARC of Williamson County
 Barefoot Republic Camp
 Both Hands Foundation
 BRIDGES Domestic Violence Shelter
 Buffalo Valley Inc.
 Center for Nonprofit Management
 Community Child Care
 Community Foundation of Middle Tennessee
 Franklin Housing Authority
 Graceworks Ministries Inc.
 Group WorkCamps
 Habitat for Humanity of Williamson County
 Hard Bargain Association
 Homeless No More Coalition
 Mid-Cumberland Community Action Agency
 Mid-Cumberland HRA Regional Transit
 MFuge
 Tennessee Housing Development Agency
 The Housing Fund, Inc.
 United Community Resource Foundation
 Williamson County Career Center

*Mortgage Lending and Housing
 Construction
 Homeless Assistance
 Mobility Rehabs
 Camp Opportunities
 Rehabilitations
 Domestic Violence
 Pre Purchase Counseling
 Technical Support
 Daycare
 Technical Support
 Rental Assistance
 Homeless Assistance
 Rehabilitations
 New housing
 New housing
 Homeless Assistance
 Emergency Rental, Utilities, Ramps
 Transportation
 Owner Occupied rehab
 Rental Assistance, Preserve Loans
 Down Payment Assistance
 New Housing
 Employment Activities*

Environmental and Market Conditions

Extensive demographic and housing data regarding Williamson County was assembled and reviewed in the course of developing this business plan. This data is attached as Attachments C through G. There are numerous factors in this market environment that have shaped this business plan, which are presented below.

- Williamson County is the target area for CHP. Programs were selected on the basis of the opportunities presented, the capacity of staff and organization, and the resources and assets of the county that are not being applied to housing challenges. The focus of homeownership rehabilitation and single-family development is from CHP's history and the available opportunities in the market.

Review of the demographic information shows the limited nature of the existing housing stock and small percentage of lower income housing properties within the target area. The lower per capita income outside of Brentwood and Franklin further substantiates the opportunity and need for the single-family programs. This continually presents an opportunity to CHP to further develop the homeownership rehabilitation program and the single-family development program.

- There is some competition for the available government funds in much of the target area. Activity seems to be limited to United Community Resource Foundation (UCRF), Habitat for Humanity (HH) of Williamson & Maury County, Hard Bargain Association (HBA), GAP Community Development Resources, Inc. (GAP) and Williamson County government.

UCRF's mission is to create new single-family opportunities in the Natchez neighborhood of Franklin and prevent gentrification. They are producing 1 house per year. HH's mission is to develop community partnerships with citizens from all walks of life to create decent affordable housing. Within that mission the Williamson County chapter creates 10 houses per year on a budget of approximately \$900,000. HBA's mission is specific to a neighborhood in Franklin and they produce 2 new homes per year. Williamson County Government does a limited amount of homeowner rehabilitation using past THDA HOME grant funding.

Although these organizations are not direct competitors of CHP in terms of product marketing, they do provide a basis for comparison regarding issues of productivity and efficiency that plays an important role in decisions about the allocation of limited public resources (city, county, state and federal). In most instances, they are a resource for CHP by providing opportunities for Memorandums of Understanding that allow joint efforts by organizations to achieve their causes through the participation.

- Tennessee Housing Development Agency (THDA) has targeted Williamson County under the HUD HOME program as not being proportionately served when compared to the rest of the state. Williamson County receives little extra priority from THDA due to income levels. This presents only small opportunities to use prioritized resources in the target area to secure the grants. However, CHP has seen some opportunities in Maury County through THDA programs that will provide captured funds to use in future Williamson County projects. Other programs

such as the Community Investment Tax Credit, the Emergency Repair Program and the BUILD program are utilized by CHP. Current economic conditions are creating a reduction of federal funding administered by THDA.

- The HUD HOMES program, which CHP was reapproved to participate in during the past fiscal year, sometimes presents a unique opportunity for CHP to acquire FHA foreclosed homes and market them successfully to low-income homebuyers while making a moderate net revenue. Further use of this program, when discounts are present, should be pursued to help in the fiscal stability of CHP while dramatically serving the mission. This program may present a unique opportunity for CHP to extensively provide low-income homeownership housing while furthering CHP's balance sheet from reasonable developer's fees.
- Further grant opportunities from the Federal Home Loan Bank system (both Atlanta and Cincinnati), Middle Tennessee Electric Customers Care, Inc., MFuge and other entities present areas of interest that may build capacity and productivity.
- The City of Franklin as a HUD Community Development Block Grant entitlement city presents opportunities to CHP within the City of Franklin. CHP's extensive participation in this process should reflect well on the organization and has increased our ability to secure funding for productive activities now and in future years, especially in large owner occupied low-income homeowner projects and limited homeownership opportunities.
- Current interest rates continue to be low and seem to be fluctuating only slightly in the near future. The market downturns of 2008 are over and the current Williamson County market is BOOMING. CHP should use the private sector extensively, both in its single family and multi-family programs where it can; it would appear that this could significantly improve the ability of CHP to conduct successful projects.
- The private sector in the financial community has not been asked to support CHP's efforts to bring the products and services into the market. Unique financial vehicles in the form of low interest investments, tax free municipal bond purchases, tax free loans and zero interest loans are being asked for and are a resource opportunity. The financial community is being asked to step up in monetary and personal participation. Additionally, the business sector and faith based sector have the opportunity for increased participation.
- United Way of Williamson County, the City of Franklin and Williamson County remain strong community and financial partners of CHP. Their assistance in organizational development of CHP will insure a stronger, more efficiently run organization and the effective leveraging of funding to increase the capacity of CHP.
- Current market conditions have changed and improved. Foreclosed properties are now available in less quantities. CHP should be prepared to search extensively, analyze completely and act on opportunities that may present themselves and be of benefit to CHP and its customers.

In conclusion, CHP has the opportunity to open its services to a broader sector of the Williamson County market while simultaneously increasing its asset base from activities in Williamson County. The small amount of community activity within the defined geographical area presents CHP with opportunities to raise operating capital and to solicit the support of the mission of CHP with direct participation and contributions of the various sectors of the community to be served. Governmental support appears to continue to be strong due to CHP's success. HUD, Rural Development (USDA), Williamson County, the City of Franklin and the Federal Home Loan Bank of Atlanta show strong commitment to CHP, including funding, set asides and technical assistance.

Plans for Programs, Products and Services

I. Multi Family Programs

Rental Rehabilitation

Community Housing Partnership of Williamson County (CHP) has continued to improve the number and operation of their rental units over the past few years, but there is continued room for further improvement. An increase of three (3) developmentally disabled group homes with 24-hour care was completed in the 2014-2015 year. Additionally, funding from a THDA Housing Trust Fund grant will place an additional group home and three (3) new rental units in operation during the 2018 year.

There are several rental units in many of Franklin's low-income neighborhoods. Many of these units are owned by low income and older residents who do not receive enough income to maintain the older units they have inherited or purchased. Currently, there are no grants available to assist these owners and their renters other than weatherization programs. CHP continues in attempting to expand the repair programs to include rental property with low income tenants through grants, low interest loans, and private funding.

Property Management

CHP will continue to improve their property management during the next three years. Building capacity in property management not only helps stabilize CHP's financial operations, but also assures the community that fair and competent rental management services are available to all income groups in the service area. Four (4) units are planned for development and to be operational in the 2018-2019 fiscal year.

The following table shows the targeted amount of gross margin dollars available from these functions for management after vacancy.

	2018-19	2019-20	2020-21
Development Income	\$760,000	\$0	\$0
Number of Developed Units	4	0	0
Administrative Fees	\$5,500	\$0	\$0
CHP Gross Rental Income	\$301,296	\$310,334	\$320,264
# of Units	37	37	37

These productivity levels are attainable if certain actions are taken:

- Staffing for property management and maintenance on CHP units must be proportionate to the revenue to insure proper returns on investment.
- Reserves for the long-term maintenance of CHP units must be stable and funding must be consistent and sufficient.
- CHP units must remain centrally located in gathered sites within the market area to insure efficient and effective management with staff on site. The development of units specific to social service populations will insure stable success.
- Detailed accounting by the bookkeeper must be required and maintained, along with proper accounts payable and accounts receivable records, per unit, including Asset Management Reports.
- Asset Management should exercise oversight in development and management of CHP units.

Further development would be possible through other approved programs that are not currently planned, such as HUD projects in 2018-2019 and beyond or Low-Income Housing Tax Credits in 2018-2019 and beyond, but are a possibility. These units may come from partnerships that are not on CHP's balance sheet, but rather are their own entities.

II. Single Family Programs

Single Family Homebuyers Counseling Program

Three staff members of CHP are certified as Homebuyers Trainers and one staff member as Foreclosure Trainer under NeighborWorks America, HUD and Tennessee Housing Development Agency. Sister agencies such as Affordable Housing Resources Inc. (AHR) and Buffalo Valley Inc. (BVI) have the same certification and status as HUD Housing Counseling agencies. Resources are limited in this area, CHP has entered into a Memorandum of Understanding (MOU) with THDA to provide certified homebuyers counseling in our market. THDA will fund those customers who close on THDA

mortgages. As this program is new for CHP we will not budget any funding for this year, but rather determine how the service develops.

Single Family Mortgage Assistance Program

CHP is not in the financing business. Facilitating help in this area to our customers is critical to their success in buying a house; often times one that CHP has developed. Due to that fact, staff time continues to be invested in this area.

From the Moderately Priced Dwelling Unit (MPDU) program with the City of Franklin, CHP will generate increased equity for the loans it provides to these customers. These loans are 40 year deferred, 0% interest or due on sale.

The table below shows the expected revenue:

	2018-19	2019-20	2020-21
Number of Loans	0	0	0
Amount of Loans (to equity)	\$0	\$0	\$0
Loan Fees	\$0	\$0	\$0
Increase in net equity from existing loans (present valued)	\$3,574	\$3,574	\$3,574

Should an opportunity arise for this program than this productivity should be attainable if the following criteria are met:

- The MPDU loan must serve the required consumers.
- The loans must only be used in Franklin.
- Increased marketing of the product must be made to City of Franklin employees and Williamson County employees for the success rate to be accomplished, especially with the present economic issues.
- Loan Fees are based upon a figure of 1% of the loan amount.
- Additional at cost housing (with donated extra value) must be secured through the efforts of CHP and the City of Franklin Planning Department and area developers.
- CHP acts as an originator of the loans and will retain ownership in the second mortgage.

The opportunity for growth in this program is limited but can be stronger with increased participation from developers.

Employer Assisted Housing

This program has been attempted by CHP and we will continue to push area businesses and government for some purchase assistance for their employees. CHP firmly believes that those who work in Williamson County should be able to live in Williamson County. It is not anticipated that this will be a revenue generating activity.

Homeless Assistance Program

CHP and a small group of partner agencies within Williamson County continue to address the homeless problem consistently. While some partner agencies are periodically assisting homeless families, CHP has been serving this population since 2007 by providing 3-6 nights of housing at local motels that are reducing their rates to assist CHP in this service. Additionally, in 2009-2010 CHP began to assist families with payment of a portion of their 1st month's rent instead of motel assistance where the families could secure a permanent housing solution. This program has seen a steady growth each year and funding has not kept up with the demand. CHP has therefore been subsidizing the program with funds generated by CHP. Additional funding was secured from United Way of Williamson County in the 2014-2015 year to help in keeping up with the current demand for services. The need to address future options on this program will mature over the life of this plan.

	2018-19	2019-20	2020-21
Requested Nights	290	300	300
Requested 1st Month Rent	35	38	38
Expected Expenditures	\$20,500	\$22,700	\$22,700

Funding

FEMA	\$ 3,500	\$3,500	\$3,500
United Way/WC	\$10,000	\$10,000	\$10,000
City of Franklin	\$3,000	\$ 3,000	\$ 3,0 00
Williamson County	\$2,000	\$2,000	\$2,000
Middle TN EMC	\$10,000	\$10,000	\$10,000

These objectives can be met provided the following issues are addressed:

- Current relationships with area motels must be maintained and nurtured to insure the maximum use of the tight funds. Additional Motels must be secured.
- Additional funding sources, such as Williamson County and the City of Franklin, must be informed of the current homeless situation and solicited to support the program.
- Future discussions are leading to the necessity of creating a shelter facility owned and operated by CHP. The response from the community is being solicited to back such a solution and many members of the community are working on this issued.
- Further support for this program are being encouraged and partner agencies who serve this or similar populations should participate in the building of more stable solution for the homeless issue.

Single Family Purchase/Rehabilitation Program

CHP will maintain their activity under this program to create more single family homeownership opportunities in Williamson County. Over the course of this plan, there has been significant single family rehabilitation occurring during 2012-2013 due to grant funding from Neighborhood Stabilization Program, the HUD HOMES Program and a Federal Home Loan Bank of Atlanta grant for homeownership mortgage buy down. Future grant funding from HUD and the Federal Home Loan Bank system as well as opportunities from the existing CDBG funding from the City of Franklin may be able to continue these opportunities further. Income to CHP in these activities is related to developer fees, in conjunction with the purchase/construction activity and/or administrative fees in conjunction with a grant. There is a tremendous opportunity for providing homeownership to Williamson County residents by this development activity.

	2018-19	2019-20	2020-21
Single Family Development	\$2,077,000	\$500,000	\$500,000
Units	20	5	5
THDA/CHDO/HOME	\$600,000	\$0	\$0
City of Franklin CDBG CBDO	\$70,000	\$50,000	\$50,000
Units	8	1	1
Gross Project Investment Dollars	\$2,747,000	\$50,000	\$50,000
Total Units	13	5	1
Developer Fees	\$80,000	\$20,000	\$20,000
THDA Admin Fees	\$40,000	\$0	\$0

These objectives are accomplishable provided the following conditions are met:

- Single family structure prices are at \$150,000 to \$200,000 (average \$175,000) with an average family income of \$35,000 or more to qualify for purchase. Developer fees and administrative fees are based upon existing standards or existing applications.
- Developer fees are planned at 8%-12%, which is low. Fees could be increased to as high as 15% and still remain in compliance with HUD regulations. CDBG and CBDO administrative fees are limited to 8%; however, project development fees within a reasonable level are allowable under CDBG regulations. CDBG and CBDO projects are not under programmatic income restrictions so the balance of the grant is shown in developer's fee, however revenue must be used for affordable housing activities in Franklin.
- Production of units will be dependent on the acquisition of property to facilitate the construction. As that is a major issue in Williamson County, it will take the consolidated effort of

the volunteers and staff combined to insure property is located and secured for housing construction. As the market is picking up this issue is more prominent.

- While initial staffing can support this development activity, additional staffing has been necessary so that development activities are shared with new CHP employees and a broader base of knowledge can be shared with the next generation of CHP employees.
- Sufficient construction loans must be secured and maintained using the State of Tennessee Franchise and Excise Tax Credit to obtain significantly reduced interest rates and meet CRA criteria for partner banks.
- Marketing of the product should include working with area Realtors and incorporation of the Mortgage Assistance Program developed by CHP. Additional outreach to public sector employees within Williamson County must also be conducted to make sure they are being served by this housing.
- Every effort must be made to use fee and cost reductions related to city and county governments to ensure that minimum pricing is obtained. Within the cities of Williamson County a reduction of impact fees is paramount to the success of this program.
- The use of purchase through tax sales or government conveyance should be pursued. Purchase of housing will be limited to HUD Homes Program, through various awarded grant programs or other methods as determined by the Board of Directors.

CHP may be able to start a partnership with Simmons Ridge Development in South Franklin to assist in the marketing of a new affordable housing subdivision in Franklin. CHP may also be partnering with Walt Totty to build a sixteen-track subdivision in Fairview. Another partnership with TVL and Jimmy Franks (contractor for West Main project) is in the works for a 200+ subdivision of affordable housing in Franklin. This partnership may allow CHP to further emphasize this portion of our business, both within our mission and financially. This is not currently budgeted as it is speculative at the time of this report. Additionally, CHP will continue the partnership with Liberty LLC, Southern Land Company, CENTEX and other developers in the Moderately Priced Development Units (MPDU) program to facilitate townhouses to fire fighters, policemen, teachers and other workforce employees. The timetable on these houses is at the discretion of the developers.

Owner Occupied Repair Program

CHP has successfully administered this program almost since its inception. Through the years, we have built up a large volunteer base of local citizens who participate in the program. Additionally, CHP has successfully brought in ecumenical groups that do a large number of repairs over periods of time called "workcamps". Using United Way of Williamson County funding, City of Franklin Community Development Block Grant funding Williamson County funding and USDA Rural Development funding in 2016, CHP has a good base for this program by which it can improve its performance and address more need in the county. However, through the past years it has become apparent that some families are being underserved by the existing limitations on City of Franklin

CDBG programs, limited Williamson County and United Way of Williamson County funding. Therefore, starting with the 2014-2015 fiscal year, CHP added funding from our general fund to establish funding for those families to allow some higher cost projects.

The following table shows the planned activity for this program:

	2018-19	2019-20	2020-21
Planned Project Budget	\$90,261	\$ 95,000	\$ 100,000
Staff Project Funding	\$38,000	\$40,000	\$45,000
Total Budget	\$125,261	\$135,000	\$145,000
Number of Units repaired	225	240	240

These objectives are accomplishable provided the following conditions are met:

- Project funding must be used efficiently to insure maximum leverage. New funding from CHP must be limited and leveraged as much as possible.
- Volunteers may be used at some levels for the labor. Additional resources and partnerships with churches, governments and businesses must be nurtured to create a broader pool of volunteer labor on an ongoing basis to meet the current need for repairs. This includes groups such as Both Hands Foundation, Group WorkCamps and others.
- Further leverage in accomplishing the number of rehabilitations must be accomplished through the “workcamps” process by contracts with ecumenical groups such as Group WorkCamps, to come to the county to do repairs and clean up days with the Franklin Housing Commission
- Additional funding vehicles to leverage United Way and government funding must be accomplished by a broader base of funding to meet the rehabilitation needs.
- Donated goods should be pursued in a broader nature to further leverage funding. There is a distinct need for more storage space to be located and secured to ensure that donated items can be accepted and stored until needed.
- Better documentation, record keeping and cost estimating from staff and volunteers must be maintained for further leveraging opportunities.
- Major rehabilitation may be coupled with some ability of the homeowner to pay a portion of the construction at times or the number of rehabilitations will drop significantly.

Other Revenue

Other sources of income from less reliable areas occur from time to time. This includes contracts with BRIDGES Domestic Violence Shelter for maintenance on their shelter using CHP employees and also grant writing activities by CHP staff for other not for profits. CHP must increase effort to solicit donations from partner financial institutions, other grant funders and the general business community.

Management, Staffing and Operations

Timetable for Staff Expansion

The expansion of CHP staff that is projected over the coming three-year period must be met with a note of caution. However, it must be noted that forty percent of the current CHP staff is approaching retirement within a 1-3-year period and therefore staff must be hired to have an orderly transition for the next generation at CHP. Current levels of staffing are at a moderate level. Taking all of this into account the organization will hire a sixth person in 2017. This position will assist the current staff with administrative support and be the first point of contact for the organization. The existing staff has the ability to multi task and accomplish many of the goals of this plan. The growth of the young staff should enable them to facilitate the correct operations of the current programs. Should programs expand into uncharted directions, additional staff would be necessary for those programs. Staff compensations should increase with the level of output shown in the programs section. The institution of new programs should be done through contract labor where the cost of the service is in relationship to the revenue.

<u>Position</u>	<u>Fiscal Year</u>	<u>Estimated Salary</u>
Executive Director	Current	\$87,275
Rehab Specialist/Property Manager	Current	\$62,348
Director of Development	Current	\$53,629
Property Development Specialist	Current	\$38,185
Assistant Rehab Specialist	Current	\$38,073
Administrative Assistant and Support	Vacant	\$25,000

Management Reporting and Productivity

Staff must continue to monitor their time on the variety of tasks that are performed in a work period. It will be paramount for the staff to indicate the amount of time that is spent on the cost center categories, and allocate their time appropriately.

The data gathered from this time monitoring will allow the CHP Board to analyze and test various budget assumptions so that staff may perform their work with a minimum amount of effort and maximum productivity. Regular performance data should be presented to the Board for their recommendations. Cross training of the staff should be done for increased efficiency and flexibility.

Financial Projections

2017-2018 Budget

REVENUE	United Way	Will. Co.	Franklin	USDA RD	REN TOP	DEVEL	GEN.	TOTAL 18 Budget	Total 17 Projected
OPERATING REVENUE									
CITY OF FRANKLIN	\$0	\$0	\$1,800	\$0	\$0	\$0	\$0	\$1,800	\$1,800
UNITED WAY REVENUE	\$9,834	\$0	\$0	\$0	\$0	\$0	\$0	\$9,834	\$9,834
WILLIAMSON COUNTY REVENUE	\$0	\$9,834	\$0	\$0	\$0	\$0	\$0	\$9,834	\$9,834
USDA RD	\$0	\$0	\$0	\$2,673	\$0	\$0	\$0	\$2,673	\$875
LOAN UNDERWRITING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTEREST/Investment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000
GROSS RENTAL INCOME	\$0	\$0	\$0	\$0	\$300,000	\$0	\$0	\$300,000	\$292,000
OTHER REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$15,000	\$13,609
FEMA	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300	\$1,300	\$0
Whispering Winds Subdivision	\$0	\$0	\$0	\$0	\$0	\$175,000	\$0	\$175,000	\$80,000
DEVELOPMENT FEES	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$80,000	\$70,000
DONATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$500	\$5,786
DONATIONS IN KIND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MIDDLE TN EMC/US Bank	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000
THDA Housing Trust Fund Administrative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,823
1319 West Main Street	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	\$500,000	\$300,000
City of Franklin CDBG	\$0	\$0	\$7,500	\$0	\$0	\$0	\$0	\$7,500	\$9,500
2014/15 THDA/HOME Administrative Fees	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$5,000	\$30,000
SUBTOTAL OPERATING INCOME	\$9,834	\$9,834	\$9,300	\$2,673	\$300,000	\$760,000	\$26,800	\$1,118,441	\$843,061
PROJECT REVENUE									
SINGLE FAMILY CONSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$750,000	\$0	\$750,000	\$275,000
Whispering Winds Subdivision	\$0	\$0	\$0	\$0	\$0	\$208,316	\$0	\$208,316	\$0
HOMEOWNER REHABILITATION (Franklin)	\$0	\$0	\$6,660	\$0	\$0	\$0	\$0	\$6,660	\$6,667
HOMEOWNER REHABILITATION (U Way)	\$35,166	\$0	\$0	\$0	\$0	\$0	\$0	\$35,166	\$45,156
HOMEOWNER REHABILITATION (W Cty)	\$0	\$28,297	\$0	\$0	\$0	\$0	\$0	\$28,297	\$28,297
USDA RD	\$0	\$0	\$0	\$30,740	\$0	\$0	\$0	\$30,740	\$10,000
2015 THDA Housing Trust Fund Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$116,588
FEMA/United Way Homeless	\$10,000	\$0	\$0	\$0	\$0	\$0	\$1,900	\$11,900	\$0
1319 West Main Street	\$0	\$0	\$0	\$0	\$0	\$1,620,000	\$0	\$1,620,000	\$377,500
2015 THDA/HOME Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$443,000
SUBTOTAL PROJECT REVENUE	\$45,166	\$28,297	\$6,660	\$30,740	\$0	\$2,578,316	\$1,900	\$2,691,079	\$1,302,208
TOTAL REVENUE	\$55,000	\$38,131	\$15,960	\$33,413	\$300,000	\$3,338,316	\$28,700	\$3,809,520	\$2,145,269

2017-2018 Budget

EXPENSES	United Way	Will. Co.	Franklin	USDA RD	REN TOP	DEVEL	GENERAL	TOTAL 18 Budget	Total 17 Projected
OPERATING EXPENSES									
SALARIES	\$7,812	\$7,812	\$10,300	\$0	\$95,000	\$160,776	\$18,300	\$300,000	\$285,000
EMPLOYEE BENEFITS	\$500	\$500	\$200	\$0	\$5,000	\$35,023	\$3,777	\$45,000	\$43,050
PAYROLL TAXES	\$600	\$600	\$600	\$0	\$7,270	\$11,913	\$2,017	\$23,000	\$22,000
WORKMANS COMP INSURANCE	\$105	\$105	\$100	\$0	\$1,800	\$1,190	\$200	\$3,500	\$3,110
INSURANCE	\$492	\$492	\$100	\$200	\$14,000	\$10,716	\$4,000	\$30,000	\$28,640
FIDELTY BONDING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MARKETING	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$1,500	\$1,000
LEGAL EXPENSE	\$0	\$0	\$0	\$0	\$500	\$1,500	\$0	\$2,000	\$0
ACCOUNTING/AUDIT	\$0	\$0	\$0	\$200	\$2,000	\$4,750	\$19,050	\$26,000	\$8,950
POSTAGE	\$75	\$75	\$0	\$0	\$200	\$400	\$250	\$1,000	\$785
MEETING EXPENSE	\$0	\$0	\$0	\$0	\$100	\$900	\$200	\$1,200	\$1,188
PROFESSIONAL FEES	\$0	\$0	\$0	\$0	\$0	\$2,700	\$300	\$3,000	\$4,500
MILEAGE	\$250	\$250	\$0	\$200	\$1,300	\$2,800	\$1,200	\$6,000	\$5,200
OFFICE EXPENSE/SUPPLIES	\$0	\$0	\$0	\$0	\$1,000	\$4,700	\$1,300	\$7,000	\$6,160
PUBLICATIONS	\$0	\$0	\$0	\$0	\$200	\$0	\$100	\$300	\$0
TELEPHONE	\$0	\$0	\$0	\$275	\$1,000	\$2,300	\$325	\$3,900	\$3,319
UTILITIES	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$6,000	\$5,921
STORAGE FACILITY	\$0	\$0	\$0	\$0	\$1,000	\$0	\$100	\$1,100	\$1,020
PROPERTY TAXES	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$13,788
INTEREST EXPENSE (Rental property)	\$0	\$0	\$0	\$0	\$8,000	\$0	\$0	\$8,000	\$11,000
MEMBERSHIP EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$565
TRAVEL/TRAINING	\$0	\$0	\$0	\$0	\$500	\$3,000	\$1,500	\$5,000	\$1,500
CONTINGENCY	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000	\$0
EQUIPMENT PURC/RENTAL/MAIN	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000	\$0
CLEANING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$600
VEHICLE EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RENTAL REPAIRS	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$25,000
RENTAL RESERVES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RENTAL SUPPLIES AND MAT.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BAD DEBT WRITE OFF	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0	\$6,000	\$10,000
DEPRECIATION (non cash)	\$0	\$0	\$0	\$0	\$95,546	\$0	\$454	\$96,000	\$56,350
OTHER EXPENSES	\$0	\$0	\$0	\$0	\$0	\$14,500	\$0	\$14,500	\$14,300
SUBTOTAL OPERATING EXPENSES	\$9,834	\$9,834	\$11,300	\$875	\$285,416	\$289,168	\$57,573	\$664,000	\$552,946
NET OPERATING REVENUE	\$0	\$0	-\$2,000	\$1,798	\$14,584	\$470,832	-\$30,773	\$454,441	\$290,115
NET CASH OPERATING REVENUE	\$0	\$0	-\$2,000	\$1,798	\$110,130	\$470,832	-\$30,319	\$550,441	\$346,465

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2017-2018 Budget

	United Way	Will. Co.	Franklin	USDA RD	RENTOP	DEVEL	GENERAL	TOTAL 18 Budget	Total 17 Projected
PROJECT EXPENSES									
SINGLE FAMILY CONSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$750,000	\$0	\$750,000	\$275,000
HOMEOWNER REHABILITATION	\$35,166	\$26,297	\$3,660	\$0	\$0	\$0	\$0	\$65,123	\$35,000
2015 THDA Housing Trust Fund Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HOMELESS	\$10,000	\$2,000	\$3,000	\$0	\$0	\$10,000	\$1,900	\$26,900	\$15,924
2015 THDA/HOME Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$209,986
USDA RD Projects	\$0	\$0	\$0	\$30,740	\$0	\$0	\$0	\$30,740	\$10,904
1319 West Main Street	\$0	\$0	\$0	\$0	\$0	\$1,620,000	\$0	\$1,620,000	\$371,554
Whispering Winds Subdivision	\$0	\$0	\$0	\$0	\$0	\$2,081,316	\$0	\$2,081,316	0
SUBTOTAL PROJECT EXPENSE	\$45,166	\$28,297	\$6,660	\$30,740	\$0	\$4,461,316	\$1,900	\$4,574,079	\$918,368
TOTAL EXPENSES	\$55,000	\$38,131	\$17,960	\$31,615	\$285,416	\$4,750,484	\$59,473	\$5,238,079	\$1,471,314
NET PROJECT REVENUE	\$0	\$0	\$0	\$0	\$0	-\$1,883,000	\$0	-\$1,883,000	\$383,840
NET REVENUE OVER/(UNDER) EXP.	\$0	\$0	-\$2,000	\$1,798	\$14,584	-\$1,412,168	-\$30,773	-\$1,428,559	\$673,955
DEBT SERVICE PAYMENTS	\$0	\$0	\$0	\$0	\$36,000	\$0	\$0	\$36,000	\$28,000
CAPITAL REPAIRS	\$0	\$0	\$0	\$0	\$27,000	\$0	\$0	\$27,000	\$31,445
NET REVENUE After Capitalization	\$0	\$0	-\$2,000	\$1,798	-\$48,416	-\$1,412,168	-\$30,773	-\$1,491,559	\$614,510
NET CASH REVENUE After Capitalization	\$0	\$0	-\$2,000	\$1,798	\$47,130	-\$1,412,168	-\$30,319	-\$1,395,559	\$670,860

SECTION B

Board of Directors

Board of Directors

Community Housing Partnership of Williamson County, Inc.

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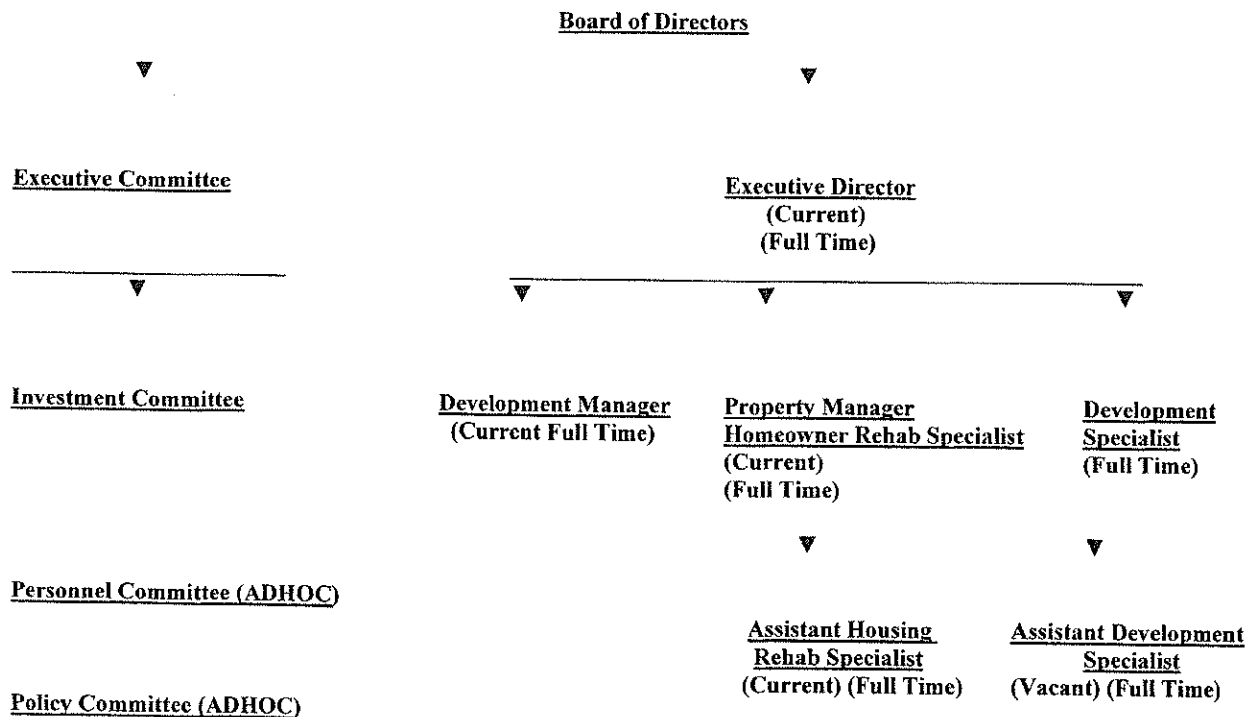
Staff:

Keith Rieckmann, Senior Housing Rehabilitation Specialist
James Dean, Housing Rehab Director
Dylan Wyer, Director of Development
Haley Morrill, Operations Specialist

SECTION A

Organizational Charts

**Community Housing Partnership of Williamson County
Organizational Charts
2018-19**



Section A

**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Gentry's Education Center **Phone:** 615-925-1033

Contact Person & Title: Evelyn Hickerson, Executive Director

Mailing Address: 4221 Warren Road, Franklin, TN 37067

Federal Identification # (if applicable): EIN: 27-1202003

E-mail address: hickersoneve@fssd.org

Received

MAR 15

Invoice

Number of Active Participants in Organization: 90 staff members; 460 students.

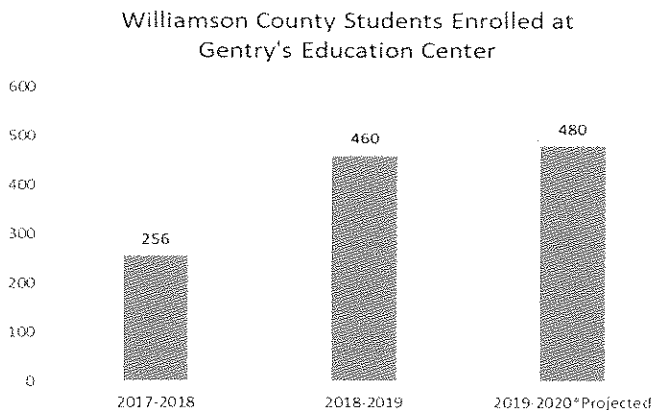
If necessary, use a separate sheet to provide requested information.

Does this organization charge fees to participants? Yes √ No

Yes: Registration fees are \$30.00 per student. Pre-Kindergarten program fee is \$60.00/week. The afterschool tutoring program fee is \$20.00/week. The Summer Academy fee is \$50.00/week. Gentry's can receive vouchers from the Family First program to assist with fee payments. To ensure no child is excluded, scholarships are available to students from very-low income households to cover program participation.

If No, please explain:

Please provide the approximate number of clients served by your program on a yearly basis: 200+.
All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County citizens:



For FY2018-19, Gentry's has provided programming to 460 students to date from Williamson County, a 76.9% increase from initial projections of 260. This year's enrollment is expected to be similar. Current programs are housed at Johnson Elementary School Freedom Intermediate School, and New Hope Academy. **(100% from Williamson County)**. Gentry's receives in-kind support from Williamson County with office space in the Williamson County Community Services Building.

List ANY agency (or agencies) in Williamson

County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheets, if needed):

The Boys and Girls Club and the Franklin Special School District's (FSSD) Morning and After School Care program (MAC) also provide students with child care and academic support during the school year and summer. FSSD also offers Young Scholars Institute, an interest-based summer enrichment program. Students may attend for one or two weeks. Gentry's services are data-driven, yet holistic. Our program is evaluated

based on academic and behavioral performance indicators; therefore, our program focus is to reduce achievement gaps and address the emotional health of students through ACEs services (adverse childhood experiences). We also provide more opportunities for student participation when families are unable to pay for programming.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donation from private sources.

Gentry's Education Center at the Storefront (Gentry's) engages in a multi-faceted, long-term focused fundraising program with diverse revenue sources. We have a balanced revenue stream of grants, fees, and donations. Gentry's uses program fees from participants whose families can pay as a revenue source to support tutoring and enrichment activities during the school year and summer. Gentry's requires the Board of Directors to adhere to a Give/Get Policy in which a specific amount of financial support is received from each Board member either from a personal contribution or in obtaining a specific amount of money from a funding source. The Executive Director and the Board Chair continue to build relationships with local industries and corporations that contribute to Gentry's mission and services either through monetary or in-kind support. Gentry's encourages online donations through a "Donate Now" tab on Giving Matters and on its web site. Gentry's utilizes a grant proposal writer to prospect research, write, and submit grant applications in focus areas that are deemed a suitable match for both the funder and Gentry's. Gentry's includes information about Giving Matters in its literature to direct donors to the "Donate Now" tab of our profile for those interested in donating online. Currently Gentry's uses Facebook and Twitter as social media tools to boost exposure thus generating funders. Gentry's has a systematic acknowledgement process, and we will continue that with the following schedule: Within 48 hours: Thank you call made by Executive director/staff; Within 1 week: Personal handwritten note sent; Monthly: Board Chair and Executive Director send thank you letter to donors at the \$500+ level.

Non-Profit Organization Request
for City of Franklin – Page Two

Organization: Gentry's Education Center

Expenditures:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Grants & Other Assistance:			
Organizations & Governments			
Individuals	\$2,800.00	\$2,500.00	
Employee Salaries	\$314,810.00	\$356,695.00	\$402,688.00
Employee Benefits			
Payroll Taxes	\$11,644.00	\$12,000.00	\$15,000.00
Service Fees	\$38,177.00	\$35,000.00	\$35,000.00
Advertising & Promotion		\$1,500.00	\$2,000.00
Office Expenses	\$921.00	\$500.00	\$1,000.00
Information Technology (Admin.)		\$150.00	\$500.00
Program Supplies			\$20,000.00
Travel & Entertainment	\$1,929.00	\$1,500.00	\$1,500.00
Conferences & Meetings		\$1,000.00	\$1,000.00
Depreciation & Amortization	\$4,387.00	\$5,000.00	\$5,000.00
Insurance	\$3,946.00	\$3,946.00	\$5,000.00
All other expenses	\$6,056.00		
Total	\$384,670.00	\$419,791.00	\$488,688.00

Revenues:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government		\$	\$
City of Franklin Government	\$10,000.00	\$15,000.00	\$25,000.00
1. Contributions, Gifts & Grants:			
1a. United Way of Williamson County		\$4,000.00	
1b. Other United Ways			
1c. Membership dues			
1d. Government Grants	\$200,425.00	\$227,813.00	\$326,688.00
1e. All Other Contributions	\$157,032.00	\$108,022.00	\$108,022.00
1f. TOTAL Contributions	\$367,457.00	\$354,835.00	\$459,710.00
Program Services	\$50,558.00	\$50,000.00	\$50,000.00
Investment Income (Dividends & Interest)	\$47.00		
Net Income (Loss) from Fundraising Special Events	\$16,967.00	\$20,000.00	\$25,000.00
All other revenue			
Total	\$435,029.00	\$424,835.00	\$534,710.00

Organization: Gentry's Education Center

Personnel & Salary Information

Personnel:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Employee Salaries (Represents personnel and tutors for programming)	\$314,810.00	\$356,695.00	\$402,688.00
Payroll Taxes	\$11,644.00	\$12,000.00	\$15,000.00
Total	\$326,454.00	\$368,695.00	\$417,688.00

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

Gentry's does not possess any equipment funded by Williamson County. However, previous funding from the City of Franklin FY2017-2018 allocation allowed Gentry's to leverage funds to purchase a Promethean board. This equipment is used for tutoring and enrichment activities with the students as well as workshops for parent, student, and teacher engagement. The board is located and maintained at Johnson Elementary School, 815 Glass Lane, Franklin, TN.

City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Gentry's Education Center at the Store Front Date: 03/11/2018

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-2020:

History and Services:

For the past nine years, Gentry's Education Center at the Store Front (Gentry's), a community-based 501c3, has worked in partnership with parents and the school communities of Williamson County to provide quality after school programming to address some of the most pressing academic and social needs of our students.

Services are holistic, addressing academics and emotional health, targeting PreK-6th grade students, 12-15 hours per week, who are economically disadvantaged, at risk of academic failure, or present emotional/behavioral issues. Programming is aligned with the framework recommended by the Afterschool Alliance, 21st Century Community Learning Centers, the Tennessee Department of Education Common Core Standards, and ACEs (adverse childhood experiences) best practices. Certified staff execute program activities using instructional and counseling strategies that are engaging and student-centered to maximize participation and attendance. STEM-based enrichment activities provide another path to proficiency during the school year and in the Summer Academy (June) to enhance reading and math and encourage critical thinking and problem solving.

Students are assessed throughout the year using STAR Renaissance Math and Reading to determine progress and expected performance on the annual state standardized assessment. Students receiving ACEs services are assessed using the Strengths and Difficulties Questionnaire (SDQ) to determine need for services and gauge progress during program participation. Gentry's also utilizes parent participation to enhance students' academic and social development through day to day interactions and planned activities.

Program evaluation is essential for success; therefore, formative and summative data is collected regarding academic achievement, attendance, and behavior to share with stakeholders and guide program improvement.

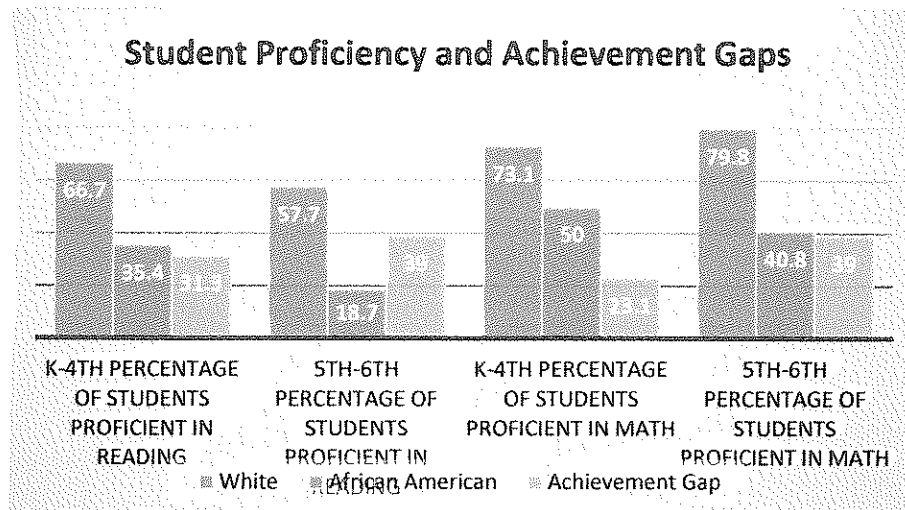
Need and Funding Request:

Tutoring and Enrichment Achieving More Success (TEAMS).

Gentry's students attend schools in the Franklin Special School District and reside in "inner-city" Franklin, where the poverty rate is a staggering 51.1% (American Census Bureau, 2010). Nearly all its students are eligible for the free and reduced lunch program; most are ethnic minorities; and currently seven students are experiencing homelessness. Gentry's serves a high proportion of students who have significant academic needs. These needs were further identified in students from New Hope Academy who participated in past summer programming upon the recommendation of their school day teachers due to academic challenges. Teachers and families were surveyed on needs they identified and programming they felt would be beneficial. Gentry's Community Board and Board members discussed how to incorporate these needs and

interventions in program expansion. Gentry's partnered with New Hope Academy this year to service academically at-risk students. To that end, Gentry's Education Center at the Store Front is requesting \$25,000 to be leveraged with additional funds to increase Gentry's capacity to serve these students with additional tutors and technology in addition to services offered at Johnson Elementary and Freedom Intermediate School. We project serving 480 students through tutoring and academic enrichment during the 2019/2020 academic year. TEAMS will help build a pipeline of college-ready talent focused on Science, Technology, Engineering and Math. It will provide students from low-income families with opportunities to practice STEM skills and will help eliminate barriers to academic proficiency.

65.2% of students served by Gentry's last year came from homes at or below the Federal Poverty Level. The schools we project to serve this year have large gaps in academic proficiency between White Students (W) and African American Students (AA) both in Math and Reading/Language Arts.



TEAMS programming will go from July 1, 2019 to June 30, 2020, encompassing after school and summer extended learning. TEAMS will target kindergarten through sixth grade students who are economically disadvantaged or at risk of academic failure. It is designed to help them unlock opportunities for their future as they develop and improve academic skills in Science, Technology, Engineering, and Math. This project was developed using frameworks recommended by the Afterschool Alliance and 21st Century Community Learning Centers, based on the curriculum framework designed by the Tennessee Department of Education and used by Franklin Special School District. Its outcomes and activities align with the school day instruction and the Tennessee state curriculum.

TEAMS will incorporate Tennessee Academic Standards for Computer Literacy while developing, remediating, and enriching Math and Reading/Language Arts skills. This can only be accomplished through the use of additional technology in the hands of students who would otherwise not have access.

TEAMS will provide extended learning time during the school year Monday through Friday from 3:00-6:00 pm. Certified teachers will tutor students to ensure mastery of STEM curriculum. Students will receive 45 minutes of homework assistance and up to two hours of intensive, targeted tutoring in reading and math. During the school year, the program begins by analyzing students' initial abilities and needs based on standardized testing along with information from current teachers. Tutors will work with students individually and in small groups of up to five for 12-15 hours per week. They provide homework assistance and teach students skills through

engaging project-based activities designed to meet students' academic needs while unlocking new opportunities.

The Summer Academy will be held from 8:00 am to 3:00 pm June 2020. Certified teachers will facilitate learning through combined reading and math tutoring with project-based STEM activities. They will study academics in new ways, such as reading carefully to engineer spectacular cupcakes, understand sports movements, and analyze and replicate design in the arts. Doing so, they will discover the value of reading nonfiction based on their own interests and real-life math applications. The Summer Academy builds on student success by continuing to use project-based learning driven by student interests while incorporating necessary instruction in reading and math. For the school year and summer programs, students' progress will be gauged through formative and summative assessments and survey data to guide program improvement.

Children will learn through project-based STEM activities as well as technology. They discover that STEM is all around them in art, design, sports, fitness, music and performing arts and realize they can be successful in a variety of areas, and they study academics in new ways and improve their reading and math skills through enhanced critical thinking and problem solving.

Funding from the City of Franklin will provide leverage for TEAMS to increase Gentry's capacity by providing two (2) additional tutors for the school year program and one additional (1) tutor for the Summer academy in June 2020. Adding additional tutors will allow for increased one-on-one intensive tutoring for students significantly below grade level (2 or more grades behind in reading) or not performing at proficient reading levels based on TN Department of Education Common Core standards. This also allows for increased focus on specific learning needs and produces quicker learning and mastery of skills in standards-aligned reading goals.

Funding will also provide access to technology via one computer for formative assessments and 20 iPads. Many students who attend the same schools as the children served by Gentry's live in more affluent, two-parent homes and have many advantages. Gentry's children are predominantly from low-income minority families and have difficulty keeping pace with them. They only have access to technology in the classroom. Then they still have limited access and must share computers. City of Franklin funding will help transform education for low-income children by providing them with a school supply they simply do not have: an iPad. Children will use them at Gentry's to address an underlying cause of education inequity as they are not able to complete some assignments without this technology. The access to technology and the additional support at Gentry's will provide the necessary bridge to improve their educational outcomes.

City of Franklin Request	Price	Number of Items	Total
Laptop computer	\$1,000.00	1	\$ 1,000.00
Apple iPads	\$ 500.00	20	\$10,000.00
Two Tutors (Reading/Math) @ \$20.00/hour x 2 hours/day x 155 days (School Year 2019-2020)	\$ 6,200.00	2	\$12,400.00
One Reading Tutor @ \$20.00/hour x 4 hours/day x 20 days (Summer 2020)	\$1,600.00	1	\$ 1,600.00

Proposed Program Objectives/Expected Outcomes:

- 90% of students will attend 70 days or more in program activities.
- 70% of students will demonstrate a .8 grade level growth/gain in reading and math by the final benchmark in May 2020.
- At least 85% of teachers surveyed will indicate that students benefitted from Gentry's interventions.
- At least 85% of parents surveyed will rate services provided by Gentry's as Helpful or Very Helpful and can name at least one academic strategy they plan to implement at home to improve reading/math abilities.

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

Gentry's has not had any formal interactions with the City of Franklin departments as described above.

Please answer completely the following questions using additional pages if necessary

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

Last year the City of Franklin provided funding to Gentry's Tutoring and Enrichment Program. This investment allowed additional reading tutors for the afterschool program and Summer Academy. Gentry's served 460 students (a 76.9% increase from the projected 260 students) with a staff of 73 teachers Monday – Friday for at least 2.5-3.0 hours in the afterschool program and a full day summer program. Students were evaluated through STAR Renaissance Reading to determine academic gains.

2018-2019 Proposed Program Objectives and Results:

- 90% of students will attend 60 days or more in program activities. Objective met. 91% of students attended 60 or more days in program activities.
- 70% of students will demonstrate a .6 grade level growth/gain in reading and math by the final benchmark in May 2019. Objective met. 83% of students demonstrated .6 grade level gain as of February 2019.
- At least 85% of teachers surveyed will indicate that students benefitted from Gentry's interventions. Objective met. At least 95% of teachers surveyed indicated that students benefitted from Gentry's interventions.
- At least 85% of parents surveyed will rate services provided by Gentry's as Helpful or Very Helpful and can name at least one academic strategy they plan to implement at home to improve reading/math abilities. Objective met. 97% of parents surveyed rated Gentry's services as helpful/very helpful.

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

A systematic procedure is in place to monitor student progress throughout the program and to assess the program's impact annually. Evaluation is conducted in conjunction with Franklin Special School District to ensure Gentry's program aligns with school district goals. Gentry's programming is data-driven, yet holistic. We aim to see children succeed academically and emotionally as behavior can influence a child's success level in school.

Attendance is recorded each program day to identify students who attend on a regular basis. Consistent attendance is necessary for students to receive a true benefit of supplemental instruction. Data is analyzed weekly to track absences and develop communication plans to parents/classroom teachers to encourage attendance.

Achievement is measured through formative and summative assessments.

Formative assessment monitors student learning to provide ongoing feedback that is used to modify learning intervention strategies for students who are not making expected progress. This data is analyzed to ensure students are meeting requirements for proficiency in math, reading, science, and social studies and identifies students that are not proficient. Information is used to improve test-taking skills and modify interventions. Gentry's primarily uses STAR Reading and Math research-based assessments to collect formative data throughout the year. They are student-centered as the student can see his/her strengths and weaknesses and target

areas that need work.

Summative assessments are the final measure of achievement designed to evaluate student learning at the end of the academic year and compare it to a standard. The TNReady assessment, the state standardized achievement test, is the summative assessment for Gentry's participants. Results are used to measure individual gains in performance as well as the entire group and scores of subgroups for economically disadvantaged and for minorities.

Surveys are used to inform our program of our impact. Surveys are given to teachers and parents/guardians to assist us in assessing program strengths and areas for further development.

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

The Tennessee Department of Human Services licenses after school programs along with child care centers to determine the quality of service they provide. Under Tennessee's Child Care Report Card System, every licensed child care agency must undergo an annual evaluation and post a report card of the results. Agencies are required to post their report card with their renewal license where parents can clearly see them. The Report Card system is mandatory for all licensed providers providing 15 or more hours of services per week. Gentry's meets the standards for Child Care Centers and School Age Programs per TN State Board of Education Chapter 0520-12-01.

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

Our request of \$25,000.00 represents 5.1% of our total agency budget of \$488,688.00.

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

Gentry's Education Center at the Storefront (Gentry's) engages in a multi-faceted, long-term focused fundraising program with diverse revenue sources. We have a balanced revenue stream of grants, fees, and donations. Gentry's uses program fees from participants whose families can pay as a revenue source to support tutoring and enrichment activities during the school year and summer. Gentry's requires the Board of Directors to adhere to a Give/Get Policy in which a specific amount of financial support is received from each Board member either from a personal contribution or in obtaining a specific amount of money from a funding source. Gentry's engages the staff and Board of Directors in the United Way's Taste of Williamson campaign in which each participant solicits at least five ticket purchases or sales to raise money in the spring. The Executive Director and the Board Chair continue to build relationships with local industries and corporations that contribute to Gentry's mission and services either through monetary or in-kind support. Gentry's encourages online donations through a "Donate Now" tab on Giving Matters and on its web site. Gentry's utilizes a grant proposal team to prospect research, write, and submit grant applications in focus areas that are deemed a suitable match for both the funder and Gentry's. Gentry's includes information about Giving Matters in its literature to direct donors to the "Donate Now" tab of our profile for those interested in donating online. Currently Gentry's uses Facebook and Twitter social media tools as an element in increased agency exposure and fundraising. Gentry's has a systematic acknowledgement process, and we will continue that with the following schedule: Within 48 hours: Thank you call made by Executive director/staff; Within 1 week: Personal handwritten

note sent; Monthly: Board Chair and Executive Director send thank you letter to donors at the \$500+ level.

6) Do you charge any fees for your services?

Registration fees are \$30.00 per student. Pre-Kindergarten program fee is \$60.00/week. The afterschool tutoring program fee is \$20.00/week. The Summer Academy fee is \$50.00/week. Gentry's can receive vouchers from the Family First program to assist with fee payments. To ensure no child is excluded, scholarships are available to students from very-low income households to cover program participation.

***GENTRY'S EDUCATION CENTER
@ THE STORE FRONT, INC.
(A Nonprofit Organization)***

**Financial Statements
With Independent Accountants' Review
Report Thereon
For The Years Ended December 31, 2017 and 2016**



GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.

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Independent Accountants' Review Report

To the Board of Directors of
Gentry's Education Center @ the Store Front, Inc.

We have reviewed the accompanying financial statements of Gentry's Education Center @ the Store Front, Inc., which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

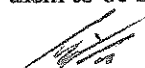
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Gentry's Education Center @ the Store Front, Inc. for the year ended December 31, 2016 were reviewed by another accounting firm whose report dated February 13, 2017 stated that, based on their review, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

 CPA, PLLC

Miller CPA, PLLC
January 23, 2018

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and equivalents	\$ 133,463	\$ 79,502
Grants and accounts receivable	<u>18,707</u>	<u>13,698</u>
Total current assets	152,170	93,200
PROPERTY AND EQUIPMENT, NET	<u>8,068</u>	<u>8,198</u>
 TOTAL ASSETS	 <u>\$ 160,238</u>	 <u>\$ 101,398</u>
 CURRENT LIABILITIES		
Accounts payable	\$ 7,605	\$ 10,002
Accrued liabilities	<u>27,906</u>	<u>17,028</u>
Total current liabilities	35,511	27,030
NET ASSETS		
Unrestricted	124,727	72,868
Temporarily Restricted	<u>-</u>	<u>1,500</u>
Total net assets	<u>124,727</u>	<u>74,368</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 160,238</u>	<u>\$ 101,398</u>

See accompanying notes to financial statements and independent accountants' review report.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	2017		2016			
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
PUBLIC SUPPORT AND REVENUE						
Public support						
Grant income	\$ 290,349	\$ -	\$ 290,349	\$ 201,671	\$ -	\$ 201,671
Contributions	77,108	-	77,108	82,237	1,500	83,737
Total public support	367,457	-	367,457	283,908	1,500	285,408
Revenue						
Program fees	50,558	-	50,558	58,440	-	58,440
Miscellaneous income	17,014	-	17,014	21,890	-	21,890
Total revenue	67,572	-	67,572	80,330	-	80,330
Released from restrictions	1,500	(1,500)	-	-	-	-
Total public support and revenue	436,529	(1,500)	435,029	364,238	1,500	365,738
EXPENSES						
Program services	308,341	-	308,341	303,720	-	303,720
Management and general	41,445	-	41,445	30,165	-	30,165
Fundraising	34,884	-	34,884	28,873	-	28,873
Total expenses	384,670	-	384,670	362,758	-	362,758
Increase in net assets	51,859	(1,500)	50,359	1,480	1,500	2,980
Net assets at beginning of year	72,868	1,500	74,368	71,388	-	71,388
Net assets at end of year	\$ 124,727	\$ -	\$ 124,727	\$ 72,868	\$ 1,500	\$ 74,368

See accompanying notes to financial statements and independent accountants' review report.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	2017				2016			
	Program Services	Management and General	Fund- raising	Total Expenses	Program Services	Management and General	Fund- raising	Total Expenses
Payroll and tutors	\$ 276,078	\$ 28,547	\$ 10,185	\$ 314,810	\$ 273,480	\$ 19,365	\$ 3,600	\$ 296,445
Payroll taxes	10,215	1,052	377	11,644	7,934	1,489	277	9,700
Total compensation	286,293	29,599	10,562	326,454	281,414	20,854	3,877	306,145
Contract services	250	-	-	250	950	-	18,103	19,053
Professional fees	-	6,410	5,770	12,180	-	5,376	5,375	10,751
Depreciation	4,495	-	-	4,495	5,198	-	-	5,198
Class materials and supplies	1,630	-	-	1,630	2,858	-	-	2,858
Special events	999	-	-	999	2,489	-	-	2,489
Food and nutrition	33	-	-	33	2,421	-	-	2,421
Travel	-	1,929	-	1,929	2,104	-	-	2,104
Staff and volunteer	20	1,394	-	1,414	674	675	674	2,023
Conferences & meetings	1,423	-	-	1,423	1,902	-	-	1,902
Enrichment and educational	2,725	-	-	2,725	1,327	-	-	1,327
Grants made - individuals	2,800	-	-	2,800	1,241	-	-	1,241
Meals and entertainment	-	229	-	229	-	1,141	-	1,141
Office supplies	-	201	-	201	-	913	-	913
Fundraising	-	-	-	-	-	-	844	844
Insurance	3,946	-	-	3,946	352	352	-	704
Seed program	-	-	-	-	690	-	-	690
Licenses and permits	-	200	-	200	-	292	-	292
Postage and delivery	-	-	-	-	-	129	-	129
Incentives and rewards	-	-	-	-	100	-	-	100
Interest	-	-	-	-	-	54	-	54
Grant writing	-	-	17,790	17,790	-	-	-	-
Weekend mentoring	3,600	-	-	3,600	-	-	-	-
Miscellaneous	127	1,483	762	2,372	-	379	-	379
Total Expenses	\$ 308,341	\$ 41,445	\$ 34,884	\$ 384,670	\$ 303,720	\$ 30,165	\$ 28,873	\$ 362,758

See accompanying notes to financial statements and independent accountants' review report.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

CASH FLOWS FROM OPERATING ACTIVITIES	2017	2016
Increase in net assets	\$ 50,359	\$ 2,980
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	4,495	5,198
Decrease (increase) in operating assets:		
Grants and accounts receivable	(5,009)	3,018
Increase (decrease) in operating liabilities:		
Accounts payable	(2,397)	(2,287)
Accrued liabilities	10,878	6,331
NET CASH PROVIDED BY OPERATING ACTIVITIES	58,326	15,240
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Purchases of property and equipment	(4,365)	(999)
NET INCREASE IN CASH AND EQUIVALENTS	53,961	14,241
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	79,502	65,261
CASH AND EQUIVALENTS AT END OF YEAR	\$ 133,463	\$ 79,502

See accompanying notes to financial statements and independent accountants' review report.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE A—NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Operations

Gentry's Education Center @ the Store Front, Inc. (the "Organization") is a nonprofit tutoring and enrichment afterschool and summer camp program serving students in the Franklin Special School District in Williamson County, Tennessee. Services are provided to students for an affordable registration fee. Enrichment classes are provided for an additional nominal fee.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Financial Statements for Not-for-Profit Organizations*. Accordingly, the Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted Net Assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. The Organization had no permanently restricted net assets as of December 31, 2017 and 2016.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE A—NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Contributions

Contributions are recognized as revenue when received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Equivalents

Cash and equivalents include cash on hand and any short-term investments with original maturities of three months or less.

Grants and Accounts Receivable

Grants and accounts receivable consist of accounts and grants due in less than one year, recorded at their realizable value upon receipt. Accounts with balances greater than 30 days old are considered past due. Uncollectible receivables are charged off through the allowance for doubtful accounts when management determines the accounts receivable will not be collected and all methods of collection have been exhausted. An allowance for doubtful collectability is provided based on management's evaluation of potential uncollectible grants and accounts receivable at year-end. As of December 31, 2017 and 2016, management has estimated the allowance for doubtful collectability to be \$-0-.

Property and Equipment

The Organization capitalizes all property and equipment expenditures with a cost of \$500 or more and having estimated useful lives of more than one year. Property and equipment are recorded at cost or, for donated items, at fair value as of the date received. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance and repairs are charged to expense when incurred.

When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities for the respective period. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years.

Functional Expenses

Presentation of operating expenses includes production costs directly incurred for program activities and supporting expense activity classifications of management and general as well as fundraising.

Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. The Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509 (a) (2) of the Internal Revenue Code.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE A—NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Income Taxes (continued)

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years of December 31, 2016, 2015 and 2014 remain open and subject to examination by the Internal Revenue Service. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2017 and 2016.

NOTE B—GRANTS AND ACCOUNTS RECEIVABLE

For the years ended December 31, 2017 and 2016, grants and accounts receivable consisted of funds due from separate grants from the Tennessee Department of Education totaling \$18,707 and \$13,698.

NOTE C—PROPERTY AND EQUIPMENT, NET

As of December 31, 2017 and 2016 property and equipment consist of computers and video equipment with a total cost of \$26,582 and \$22,217, respectively, and the related accumulated depreciation totaling \$18,514 and \$14,019, respectively.

During the years ended December 31, 2017 and 2016 depreciation expense totaled \$4,495 and \$5,198 respectively.

NOTE D—FUNCTIONAL EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

For the years ended December 31, 2017 and 2016 the Organization incurred program service expenses of \$308,341 and \$303,720, respectively, management and general expenses of \$41,445 and \$30,165, respectively, and fundraising expenses of \$34,884 and \$28,873, respectively.

NOTE E—TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors for the year ended December 31, 2017 totaled \$1,500. No funds were released from donor restrictions during the year ended December 31, 2016.

As of December 31, 2017 and 2016 the temporarily restricted net assets was \$-0- and \$1,500, respectively, and included contributions received for the use of a homeless family.

NOTE F—RISK CONCENTRATION

At times throughout the year, the Organization may maintain cash balances in certain accounts in excess of Federal Deposit Insurance Corporation ("FDIC") limits which have been established to be \$250,000 for substantially all depository accounts. The Organization as of December 31, 2017 and 2016 had no cash balances in excess of the FDIC limit.

GENTRY'S EDUCATION CENTER @ THE STORE FRONT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE F—RISK CONCENTRATION (CONTINUED)

For the year ended December 31, 2017, approximately 34% and 12%, respectively, of the Organization's revenue came from the LEAPS program and the 21st Century Community Learning Centers Grant Program with the Tennessee Department of Education.

For the year ended December 31, 2016, approximately 44% of the Organization's revenue came from the 21st Century Community Learning Centers Grant Program with the Tennessee Department of Education.

NOTE G—CASH FLOW INFORMATION

During the years ended December 31, 2017 and 2016 net cash provided by operating activities includes cash payments of interest of \$-0- and \$54, respectively.

NOTE H—SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 23, 2018 which is the date the financial statements were available to be issued. There have been no adjustments to the financial statements to include any subsequent transactions or events.

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

DEPARTMENT OF THE TREASURY

Date: APR 12 2011

GENTRYS EDUCATION CENTER AT THE
STORE FRONT INC
2226 HENPECK LN
FRANKLIN, TN 37064

Employer Identification Number:
27-1202003
DLN:
401080085
Contact Person:
JEFFERY A CULLEN ID# 31215
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
December 30, 2009
Contribution Deductibility:
Yes
Addendum Applies:
No

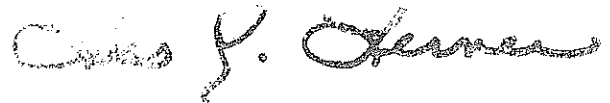
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

Forms 990 / 990-EZ Return Summary

For calendar year 2017, or tax year beginning

, and ending

27-1202003

GENTRY'S EDUCATION CENTER AT THE ST

Net Asset / Fund Balance at Beginning of Year 74,370

Revenue

Contributions	<u>367,457</u>	
Program service revenue	<u>50,558</u>	
Investment income	<u>47</u>	
Capital gain / loss		
Fundraising / Gaming:		
Gross revenue	<u>16,928</u>	
Direct expenses		
Net income	<u>16,928</u>	
Other income	<u>39</u>	
Total revenue		<u>435,029</u>

Expenses

Program services	<u>308,341</u>	
Management and general	<u>41,445</u>	
Fundraising	<u>34,884</u>	
Total expenses		<u>384,670</u>

Excess / (deficit) 50,359Changes -2Net Asset / Fund Balance at End of Year 124,727

Reconciliation of Revenue

Total revenue per financial statements	
Less:	
Unrealized gains	
Donated services	
Recoveries	
Other	
Plus:	
Investment expenses	
Other	
Total revenue per return	<u>435,029</u>

Reconciliation of Expenses

Total expenses per financial statements	
Less:	
Donated services	
Prior year adjustments	
Losses	
Other	
Plus:	
Investment expenses	
Other	
Total expenses per return	<u>384,670</u>

Balance Sheet

	Beginning	Ending	Differences
Assets	<u>101,398</u>	<u>160,238</u>	
Liabilities	<u>27,028</u>	<u>35,511</u>	
Net assets	<u>74,370</u>	<u>124,727</u>	<u>50,357</u>

Miscellaneous Information

Amended return

Return / extended due date 05/15/18

Failure to file penalty

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

Department of the Treasury
Internal Revenue Service

For calendar year 2017, or fiscal year beginning 2017, and ending 20

▶ Do not send to the IRS. Keep for your records.
▶ Go to www.irs.gov/Form8879EO for the latest information.**2017**

Name of exempt organization

GENTRY'S EDUCATION CENTER AT THE ST

Employer identification number

27-1202003

Name and title of officer

**EVELYN HICKERSON
EXECUTIVE DIRECTOR****Part I Type of Return and Return Information (Whole Dollars Only)**

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here ▶ ☒	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b 435,029
2a Form 990-EZ check here ▶ ☐	b Total revenue, if any (Form 990-EZ, line 9)	2b
3a Form 1120-POL check here ▶ ☐	b Total tax (Form 1120-POL, line 22)	3b
4a Form 990-PF check here ▶ ☐	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b
5a Form 8868 check here ▶ ☐	b Balance Due (Form 8868, line 3c)	5b

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2017 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize **REVOLUTION FINANCIAL SOLUTIONS, LLC** to enter my PIN **12474** as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

Date ▶ **05/10/18****Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

58384956299

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ **SANDY JOHNS, CPA**Date ▶ **05/10/18****ERO Must Retain This Form — See Instructions****Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see back of form.

Form **8879-EO** (2017)

Form **990**
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2017
Open to Public Inspection

A For the 2017 calendar year, or tax year beginning , and ending

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization GENTRY'S EDUCATION CENTER AT THE ST Doing business as GENTRY FOUNDATION Number and street (or P.O. box if mail is not delivered to street address) 4221 WARREN ROAD City or town, state or province, country, and ZIP or foreign postal code FRANKLIN TN 37067	D Employer identification number 27-1202003 E Telephone number 615-925-1033 G Gross receipts \$ 435,029
F Name and address of principal officer: EVELYN HICKERSON 4221 WARREN RD FRANKLIN TN 37064		H(a) Is this a group return for subordinates? ☐ Yes ☒ No H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list. (see instructions)
I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527		H(c) Group exemption number ▶
J Website: ▶ WWW.GENTRYEDUCATIONFOUNDATION.COM		L Year of formation: 2010
K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		M State of legal domicile: TN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O															
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a)	3 7														
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 7														
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5 10														
	6 Total number of volunteers (estimate if necessary)	6 40														
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0														
	b Net unrelated business taxable income from Form 990-T, line 34	7b 0														
Revenue	8 Contributions and grants (Part VIII, line 1h) 9 Program service revenue (Part VIII, line 2g) 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">Prior Year</th> <th style="width:50%;">Current Year</th> </tr> </thead> <tbody> <tr><td style="text-align: right;">285,481</td><td style="text-align: right;">367,457</td></tr> <tr><td style="text-align: right;">58,440</td><td style="text-align: right;">50,558</td></tr> <tr><td style="text-align: right;">31</td><td style="text-align: right;">47</td></tr> <tr><td style="text-align: right;">20,942</td><td style="text-align: right;">16,967</td></tr> <tr><td style="text-align: right;">364,894</td><td style="text-align: right;">435,029</td></tr> </tbody> </table>	Prior Year	Current Year	285,481	367,457	58,440	50,558	31	47	20,942	16,967	364,894	435,029		
Prior Year	Current Year															
285,481	367,457															
58,440	50,558															
31	47															
20,942	16,967															
364,894	435,029															
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 14 Benefits paid to or for members (Part IX, column (A), line 4) 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 16a Professional fundraising fees (Part IX, column (A), line 11e) b Total fundraising expenses (Part IX, column (D), line 25) ▶ 34,884 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) 19 Revenue less expenses. Subtract line 18 from line 12	<table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr><td style="text-align: right;">1,241</td><td style="text-align: right;">2,800</td></tr> <tr><td style="text-align: right;">0</td><td style="text-align: right;">0</td></tr> <tr><td style="text-align: right;">306,145</td><td style="text-align: right;">326,454</td></tr> <tr><td style="text-align: right;">0</td><td style="text-align: right;">0</td></tr> <tr><td style="text-align: right;">54,053</td><td style="text-align: right;">55,416</td></tr> <tr><td style="text-align: right;">361,439</td><td style="text-align: right;">384,670</td></tr> <tr><td style="text-align: right;">3,455</td><td style="text-align: right;">50,359</td></tr> </tbody> </table>	1,241	2,800	0	0	306,145	326,454	0	0	54,053	55,416	361,439	384,670	3,455	50,359
1,241	2,800															
0	0															
306,145	326,454															
0	0															
54,053	55,416															
361,439	384,670															
3,455	50,359															
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 21 Total liabilities (Part X, line 26) 22 Net assets or fund balances. Subtract line 21 from line 20	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">Beginning of Current Year</th> <th style="width:50%;">End of Year</th> </tr> </thead> <tbody> <tr><td style="text-align: right;">101,398</td><td style="text-align: right;">160,238</td></tr> <tr><td style="text-align: right;">27,028</td><td style="text-align: right;">35,511</td></tr> <tr><td style="text-align: right;">74,370</td><td style="text-align: right;">124,727</td></tr> </tbody> </table>	Beginning of Current Year	End of Year	101,398	160,238	27,028	35,511	74,370	124,727						
Beginning of Current Year	End of Year															
101,398	160,238															
27,028	35,511															
74,370	124,727															

Part II Signature Block

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

Sign Here	Signature of officer EVELYN HICKERSON Type or print name and title	Date EXECUTIVE DIRECTOR
Paid Preparer Use Only	Print/Type preparer's name SANDY JOHNS, CPA Preparer's signature SANDY JOHNS, CPA Date 05/10/18 Check ☐ if self-employed	PTIN P00878474 Firm's EIN ▶ 80-0949289 Firm's address ▶ 1 W COURT SQ STE 750 DECATUR, GA 30030-2545 Phone no. 678-883-2721

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☒

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **186,734** including grants of \$) (Revenue \$ **30,482**)**AFTER-SCHOOL TUTORING AT JOHNSON ELEMENTARY**

AFTER-SCHOOL TUTORING IS OFFERED IN BOTH THE FALL AND THE SPRING AT JOHNSON ELEMENTARY SCHOOL. WE SERVE APPROXIMATELY 130 CHILDREN IN GRADES PRE-K THROUGH 4. DURING TUTORING, STUDENTS RECEIVE HOMEWORK HELP, INDIVIDUALIZED READING AND MATH TUTORING WITH STATE-CERTIFIED TEACHERS, MENTORING WITH CARING ADULTS AND ARE ABLE TO PARTICIPATE IN VARIOUS ENRICHMENT ACTIVITIES SUCH AS MUSIC, PHYSICAL EDUCATION, COOKING, SCIENCE AND CODING. OUR REGULAR ATTENDEES AVERAGED OVER A YEAR OF GROWTH IN BOTH MATH AND READING ACCORDING TO THE RESEARCH-BASED STAR TEST.

4b (Code:) (Expenses \$ **81,097** including grants of \$) (Revenue \$ **19,586**)**AFTER-SCHOOL TUTORING AT FREEDOM INTERMEDIATE SCHOOL**

AFTER-SCHOOL TUTORING IS OFFERED IN BOTH THE FALL AND THE SPRING AT FREEDOM INTERMEDIATE SCHOOL. WE SERVE APPROXIMATELY 70 CHILDREN IN GRADES 5 AND 6. DURING TUTORING, STUDENTS RECEIVE HOMEWORK HELP, INDIVIDUALIZED READING AND MATH TUTORING WITH STATE-CERTIFIED TEACHERS, MENTORING WITH CARING ADULTS AND ARE ABLE TO PARTICIPATE IN VARIOUS ENRICHMENT ACTIVITIES SUCH AS MUSIC, PHYSICAL EDUCATION, COOKING, SCIENCE AND CODING. OUR REGULAR ATTENDEES AVERAGED OVER A YEAR OF GROWTH IN BOTH MATH AND READING ACCORDING TO THE RESEARCH-BASED STAR TEST.

4c (Code:) (Expenses \$ **37,710** including grants of \$) (Revenue \$ **490**)**SUMMER TUTORING CAMP-JUNE 2017**

THE SUMMER TUTORING CAMP WAS A 2-WEEK CAMP FROM 8:00-3:00 WITH AVAILABLE AFTER-CARE FROM 3:00-5:30. THERE WERE 56 ATTENDEES. THE FOCUS OF THIS CAMP WAS INTENSIVE MATH AND READING INSTRUCTION, BUT STUDENTS ALSO PARTICIPATED IN PHYSICAL EDUCATION, CODING, ART, SCIENCE AND TOOK GUITAR AND PIANO LESSONS. MANY OF THE STUDENTS RECEIVED ONE-ON-ONE TUTORING IN EITHER READING OR MATH FOR AT LEAST 30 MINUTES EACH DAY OF THE CAMP.

4d Other program services (Describe in Schedule O.)

(Expenses \$ **2,800** including grants of \$ **2,800**) (Revenue \$)4e Total program service expenses **308,341**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 78		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 10		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	7
b Enter the number of voting members included in line 1a, above, who are independent	1b	7
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **TN**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **▶**

**REVOLUTION FINANCIAL SOLUTIONS, LLC1 W CT SQ STE 750
DECATUR**

GA 30030

678-883-2721

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) EVELYN HICKERSON	30.00									
EXECUTIVE DIRECTOR	0.00	X		X				48,083	0	0
(2) ERIN LEFKOVITZ	20.00									
ASSISTANT DIRECTOR	0.00	X		X				14,400	0	0
(3) VICTORIA CARTER	5.00									
DIRECTOR	0.00	X						4,500	0	0
(4) JORGE DOMINICIS	0.50									
DIRECTOR	0.00	X						0	0	0
(5) LOUIS UPKINS	0.50									
DIRECTOR	0.00	X						0	0	0
(6) EDWARD SMITH	0.50									
DIRECTOR	0.00	X						0	0	0
(7) JERRY BOYLE	0.50									
DIRECTOR	0.00	X						0	0	0
(8) BENJAMIN SOHR	7.00									
CHAIR	0.00	X		X				0	0	0
(9) CARY MCCLURE	0.50									
DIRECTOR	0.00	X						0	0	0
(10)										
(11)										

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	200,425			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	167,032			
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		367,457			
Program Service Revenue	2a PROGRAM SERVICE FEES	Busn. Code 611710	50,558	50,558		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		50,558			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		47	47	
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
6a Gross rents		(i) Real (ii) Personal				
b Less: rental exps.						
c Rental inc. or (loss)						
d Net rental income or (loss)						
7a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other				
b Less: cost or other basis & sales exps.						
c Gain or (loss)						
d Net gain or (loss)						
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18		a	16,967			
b Less: direct expenses	b					
c Net income or (loss) from fundraising events		16,967				
9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code				
11a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total revenue. See instructions.			435,029	50,605	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	2,800	2,800		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	314,810	276,078	28,547	10,185
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	11,644	10,215	1,052	377
11 Fees for services (non-employees):				
a Management				
b Legal	640		640	
c Accounting	11,647		5,877	5,770
d Lobbying				
e Professional fundraising services. See Part IV, line 7				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	25,890	6,575	763	18,552
12 Advertising and promotion				
13 Office expenses	921		921	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	1,929		1,929	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,387	4,387		
23 Insurance	3,946	3,946		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a CLASS MATERIALS/SUPPLIES	1,630	1,630		
b CONFERENCES & MEETINGS	1,423	1,423		
c VOLUNTEER APPRECIATION	1,414	20	1,394	
d CAMP SUPPLIES	1,000	1,000		
e All other expenses	589	267	322	
25 Total functional expenses. Add lines 1 through 24e	384,670	308,341	41,445	34,884
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	79,502	1	133,463
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	13,698	3	18,707
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 26,582		
	b Less: accumulated depreciation	10b 18,514	8,198	10c 8,068
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	101,398	16	160,238	
Liabilities	17 Accounts payable and accrued expenses	10,000	17	7,605
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	17,028	25	27,906
	26 Total liabilities. Add lines 17 through 25	27,028	26	35,511
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	72,870	27	124,727
	28 Temporarily restricted net assets	1,500	28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	74,370	33	124,727
34 Total liabilities and net assets/fund balances	101,398	34	160,238	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	435,029
2	Total expenses (must equal Part IX, column (A), line 25)	2	384,670
3	Revenue less expenses. Subtract line 2 from line 1	3	50,359
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	74,370
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-2
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	124,727

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	X	
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017**Open to Public
Inspection**

Name of the organization

GENTRY'S EDUCATION CENTER AT THE ST

Employer identification number

27-1202003**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 ☒ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2017

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions)	12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► ☐		

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐		
b 33 1/3% support test—2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐		
17a 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► ☐		
b 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	105,606	171,238	300,322	285,481	367,457	1,230,104
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	113,099	104,641	94,887	80,257	67,533	460,417
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	218,705	275,879	395,209	365,738	434,990	1,690,521
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						1,690,521

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6	218,705	275,879	395,209	365,738	434,990	1,690,521
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	42					42
13 Total support. (Add lines 9, 10c, 11, and 12.)	218,747	275,879	395,209	365,738	434,990	1,690,563
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	100.00 %
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	100.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%

- 19a 33 1/3% support tests—2017.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☒
- b 33 1/3% support tests—2016.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in **Part VI** how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in **Part VI** how the organization determined that the supported organization was described in section 509(a)(1) or (2).
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.
- b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in **Part VI** when and how the organization made the determination.
- c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in **Part VI** what controls the organization put in place to ensure such use.
- 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.
- b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in **Part VI** how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.
- c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in **Part VI** what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in **Part VI**, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).
- b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
- c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in **Part VI**.
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in **Part VI**.
- b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in **Part VI**.
- c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in **Part VI**.
- 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.
- b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

Part IV Supporting Organizations (continued)

11 Has the organization accepted a gift or contribution from any of the following persons?

a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?

b A family member of a person described in (a) above?

c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in **Part VI**.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in **Part VI** how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.

2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in **Part VI** how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in **Part VI** how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

Section D. All Type III Supporting Organizations

1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?

2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in **Part VI** how the organization maintained a close and continuous working relationship with the supported organization(s).

3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in **Part VI** the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).

a ☐ The organization satisfied the Activities Test. Complete line 2 below.

b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.

c ☐ The organization supported a governmental entity. Describe in **Part VI** how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in **Part VI** identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.

b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in **Part VI** the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations. Answer (a) and (b) below.

a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in **Part VI**.

b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in **Part VI** the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI) See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6 and 7 from line 4).	8		
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		
Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		
7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions			Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes		
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity		
3	Administrative expenses paid to accomplish exempt purposes of supported organizations		
4	Amounts paid to acquire exempt-use assets		
5	Qualified set-aside amounts (prior IRS approval required)		
6	Other distributions (describe in Part VI). See instructions.		
7	Total annual distributions. Add lines 1 through 6.		
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.		
9	Distributable amount for 2017 from Section C, line 6		
10	Line 8 amount divided by line 9 amount		

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1	Distributable amount for 2017 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2017 (reasonable cause required-explain in Part VI). See instructions.			
3	Excess distributions carryover, if any, to 2017:			
a				
b	From 2013			
c	From 2014			
d	From 2015			
e	From 2016			
f	Total of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2017 distributable amount			
i	Carryover from 2012 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2017 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2017 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6	Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7	Excess distributions carryover to 2018. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2013			
b	Excess from 2014			
c	Excess from 2015			
d	Excess from 2016			
e	Excess from 2017			

Part VI Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART III, LINE 12 - OTHER INCOME DETAIL

MISCELLANEOUS \$ 42

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No. 1545-0047

2017

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization

Employer identification number

GENTRY'S EDUCATION CENTER AT THE ST

27-1202003

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

Name of organization

GENTRY'S EDUCATION CENTER AT THE ST

Employer identification number

27-1202003

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 20,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
2		\$ 10,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
3		\$ 12,500	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
4		\$ 7,500	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
5		\$ 200,425	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
6		\$ 10,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization

GENTRY'S EDUCATION CENTER AT THE ST

Employer identification number

27-1202003

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		\$ 25,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
8		\$ 7,660	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
9		\$ 25,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017**Open to Public
Inspection**

Name of the organization

Employer identification number

GENTRY'S EDUCATION CENTER AT THE ST**27-1202003****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of a historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$

(ii) Assets included in Form 990, Part X ▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ \$

b Assets included in Form 990, Part X ▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

- c** Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ %
b Permanent endowment ▶ %
c Temporarily restricted endowment ▶ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
(ii) related organizations

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		26,582	18,514	8,068
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ▶				8,068

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) ACCRUED WAGES	27,906	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	27,906	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

**SCHEDULE G
(Form 990 or 990-EZ)**Department of the Treasury
Internal Revenue Service**Supplemental Information Regarding Fundraising or Gaming Activities**

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest instructions.

OMB No. 1545-0047

2017Open to Public
Inspection

Name of the organization

GENTRY'S EDUCATION CENTER AT THE ST

Employer identification number

27-1202003**Part I Fundraising Activities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a** ☐ Mail solicitations **e** ☐ Solicitation of non-government grants
b ☐ Internet and email solicitations **f** ☐ Solicitation of government grants
c ☐ Phone solicitations **g** ☐ Special fundraising events
d ☐ In-person solicitations

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No**b** If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 TASTE OF WILLIA (event type)	(b) Event #2 (event type)	(c) Other events NONE (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	16,928			16,928
	2 Less: Contributions ..				
	3 Gross income (line 1 minus line 2)	16,928			16,928
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages ..				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d)				
11 Net income summary. Subtract line 10 from line 3, column (d)				16,928	

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes % ☐ No	☐ Yes % ☐ No	☐ Yes % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities:

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain:

- 11 Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity conducted in:
- | | | |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶

Address ▶

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$
- c If "Yes," enter name and address of the third party:

Name ▶

Address ▶

16 Gaming manager information:

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZComplete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017**Open to Public
Inspection****GENTRY'S EDUCATION CENTER AT THE ST**

Employer identification number

27-1202003**FORM 990 - ORGANIZATION'S MISSION**

WE ASSIST AND PREPARE YOUNG PEOPLE IN OUR COMMUNITY FOR SCHOOL, WORK AND LIFE. WE PROVIDE RESEARCH-BASED, INDIVIDUALIZED ACADEMIC SUPPORT WITH STATE-CERTIFIED TEACHERS, MENTORING AND POSITIVE CHARACTER DEVELOPMENT, WHILE ENCOURAGING FAMILY ENGAGEMENT. OUR PARTICIPANTS CONSISTENTLY MAKE OVER A YEAR'S WORTH OF GROWTH IN READING AND MATH EACH YEAR ACCORDING TO RESEARCH BASED ASSESSMENTS, AND EXHIBIT POSITIVE CHANGES IN BEHAVIOR.

FORM 990, PART III, LINE 4D - ALL OTHER ACCOMPLISHMENT

GRANTS MADE TO INDIVIDUALS - HOUSING SUPPORT FOR FAMILIES OF STUDENTS TO WHOM SERVICES DESCRIBED IN THE PRIMARY EXEMPT PURPOSE ACCOMPLISHMENTS ARE DELIVERED.

FORM 990, PART VI, LINE 2 - RELATED PARTY INFORMATION AMONG OFFICERS**JERRY BOYLE****ERIN LEFKOVITZ****DIRECTOR****ASST DIRECTO****FAMILY RELATIONSHIP****JORGE DOMINICUS****JERRY BOYLE****DIRECTOR****DIRECTOR****BUSINESS RELATIONSHIP****BENJAMIN SOHR****JERRY BOYLE****CHAIR****DIRECTOR****BUSINESS RELATIONSHIP**

Name of the organization

GENTRY'S EDUCATION CENTER AT THE ST

Employer identification number

27-1202003

CARY MCCLURE

JERRY BOYLE

DIRECTOR

DIRECTOR

BUSINESS RELATIONSHIP

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

FORM 990 IS MADE AVAILABLE TO BOARD MEMBERS AFTER FILING. EXECUTIVE

DIRECTOR AND ASSISTANT DIRECTOR REVIEW THE FORM BEFORE FILING.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

EXECUTIVE DIRECTOR - SALARY WAS APPROVED BY THE BOARD AFTER DOING RESEARCH

ABOUT FAIR COMPENSATION FOR THE POSITION.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION

FORM 990 IS MADE AVAILABLE TO THE PUBLIC VIA THE WEBSITE, GUIDESTAR.ORG.

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

IMMATERIAL RECONCILIATION ADJUSTMENT \$ -2

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

OMB No. 1545-0172

2017Attachment
Sequence No. **179**

Name(s) shown on return

GENTRY'S EDUCATION CENTER AT THE ST

Identifying number

27-1202003

Business or activity to which this form relates

INDIRECT DEPRECIATION**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	510,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,030,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2016 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2018. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	1,996

Part III MACRS Depreciation (Don't include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2017	17	1,518
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2017 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		4,365	5.0	HY	200DB	873
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2017 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	4,387
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2017)**THERE ARE NO AMOUNTS FOR PAGE 2**

Year Ended: December 31, 2017

27-1202003

GENTRY'S EDUCATION CENTER AT THE ST
4221 WARREN ROAD
FRANKLIN, TN 37067

**Electing out of Bonus Depreciation Allowance
for 5-Year Property**

The above named taxpayer elects out of the first-year bonus depreciation allowance under IRC Section 168(k)(7) for all eligible 5-year depreciable property placed in service during the tax year.

Year Ended: December 31, 2017

27-1202003

GENTRY'S EDUCATION CENTER AT THE ST
4221 WARREN ROAD
FRANKLIN, TN 37067

**Electing out of Bonus Depreciation Allowance for
All Eligible Depreciable Property**

The above named taxpayer elects out of the first-year bonus depreciation allowance under IRC Section 168(k)(7) for all eligible depreciable property placed in service during the tax year.

Federal Asset Report
Form 990, Page 1

05/10/2018 7:50 AM

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
5-year GDS Property:									
11	PROMETHEAN BOARD	5/18/17	4,365			4,365	5 HY 200DB	0	873
			<u>4,365</u>			<u>4,365</u>		<u>0</u>	<u>873</u>
Prior MACRS:									
6	APPLE COMPUTER	1/11/15	1,199			1,199	5 HY 200DB	623	231
7	PROMETHEAN BOARD	4/21/15	2,972			2,972	5 HY 200DB	1,545	571
8	COMPUTER - SITE DIRECTOR	8/09/15	1,552			1,552	5 HY 200DB	807	298
9	PROTECH ELMO PROJECTOR	12/14/15	514			514	5 HY 200DB	267	99
10	APPLE COMPUTER	2/06/16	999			999	5 HY 200DB	200	319
			<u>7,236</u>			<u>7,236</u>		<u>3,442</u>	<u>1,518</u>
Other Depreciation:									
1	COMPUTERS	7/01/11	4,000			4,000	5 MO S/L	4,000	0
2	COMPUTERS	7/28/12	2,401			2,401	5 MO S/L	2,121	280
3	COMPUTER	1/31/14	3,440			3,440	5 MO S/L	2,007	688
4	APPLE COMPUTER	2/01/14	1,999			1,999	5 MO S/L	1,166	400
5	MAC COMPUTER	12/15/14	3,141			3,141	5 MO S/L	1,283	628
	Total Other Depreciation		<u>14,981</u>			<u>14,981</u>		<u>10,577</u>	<u>1,996</u>
	Total ACRS and Other Depreciation		<u>14,981</u>			<u>14,981</u>		<u>10,577</u>	<u>1,996</u>
	Grand Totals		26,582			26,582		14,019	4,387
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>26,582</u>			<u>26,582</u>		<u>14,019</u>	<u>4,387</u>

TN Asset Report
Form 990, Page 1

Asset	Description	Date In Service	Cost	Basis for Depr	TN Prior	TN Current	Federal Current	Difference Fed - TN
5-year GDS Property:								
11	PROMETHEAN BOARD	5/18/17	4,365	4,365	0	873	873	0
			<u>4,365</u>	<u>4,365</u>	<u>0</u>	<u>873</u>	<u>873</u>	<u>0</u>
Prior MACRS:								
6	APPLE COMPUTER	1/11/15	1,199	1,199	623	231	231	0
7	PROMETHEAN BOARD	4/21/15	2,972	2,972	1,545	571	571	0
8	COMPUTER - SITE DIRECTOR	8/09/15	1,552	1,552	807	298	298	0
9	PROTECH ELMO PROJECTOR	12/14/15	514	514	267	99	99	0
10	APPLE COMPUTER	2/06/16	999	999	200	319	319	0
			<u>7,236</u>	<u>7,236</u>	<u>3,442</u>	<u>1,518</u>	<u>1,518</u>	<u>0</u>
Other Depreciation:								
1	COMPUTERS	7/01/11	4,000	4,000	4,000	0	0	0
2	COMPUTERS	7/28/12	2,401	2,401	2,121	280	280	0
3	COMPUTER	1/31/14	3,440	3,440	2,007	688	688	0
4	APPLE COMPUTER	2/01/14	1,999	1,999	1,166	400	400	0
5	MAC COMPUTER	12/15/14	3,141	3,141	1,283	628	628	0
	Total Other Depreciation		<u>14,981</u>	<u>14,981</u>	<u>10,577</u>	<u>1,996</u>	<u>1,996</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>14,981</u>	<u>14,981</u>	<u>10,577</u>	<u>1,996</u>	<u>1,996</u>	<u>0</u>
	Grand Totals		26,582	26,582	14,019	4,387	4,387	0
	Less: Dispositions		0	0	0	0	0	0
	Less: Start-up/Org Expense		0	0	0	0	0	0
	Net Grand Totals		<u>26,582</u>	<u>26,582</u>	<u>14,019</u>	<u>4,387</u>	<u>4,387</u>	<u>0</u>

27-1202003

AMT Asset Report

FYE: 12/31/2017

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
5-year GDS Property:									
11	PROMETHEAN BOARD	5/18/17	4,365			4,365	5 HY 150DB	0	655
			<u>4,365</u>			<u>4,365</u>		<u>0</u>	<u>655</u>
Prior MACRS:									
1	COMPUTERS	7/01/11	4,000		X	0	5 HY 200DB	4,000	0
2	COMPUTERS	7/28/12	2,401		X	1,200	5 HY 200DB	2,332	69
3	COMPUTER	1/31/14	3,440		X	1,720	5 HY 200DB	2,944	199
4	APPLE COMPUTER	2/01/14	1,999		X	999	5 HY 200DB	1,711	116
6	APPLE COMPUTER	1/11/15	1,199			1,199	5 HY 150DB	486	214
7	PROMETHEAN BOARD	4/21/15	2,972			2,972	5 HY 150DB	1,204	530
8	COMPUTER - SITE DIRECTOR	8/09/15	1,552			1,552	5 HY 150DB	629	277
9	PROTECH ELMO PROJECTOR	12/14/15	514			514	5 HY 150DB	208	92
10	APPLE COMPUTER	2/06/16	999			999	5 HY 150DB	150	255
			<u>19,076</u>			<u>11,155</u>		<u>13,664</u>	<u>1,752</u>
Other Depreciation:									
5	MAC COMPUTER	12/15/14	0			0	0 HY	0	0
	Total Other Depreciation		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		23,441			15,520		13,664	2,407
	Less: Dispositions and Transfers		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>23,441</u>			<u>15,520</u>		<u>13,664</u>	<u>2,407</u>

GENTRYSEDUC GENTRY'S EDUCATION CENTER AT THE ST
 27-1202003
 FYE: 12/31/2017

Depreciation Adjustment Report
All Business Activities

05/10/2018 7:50 AM

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
MACRS Adjustments:						
Page 1	1	6	APPLE COMPUTER	231	214	17
Page 1	1	7	PROMETHEAN BOARD	571	530	41
Page 1	1	8	COMPUTER - SITE DIRECTOR	298	277	21
Page 1	1	9	PROTECH ELMO PROJECTOR	99	92	7
Page 1	1	10	APPLE COMPUTER	319	255	64
Page 1	1	11	PROMETHEAN BOARD	873	655	218
				<u>2,391</u>	<u>2,023</u>	<u>368</u>

27-1202003

Future Depreciation Report**FYE: 12/31/18**

FYE: 12/31/2017

Form 990, Page 1

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>Tax</u>	<u>AMT</u>
<u>Prior MACRS:</u>					
6	APPLE COMPUTER	1/11/15	1,199	138	199
7	PROMETHEAN BOARD	4/21/15	2,972	342	495
8	COMPUTER - SITE DIRECTOR	8/09/15	1,552	179	258
9	PROTECH ELMO PROJECTOR	12/14/15	514	59	86
10	APPLE COMPUTER	2/06/16	999	192	178
11	PROMETHEAN BOARD	5/18/17	4,365	1,397	1,113
			<u>11,601</u>	<u>2,307</u>	<u>2,329</u>
<u>Other Depreciation:</u>					
1	COMPUTERS	7/01/11	4,000	0	0
2	COMPUTERS	7/28/12	2,401	0	0
3	COMPUTER	1/31/14	3,440	688	198
4	APPLE COMPUTER	2/01/14	1,999	400	115
5	MAC COMPUTER	12/15/14	3,141	628	0
	Total Other Depreciation		<u>14,981</u>	<u>1,716</u>	<u>313</u>
	Total ACRS and Other Depreciation		<u>14,981</u>	<u>1,716</u>	<u>313</u>
	Grand Totals		<u>26,582</u>	<u>4,023</u>	<u>2,642</u>

27-1202003

TN Future Depreciation Report**FYE: 12/31/18**

FYE: 12/31/2017

Form 990, Page 1

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>TN</u>
--------------	--------------------	------------------------	-------------	-----------

Prior MACRS:

6	APPLE COMPUTER	1/11/15	1,199	138
7	PROMETHEAN BOARD	4/21/15	2,972	342
8	COMPUTER - SITE DIRECTOR	8/09/15	1,552	179
9	PROTECH ELMO PROJECTOR	12/14/15	514	59
10	APPLE COMPUTER	2/06/16	999	192
11	PROMETHEAN BOARD	5/18/17	4,365	1,397
			<u>11,601</u>	<u>2,307</u>

Other Depreciation:

1	COMPUTERS	7/01/11	4,000	0
2	COMPUTERS	7/28/12	2,401	0
3	COMPUTER	1/31/14	3,440	688
4	APPLE COMPUTER	2/01/14	1,999	400
5	MAC COMPUTER	12/15/14	3,141	628

Total Other Depreciation14,981 1,716**Total ACRS and Other Depreciation**14,981 1,716**Grand Totals**26,582 4,023

Form 990	Two Year Comparison Report	2016 & 2017
For calendar year 2017, or tax year beginning _____, ending _____		

Name

Taxpayer Identification Number

GENTRY'S EDUCATION CENTER AT THE ST**27-1202003**

		2016	2017	Differences
Revenue	1. Contributions, gifts, grants	1. 125,810	167,032	41,222
	2. Membership dues and assessments	2.		
	3. Government contributions and grants	3. 159,671	200,425	40,754
	4. Program service revenue	4. 58,440	50,558	-7,882
	5. Investment income	5. 31	47	16
	6. Proceeds from tax exempt bonds	6.		
	7. Net gain or (loss) from sale of assets other than inventory	7.		
	8. Net income or (loss) from fundraising events	8. 20,942	16,967	-3,975
	9. Net income or (loss) from gaming	9.		
	10. Net gain or (loss) on sales of inventory	10.		
	11. Other revenue	11.		
	12. Total revenue. Add lines 1 through 11	12. 364,894	435,029	70,135
Expenses	13. Grants and similar amounts paid	13. 1,241	2,800	1,559
	14. Benefits paid to or for members	14.		
	15. Compensation of officers, directors, trustees, etc.	15.		
	16. Salaries, other compensation, and employee benefits	16. 306,145	326,454	20,309
	17. Professional fundraising fees	17.		
	18. Other professional fees	18. 29,804	38,177	8,373
	19. Occupancy, rent, utilities, and maintenance	19.		
	20. Depreciation and Depletion	20. 4,726	4,387	-339
	21. Other expenses	21. 19,523	12,852	-6,671
	22. Total expenses. Add lines 13 through 21	22. 361,439	384,670	23,231
	23. Excess or (Deficit). Subtract line 22 from line 12	23. 3,455	50,359	46,904
Other Information	24. Total exempt revenue	24. 364,894	435,029	70,135
	25. Total unrelated revenue	25.		
	26. Total excludable revenue	26. 58,471	50,605	-7,866
	27. Total assets	27. 101,398	160,238	58,840
	28. Total liabilities	28. 27,028	35,511	8,483
	29. Retained earnings	29. 74,370	124,727	50,357
	30. Number of voting members of governing body	30. 7	7	
	31. Number of independent voting members of governing body	31. 7	7	
	32. Number of employees	32. 9	10	
	33. Number of volunteers	33.	40	

Form **990**

Tax Return History

2017

Name

GENTRY'S EDUCATION CENTER AT THE ST

Employer Identification Number

27-1202003

	2013	2014	2015	2016	2017	2018
Contributions, gifts, grants	105,606	168,828	300,322	285,481	367,457	
Membership dues						
Program service revenue	113,099	102,231	89,044	58,440	50,558	
Capital gain or loss						
Investment income				31	47	
Fundraising revenue (income/loss)			5,416	20,942	16,967	
Gaming revenue (income/loss)						
Other revenue	42	2,410				
Total revenue	218,747	273,469	394,782	364,894	435,029	
Grants and similar amounts paid				1,241	2,800	
Benefits paid to or for members						
Compensation of officers, etc.						
Other compensation	41,046	214,564	68,256	306,145	326,454	
Professional fees	149,333	19,901	248,703	29,804	38,177	
Occupancy costs						
Depreciation and depletion	1,279	2,305	4,242	4,726	4,387	
Other expenses	10,744	23,832	31,921	19,523	12,852	
Total expenses	202,402	260,602	353,122	361,439	384,670	
Excess or (Deficit)	16,345	12,867	41,660	3,455	50,359	
Total exempt revenue	218,747	273,469	394,782	364,894	435,029	
Total unrelated revenue						
Total excludable revenue	113,141	104,641	89,044	58,471	50,605	
Total Assets	34,249	48,236	93,901	101,398	160,238	
Total Liabilities	17,863	18,983	22,986	27,028	35,511	
Net Fund Balances	16,386	29,253	70,915	74,370	124,727	

Form **990T**

Tax Return History

2017

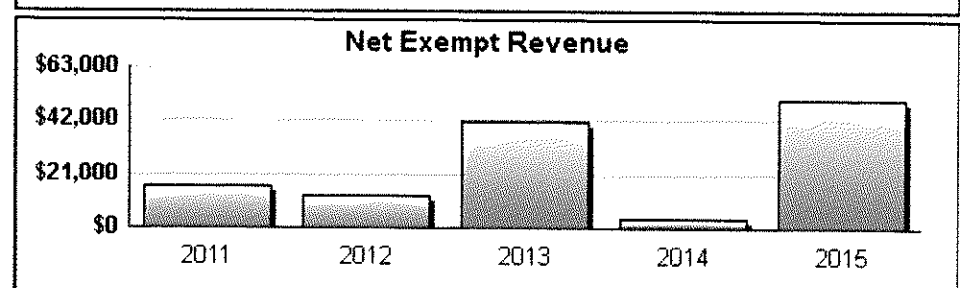
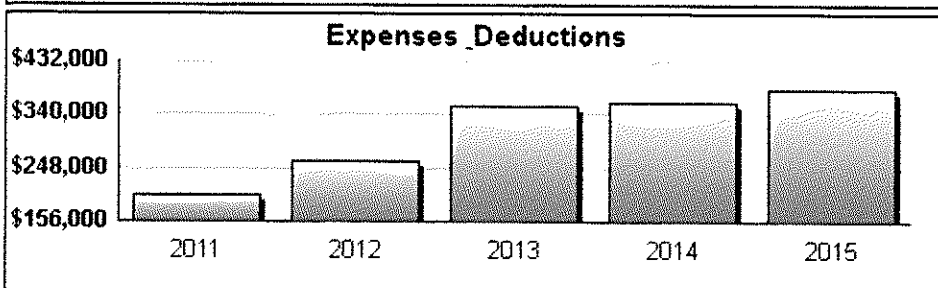
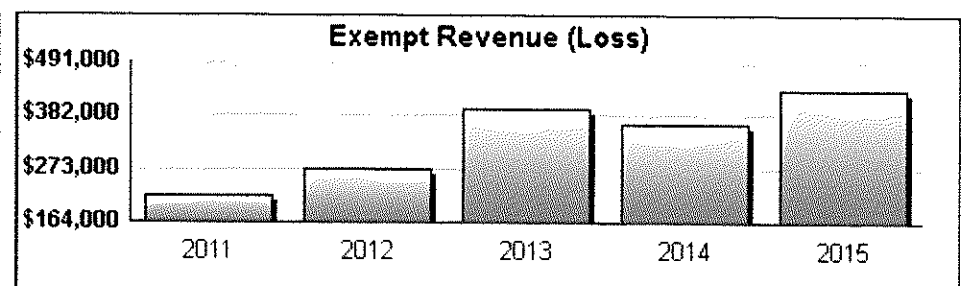
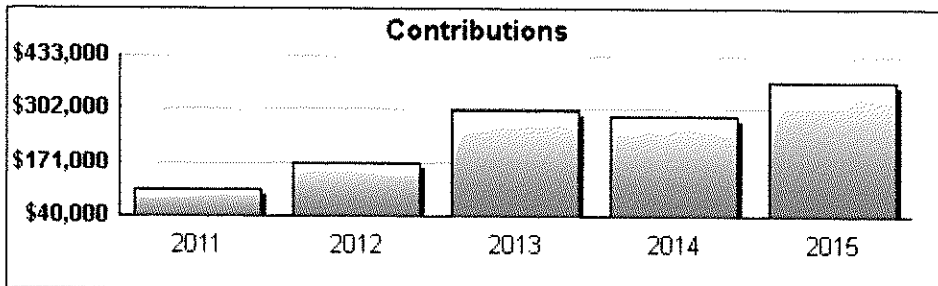
Name

GENTRY'S EDUCATION CENTER AT THE ST

Employer Identification Number

27-1202003

	2013	2014	2015	2016	2017	2018
Business activity profit/loss						
Capital gains/losses						
Partner and S Corp gain/loss						
Rental income*						
Debt-financed income*						
Controlled organizations income/interest*						
Investment income, specific organizations*						
Exploited exempt activity income*						
Other income						
Total trade or business income.						
Compensation of officers, ect.						
Other salaries and wages						
Repairs and maintenance						
Bad debts						
Interest						
Taxes and licenses						
Charitable contributions						
Depreciation and Depletion						
Deferred compensation plans						
Employee benefit programs						



Form **990T**

Tax Return History

2017

Name

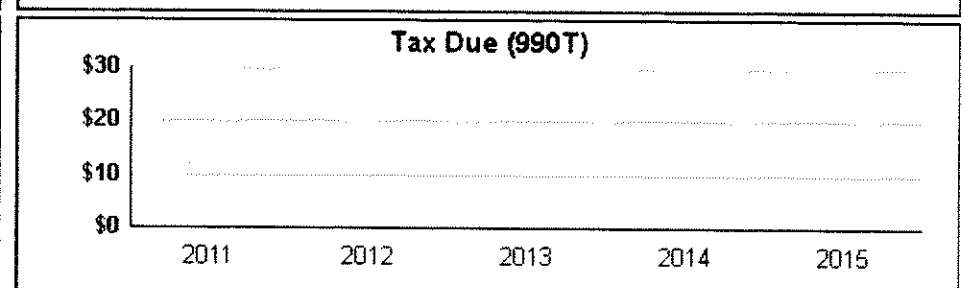
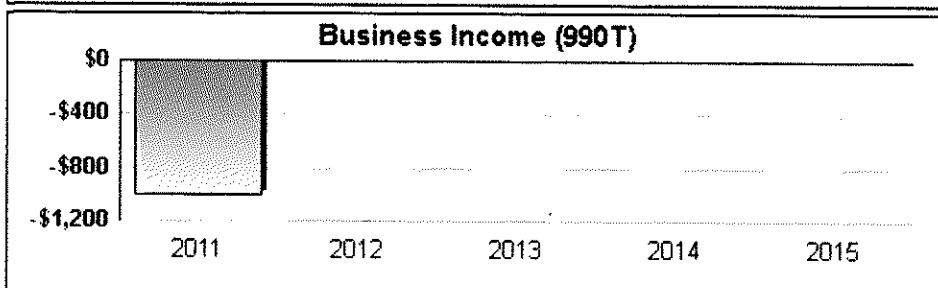
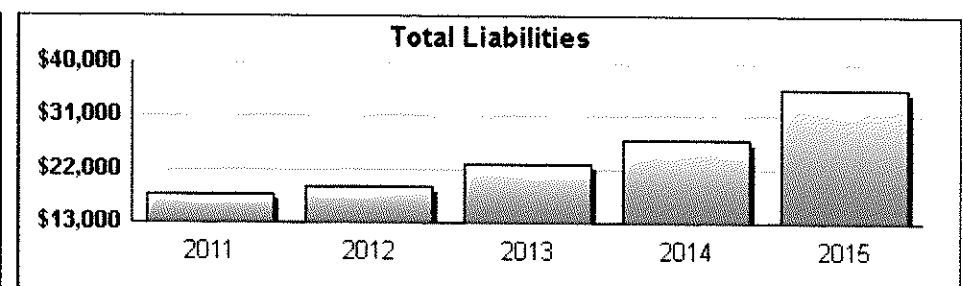
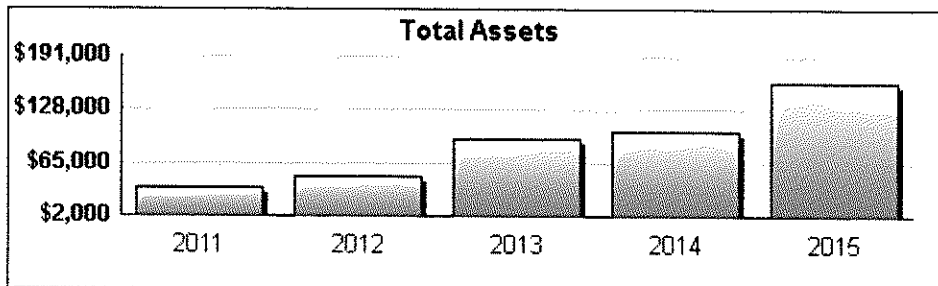
GENTRY'S EDUCATION CENTER AT THE ST

Employer Identification Number

27-1202003

	2013	2014	2015	2016	2017	2018
Other deductions						
Net operating loss deduction						
Specific deduction	1,000					
Income after expense and deductions	-1,000					
Income tax (corporate or trust)						
Other taxes						
Total taxes						
General business credit						
Other credits						
Net tax after credits						
Estimated tax payments						
Other payments						
Balance due/Overpayment						

* Income shown net of expenses



Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	Acquired after 6/30/75	US Obs (\$ or %)
INTEREST INCOME	\$ 47					
TOTAL	\$ 47					

Form 990, Part IX, Line 11g - Other Fees for Service (Non-employee)

Description	Total Expenses	Program Service	Management & General	Fund Raising
CONTRACT SERVICES	\$ 25,890	\$ 6,575	\$ 763	\$ 18,552
TOTAL	\$ 25,890	\$ 6,575	\$ 763	\$ 18,552

Form 990, Part IX, Line 24e - All Other Expenses

Description	Total Expenses	Program Service	Management & General	Fund Raising
MEALS & ENTERTAINMENT	\$ 229	\$	\$ 229	\$
LICENSES & PERMITS	200	107	93	
FIELD TRIPS	127	127		
FOOD & NUTRITION	33	33		
TOTAL	\$ 589	\$ 267	\$ 322	\$ 0

Schedule A, Part III, Line 2(e)

Description	Amount
PROGRAM SERVICE FEES	\$ 50,558
INTEREST INCOME	47
TASTE OF WILLIAMSON	16,928
TOTAL	\$ <u>67,533</u>

Tennessee Secretary of State
Tre Hargett



Division of Charitable Solicitations, Fantasy Sports, and Gaming
312 Rosa L. Parks Avenue, 8th Floor
Nashville, Tennessee 37243-1102

Mona Hart
Director

615-741-2555
Mona.Hart@tn.gov

July 30, 2018

Evelyn Hickerson
Gentry's Education Center @ the Store Front, Inc.
4221 Warren Road
Franklin, TN 37067

RE: **APPROVAL** - Registration to Solicit Funds for Charitable Purposes
Gentry's Education Center @ the Store Front, Inc. - CO20587
Registration Expiration Date: **June 30, 2019**

Dear Evelyn Hickerson:

Pursuant to Tenn. Code Ann. § 48-101-501, *et seq.*, the Division of Charitable Solicitations and Gaming has reviewed your submitted application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

With this approval, your organization has new responsibilities for maintaining statutory compliance, including submission of the proper documents and required fees on an annual basis. The required filings include:

- Completed *Application to Renew Registration* form
- Completed *Summary of Financial Activities* form
- IRS determination letter granting tax-exempt status, if not previously filed
- IRS *Form 990*, *Form 990EZ*, or *990N* for the most recently completed accounting year, if the organization qualifies as tax-exempt
- An audited financial statement if the organization grossed more than \$500,000 in revenue
- Any amendments to the organization's governing documents

The *Application to Renew Registration* and *Summary of Financial Activities* forms are available on our website at <http://sos.tn.gov/charitable>. Additionally, the "CO" number listed above will serve as your organization's identification number specific to this division and should be included on all correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

Tre Hargett
Secretary of State

ERD:CO20587



104 Southeast Parkway
Franklin, TN 37064
615.794.9055
info@graceworksministries.net

2382 Fairview Boulevard
Fairview, TN 37062
615.799.0006
fairview@graceworksministries.net

March 14, 2019

Received

MAR 15 2019

Thence

Dear Board of Mayor and Aldermen,

Thank you for the opportunity to submit an application for funding from the City of Franklin.

GraceWorks helps thousands of Franklin residents each year with many types of needs such as food, shelter, clothing and other basic needs. We are asking the city for \$20,000 to assist residents with one basic human need - shelter. These funds will pay rent, utilities, heating and cooling for city residents in crisis.

Your support at this time is particularly important to ensure Franklin residents receive the housing assistance they desperately need. GraceWorks, with your help, can continue to meet these needs. You can meet more than a need; you can help the people of Franklin!

Attached you will find the required paperwork. We believe all questions have been answered sufficiently. However, GraceWorks is vitally interested in complete compliance with your process. Please let me know if you have further questions or need more information.

Thank you for the opportunity to apply for funding from City of Franklin and your consideration of this request.

Sincerely,

Alicia Bell
Director of Development
GraceWorks Ministries, Inc.
794-9055 x 161
abell@graceworksministries.net





**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: GraceWorks Ministries **Phone:** 615-794-9055

Contact Person & Title: Alicia Bell, Director of Development

Mailing Address: 104 Southeast Parkway, Franklin, TN 37064

Federal Identification # (if applicable): 62-1584204

Email Address: abell@graceworksministries.net

Number of Active Participants in Organization: 21 fulltime, 8 part-time, 207 volunteers weekly

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

If Yes, please itemize the structure utilized (use a separate sheet if necessary):

If No, please explain: Neighbors who come to GraceWorks for help are already in need of financial assistance. To charge would add an extra burden.

Please provide the approximate number of clients served by your program on a yearly basis
9,700.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: GraceWorks serves only Williamson County residents. In the 2017-18 fiscal year, a total of \$5,226,058 was spent on services, as shown on page 3 of the audit.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):
Please see additional sheet.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.
Our donations are confidential, but in 2018 we used a mailing appeal, wrote grants, held fundraising events, and received donations from churches, civic groups, businesses and individuals.

AGENCY: GraceWorks Ministries

QUESTION:

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities.

ANSWER:

A few agencies in Williamson County offer some of the same services we offer, but none have the sort of wraparound care offered by GraceWorks and none have the number of services we have under one roof. Mid-Cumberland Community Action Agency does provide some assistance to low-income families for housing and utility costs. However, due to budgetary restraints, Mid-Cumberland is often forced to deny needed help. Many churches in Williamson County also provide benevolence assistance to members of their congregations who walk in their doors. However, due to the overwhelming amount of increased many churches have limited or ceased to provide this help, confident they can refer them to GraceWorks. OneGenAway gives away food, but their food drops are limited to separate events and not available all the time, such as food is at GraceWorks. There a few smaller food pantries (The Well in Spring Hill and pantries in College Grove and Grassland), whom we partner with, many times supplying them with food items if they run low. GraceWorks opened GraceWorks West in Fairview in July 2014 to serve families and make services more accessible in the western part of Williamson County.

**Non-Profit Organization Request for
City of Franklin - Page Two**



Organization: GraceWorks Ministries

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Please see additional sheet			
Total			

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government	\$17,617	\$17,617	\$17,617
City of Franklin Government	\$15,000	\$15,000	\$20,000
Total			

Agency Name: GraceWorks Ministries

A. Revenue	FY 2017 or '17/'18 *	FY 2018 or '18/'19	FY 2019 or '19/'20
1. Contributions, Gifts & Grants:			
1a. United Way of Williamson County	\$52,000	\$48,000	\$72,000
1b. Other United Ways	\$7,767	\$8,000	\$8,000
1c. Membership dues	\$0	\$0	\$0
1d. Government Grants	\$32,917	\$40,000	\$40,000
1e. All Other Contributions	\$4,913,046	\$5,011,307	\$5,111,533
1f. TOTAL Contributions	\$5,005,730	\$5,107,307	\$5,231,533
2. Program Services	\$74,104	\$75,500	\$77,000
3. Investment Income (Dividends & Interest)	-\$361	\$1,500	\$1,530
4. Royalties	\$0	\$0	\$0
5. Net Rental Income	\$0	\$0	\$0
6. Net Gain (Loss) on Sale of Assets Other than Inventory	\$0	\$0	\$0
7. Net Income (Loss) from Fundraising Special Events	\$142,734	\$229,000	\$233,580
8. Net Income (Loss) from Gaming	\$0	\$0	\$0
9. Net Income (Loss) from Sale of Inventory	\$1,005,560	\$1,025,671	\$1,046,185
10. All other revenue (please describe on separate page)	\$5,838	\$6,000	\$6,120
11. Total Revenue:	\$6,233,605	\$6,444,978	\$6,595,948
B. Functional Expenses	FY 2017 or '17/'18 **	FY 2018 or '18/'19	FY 2019 or '19/'20
12. Grants & Other Assistance:	\$0	\$0	\$0
12a. Organizations & Governments	\$0	\$0	\$0
12b. Individuals	\$0	\$0	\$0
13. Employee Salaries	\$982,141	\$1,001,784	\$1,021,819
14. Employee Benefits	\$17,512	\$17,862	\$18,219
15. Payroll Taxes	\$74,246	\$75,731	\$77,246
16. Service Fees	\$34,238	\$34,923	\$35,621
17. Advertising & Promotion	\$3,621	\$3,693	\$3,767
18. Office Expenses	\$60,614	\$61,826	\$63,063
19. Information Technology	\$57,364	\$58,511	\$59,682
20. Royalties	\$0	\$0	\$0
21. Occupancy	\$292,079	\$297,921	\$303,879
22. Travel & Entertainment	\$11,117	\$11,339	\$11,566
23. Conferences & Meetings	\$0	\$0	\$0
24. Interest	\$0	\$0	\$0
25. Payment to Affiliates	\$0	\$0	\$0
26. Depreciation & Amortization	\$24,976	\$25,000	\$25,000
27. Insurance	\$36,454	\$37,183	\$37,927
28. All other expenses (please explain on separate page)	\$4,223,407	\$4,307,875	\$4,394,033
29. Total Functional Expenses:	\$5,817,769	\$5,933,649	\$6,051,822
30. UWWC Funding % of Program functional Expense	1%	1%	1%
C. Surplus (Deficit)	\$415,836	\$511,329	\$544,126
D. Administrative Overhead %	10%	10%	10%
E. # FTEs (Full-Time Equivalents)--not including volunteers	27	28	29
* Figures in the revenue section should match uploaded IRS 990/990EZ			
** Figures in the functional expense section should match the numbers from Column A in the uploaded IRS 990/990EZ			

G **Non-Profit Organization Request for
City of Franklin - Page Three**



Organization: GraceWorks Ministries

Personnel & Salary Information

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Please see additional sheet			
Total			

List any equipment owned by this organization funded, in whole or in part, by City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary): GraceWorks is grateful for the generosity of the City of Franklin in allowing us to use the former Street Department building for administrative offices letting us have more space to serve our neighbors.

Agency Salary Data

Agency Name: GraceWorks Ministries

(Salaries only - does not include benefits)

Title or Position	PT or FT	(Previous) TOTAL Salary 2017 or '17/'18	(Current) TOTAL Salary 2018 or '18/'19	(Projected) TOTAL Salary 2019 or '19/'20
CEO	FT	\$ 100,514.05	\$ 102,565.36	\$ 104,616.67
GraceWorks West General Manager	FT	\$ 42,250.42	\$ 43,112.67	\$ 43,974.92
GraceWorks West Assistant Manager	FT	\$ 22,530.44	\$ 22,990.24	\$ 35,000.00
GraceWorks West Sales Associates	PT	\$ 20,369.01	\$ 20,784.79	\$ 21,200.00
Accounting and HR Manager	FT	\$ 40,932.39	\$ 41,349.38	\$ 42,176.37
Executive Assistant	FT	\$ 33,514.66	\$ 34,198.63	\$ 34,882.60
Accounting Clerk	PT	\$ 545.19	\$ 556.32	\$ 567.45
Director of Development	FT	\$ 57,013.81	\$ 58,269.19	\$ 61,200.00
Marketing Coordinator	FT	\$ 39,898.14	\$ 31,528.71	\$ 32,159.28
Development Assistant	FT	\$ 22,588.98	\$ 23,050.83	\$ 23,511.85
Church Development Coordinator	FT	\$ 22,151.05	\$ 22,603.86	\$ 41,000.00
Volunteer Coordinator	FT	\$ 31,263.11	\$ 31,901.13	\$ 32,539.15
Donor Relations Assistant	FT	\$ 27,097.02	\$ 27,650.02	\$ 28,203.02
Director of Neighbor Services	FT	\$ 56,417.39	\$ 57,568.77	\$ 58,720.15
Neighbor Services Receptionist	PT	\$ -	\$ 11,235.11	\$ 11,459.81
Neighbor Services Assistant	FT	\$ 33,289.93	\$ 33,969.32	\$ 34,648.71
Neighbor Services Assistant	PT	\$ 26,582.60	\$ 27,125.10	\$ 27,667.60
Director of Operations	FT	\$ 56,972.78	\$ 58,135.49	\$ 59,298.20
Facilities Manager	FT	\$ 33,777.21	\$ 34,466.54	\$ 35,155.87
Processing Manager	FT	\$ 12,780.83	\$ 13,041.66	\$ 35,000.00
Food Pantry Manager	FT	\$ 32,030.23	\$ 32,683.91	\$ 33,337.59
Sales Associates (Franklin)	PT	\$ 32,182.88	\$ 49,654.01	\$ -
Sales Associates (Franklin)	FT	\$ 17,000.00	\$ 2,481.48	\$ 36,000.00
Retail Store Manager	FT	\$ 38,316.27	\$ 39,098.23	\$ 39,880.19

Store Shift Manager	PT	\$ 23,591.58	\$ 23,868.96	\$ 24,346.34
Assistant Retail Store Manager	FT	\$ -	\$ 9,205.06	\$ 28,000.00
Store Shift Manager	PT	\$ 25,584.70	\$ 26,106.84	\$ 26,628.98
Processing Assistant	PT	\$ -	\$ 14,685.25	\$ 14,978.96
Assistant Truck Driver	FT	\$ 17,134.27	\$ 17,483.95	\$ -
Truck Driver	PT	\$ 8,794.51	\$ 8,981.31	\$ 9,160.94
Truck Drivers	FT	\$ 64,297.92	\$ 53,514.48	\$ 84,000.00
Assistant Truck Driver	PT	\$ 19,493.38	\$ 19,891.38	\$ 20,289.21
TOTALS		\$ 958,914.75	\$ 993,757.98	\$ 1,079,603.85



City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: GraceWorks Ministries Date: 3/12/19

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

While GraceWorks serves thousands of residents in the city of Franklin each year with many types of needs, we are asking the City of Franklin for \$20,000 to assist residents with one basic need -- shelter. This amount would bring in \$1,667 per month and would help with our Shelter Fund, which provides rent assistance, utilities, heating and cooling for our neighbors in need in the city of Franklin. The average assistance given for rent per family is \$522, and the average assistance for utility bills is \$140. Each person we serve is 250% or below federal poverty guidelines or in situational poverty, in which they are facing temporary setbacks from an illness, accident, death or other circumstances. They are not required to, but some clients provide a portion of the bill when they can without causing further economic distress.

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

GraceWorks and the City of Franklin have been strong partners for many years. We collaborate with police officers to provide meals, transportation and temporary lodging for homeless, transients and travelers. The city police respond to our security concerns when needed. From serving members of our community through new air conditioners or with school supplies, we have enjoyed and appreciated the partnership. Officers have participated in our Poverty Simulations where our volunteers and staff go through a daylong workshop to better understand the neighbors we serve. The mayor and several aldermen have supported and spoken at our backpack giveaway and our annual fundraising dinner. GraceWorks hires Franklin Police for various events throughout the year, including the Big Backpack Giveaway in August and the Turkey Trot 5K and 10K in November.

Additionally, GraceWorks is the Williamson County and City of Franklin Red Cross Disaster Relief Partner. We are responsible for collecting and distributing physical items such as food, clothing, furniture, household items, water, personal hygiene items and cleaning supplies to residents of the City of Franklin and Williamson County in times of disaster. During these difficult times, our strong collaboration with City of Franklin staff, aldermen and mayor continues as we all care for the community we live in.



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

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

GraceWorks' Shelter Fund assists residents in paying rent, utilities, heating and cooling with resources to move past a point of financial and emotional crisis. In 2017-18 fiscal year, GraceWorks assisted 4,182 residents with \$1,101,216 in shelter and utility payments and in-kind support. All were stabilized in a time of crisis.

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

Our procedure is to track each request and response in our Charity Tracker database. Requests and assistance are tracked and compared with previous months, quarters and years. Each program and activity is evaluated and analyzed to see what needs are increasing. Referrals, collaborations, recommendations, special requests are noted.

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

GraceWorks is approved by the Tennessee State Division of Charitable Solicitations, Fantasy Sports and Gaming as a charitable organization, as well as receiving several annual external independent audits. We have a four-star rating from Charity Navigator.

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

GraceWorks is requesting \$15,000, which is .06% of a \$2,541,500 monetary budget. GraceWorks also receives \$3,500,000 in in-kind donations.

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

GraceWorks' annual events are a fundraising dinner, Golf Fore GraceWorks Challenge, and the Turkey Trot 5K and 10K. Other fundraising monies come from grants, mail campaigns, business partners, sponsorships, small events and online giving.

6. Do you charge any fees for your services?

GraceWorks does not charge a fee for services. Although not a requirement, neighbors we serve are sometimes able to contribute a portion of a bill when it does not increase their economic distress.

2018
Financial Statements
With
Auditor's Letters

GRACEWORKS MINISTRIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

(With Independent Auditor's Report Thereon)

GRACEWORKS MINISTRIES, INC.
FINANCIAL STATEMENTS
JUNE 30, 2018
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

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PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of GraceWorks Ministries, Inc.

We have audited the accompanying financial statements of GraceWorks Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GraceWorks Ministries, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the GraceWorks Ministries, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Patterson Hardee & Ballentine

December 14, 2018

GRACEWORKS MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

ASSETS

	2018	2017
Current Assets:		
Cash	\$ 219,508	\$ 318,029
Accounts receivable	-	4,000
Inventory	574,917	439,903
Prepaid expenses	22,172	7,261
Total current assets	<u>816,597</u>	<u>769,193</u>
Property and Equipment:		
Vehicles	138,596	116,887
Property and equipment	69,668	112,057
Leasehold improvements	40,712	36,397
	<u>248,976</u>	<u>265,341</u>
Less: accumulated depreciation	<u>(135,717)</u>	<u>(156,888)</u>
Total property and equipment, net	113,259	108,453
Assets Whose Use is Limited:		
Cash	580,782	131,787
Investment - endowment	498,041	565,644
Total assets whose use is limited	<u>1,078,823</u>	<u>697,431</u>
Total assets	<u>\$ 2,008,679</u>	<u>\$ 1,575,077</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ -	\$ 14,076
Payroll liabilities	25,232	14,016
Sales tax payable	3,794	3,407
Deferred revenue	55,880	37,210
Accrued expenses	15,167	13,597
Total current liabilities	<u>100,073</u>	<u>82,306</u>
Total liabilities	<u>100,073</u>	<u>82,306</u>
Net Assets:		
Unrestricted:		
Undesignated	829,783	795,340
Board designated - client services	71,560	75,626
Board designated - building improvements	16,632	16,632
Board designated - future use	216,893	-
Board designated - endowment	1,144	2,206
Total unrestricted net assets	<u>1,136,012</u>	<u>889,804</u>
Restricted Net Assets:		
Temporarily restricted	209,156	39,529
Permanently restricted	563,438	563,438
Total restricted net assets	<u>772,594</u>	<u>602,967</u>
Total net assets	<u>1,908,606</u>	<u>1,492,771</u>
Total liabilities and net assets	<u>\$ 2,008,679</u>	<u>\$ 1,575,077</u>

See accompanying notes to financial statements.

GRACEWORKS MINISTRIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Total 2017
Public Support and Revenue:					
Gross special event revenue	\$ 427,809	\$ -	\$ -	\$ 427,809	\$ 531,105
Less direct cost of special events	100,292			100,292	99,208
Net special events revenue	327,517	-	-	327,517	431,897
Public Support:					
Store income	1,005,560	-	-	1,005,560	936,618
Business donations	33,145	14,835	-	47,980	118,923
Investment income, net	(1,184)	-	823	(361)	2,843
In-kind donation	3,531,091	-	-	3,531,091	2,260,503
Grants	390,010	154,390	-	544,400	232,716
Individual contributions	439,693	81,604	-	521,297	441,965
Endowment income	-	-	-	-	4,804
Other income	5,838	-	-	5,838	-
Church contributions	295,891	-	-	295,891	230,968
Net assets released from temporarily restricted	82,025	(81,202)	(823)	-	-
Total public support	5,782,069	169,627	-	5,951,696	4,229,340
Total public support and revenue	6,109,586	169,627	-	6,279,213	4,661,237
Expenses:					
Program services					
Family support	1,628,784	-	-	1,628,784	1,027,592
Instructional programs	156,121	-	-	156,121	167,375
Seasonal needs	429,923	-	-	429,923	709,674
Hunger prevention	3,011,230	-	-	3,011,230	2,239,214
Total program services	5,226,058	-	-	5,226,058	4,143,855
Supporting Services					
Management and general	327,315	-	-	327,315	266,498
Fundraising & special events	310,005	-	-	310,005	246,340
Total supporting services	637,320	-	-	637,320	512,838
Total expenses	5,863,378	-	-	5,863,378	4,656,693
Increase (decrease) in net assets	246,208	169,627	-	415,835	4,544
Net assets - beginning of year	889,804	39,529	563,438	1,492,771	1,488,227
Net assets - end of year	\$ 1,136,012	\$ 209,156	\$ 563,438	\$ 1,908,606	\$ 1,492,771

See accompanying notes to financial statements.

GRACEWORKS MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

	Program Services				Supporting Services			Total	Total
	Family Support	Instructional Programs	Seasonal Needs	Hunger Prevention	Total Program	Management and General	Fundraising & Special Events	2018	2017
Salaries	\$ 143,211	\$ 53,704	\$ 119,343	\$ 280,456	\$ 598,714	\$ 208,919	\$ 172,908	\$ 978,541	\$ 794,296
Payroll taxes and benefits	13,955	5,234	11,630	27,331	58,150	20,359	16,850	95,359	110,425
Total payroll and related expenses	157,166	58,938	130,973	307,787	654,864	229,278	189,758	1,073,900	904,721
Advertising	-	-	-	-	-	-	3,621	3,621	4,245
Bad debt expense	-	-	-	-	-	3,073	-	3,073	15
Client services	621,084	17,903	61,111	75,969	776,067	-	-	776,067	3,177,465
Continuing education, memberships, and volunteer	205	20	61	123	409	1,145	82	1,636	3,009
Depreciation and amortization	11,239	1,124	3,372	6,743	22,478	1,249	1,249	24,976	21,481
Dues and subscriptions	481	48	144	289	962	4,425	4,232	9,619	345
Fundraising	-	-	-	-	-	-	100,292	100,292	99,208
General & IT repairs and maintenance	14,341	1,434	4,302	8,605	28,682	14,341	14,341	57,364	40,252
General administration expenses	12,292	1,229	3,888	7,375	24,584	4,677	4,607	33,868	22,639
In-kind expenses	616,635	61,664	184,991	2,521,779	3,385,069	-	-	3,385,069	42,101
Insurance	12,759	1,276	3,828	7,655	25,518	5,468	5,468	36,454	57,098
Licenses and fees	6,325	-	-	-	6,325	-	-	6,325	11,661
Merchant and bank fees	51,414	-	-	-	51,414	-	-	51,414	42,507
Mileage and expense reimbursement	3,296	329	988	1,976	6,589	1,029	3,499	11,117	22,867
Miscellaneous	-	-	-	-	-	-	-	-	772
Office supplies	6,686	669	2,006	4,012	13,373	5,349	8,024	26,746	8,299
Outreach programming R&D	294	30	89	177	590	-	-	590	-
Postage and freight	1,103	110	331	662	2,206	2,207	6,620	11,033	9,842
Printing	724	73	218	435	1,450	1,450	6,768	9,668	4,322
Professional services	-	-	-	-	-	34,238	-	34,238	10,926
Property taxes	4,039	404	1,212	2,423	8,078	-	-	8,078	8,487
Rent	74,408	7,441	22,322	44,645	148,816	14,519	54,445	217,780	189,747
Store supplies	7,261	726	2,178	4,356	14,521	-	-	14,521	8,408
Utilities	27,032	2,703	8,109	16,219	54,063	4,867	7,291	66,221	65,584
Total expenses by function	1,628,784	156,121	429,923	3,011,230	5,226,058	327,315	410,287	5,963,670	4,755,901
Less expense included with revenues on the statement of activities:									
Direct cost of special events	-	-	-	-	-	-	(100,292)	(100,292)	(99,208)
Total expenses included in the expense section on the statement of activities	\$ 1,628,784	\$ 156,121	\$ 429,923	\$ 3,011,230	\$ 5,226,058	\$ 327,315	\$ 310,005	\$ 5,863,378	\$ 4,656,693

See accompanying notes to financial statements.

GRACEWORKS MINISTRIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Increase in net assets	\$ 415,835	\$ 4,544
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	24,976	21,481
Changes in:		
Accounts receivable	4,000	(4,000)
Inventory	(135,014)	(55,951)
Prepaid expenses	(14,911)	(644)
Assets whose use is limited	(381,392)	14,447
Accounts payable	(14,076)	(5,626)
Credit card payable	1,570	-
Payroll liabilities	11,216	362
Sales tax payable	387	(321)
Deferred revenue	18,670	37,210
Total adjustments	<u>(484,574)</u>	<u>6,958</u>
Net cash provided by (used in) operating activities	(68,739)	11,502
Cash Flows From Investing Activities:		
Proceeds from sale of property and equipment	902	-
Purchase of property and equipment	<u>(30,684)</u>	<u>(8,357)</u>
Net cash used in investing activities	<u>(29,782)</u>	<u>(8,357)</u>
Net increase (decrease) in cash	(98,521)	3,145
Cash - beginning of year	<u>318,029</u>	<u>314,884</u>
Cash - end of year	<u><u>\$ 219,508</u></u>	<u><u>\$ 318,029</u></u>

See accompanying notes to financial statements.

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities and Program Description

In these notes, the terms "we", "us" or "our" mean GraceWorks Ministries, Inc. We are a nonprofit organization dedicated to sharing the hope and grace of God by helping our neighbors in need united by a common loyalty to Jesus Christ.

GraceWorks Thrift Store

We believe that everyone should have the ability to purchase high-quality used goods such as clothing, furniture and household items at affordable prices. Our thrift stores are open to the public. All merchandise sold is donated, including many new items, and the sales help support our mission.

Program Services

The following program services are included in the accompanying financial statements:

Family Support - Helping neighbors in emergency situations with life necessities.

Instructional Programs - Educating neighbors in financial independence, nutrition, and family guidance.

Seasonal Needs - Helping neighbors through the Manger Christmas gift program, backpacks and supplies, and holiday food boxes.

Hunger Prevention - Providing food items to under privileged families, weekend nutrition for school children, and mobile food pantries.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as unrestricted.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may, or will, be met by our actions and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations which require the assets to be permanently maintained. Generally, the donors of these assets permit us to use all or part of the income earned and any related investments for general or specific purposes.

Prior Year Summarized Financial Information

While comparative information is not required under United States generally accepted accounting principles ("US GAAP"), we believe this information is useful and have included certain summarized financial information from our 2017 financial statements. Such summarized information is not intended to be a complete presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with our financial statements as of and for the year ended June 30, 2017, from which it was derived.

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, we consider all unrestricted cash and investment instruments purchased with an original maturity date of ninety days or less from the date of issuance to be a cash equivalent. At June 30, 2018 and June 30, 2017, we had no cash equivalents.

Inventory

GraceWorks tracks inventory for its thrift store and food pantry, which are items that are donated to the organization. Accounting principles generally accepted in the United States of America require that contributions be recognized as revenue when received.

Thrift Store Inventory:

The organization considers the value of contributed merchandise to be equal to the value of the annual thrift store revenue. Management estimates that all thrift store donations exit the store within three months' time, therefore the value of the thrift store inventory equals three months of subsequent sales.

Food Pantry Inventory:

The organization considers the value of contributed food to be equal to the number of food carts and fuel bags distributed to community members (neighbors). Food cart value is based on the average weight of the food carts multiplied by \$1.73, which is a donated food value issued in the most recent KMPG report from Feeding America. Fuel Bags values were determined by auditing the actual retail price of contents contained in each fuel bag. Management estimates GraceWorks maintains a month and a half of food on premises, therefore the value of the food pantry inventory equals the value of the subsequent 1.5 months of food distributed to our neighbors.

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to us that is, in substance, unconditional. Unconditional promises to give are recorded as temporarily restricted revenue in the year the promise is made and released from restriction in the year received.

Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

We use the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on our analysis of specific promises made. At June 30, 2018 and June 30, 2017, no allowance was considered necessary.

Property and Equipment

Property and equipment is recorded at cost, or, if donated, at the estimated fair market value at the date of donation. If equipment is donated, the donor can stipulate how long the assets must be used, and the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Our capitalization policy is to capitalize any expenditure over \$1,000 for property and equipment. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets. Expenditures for repairs and maintenance are charged to expense as incurred.

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributed Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. We receive many contributed services for our outreach programs. These services meet the requirements for recognition in the financial statements and have been recorded or reflected in the accompanying financial statements.

Compensated Absences

Full time employees are defined as those working 30 hours or more per week. Paid time off is calculated based on each employee's regularly scheduled hours per week and is granted 90 days after hire date. As of the 2018 fiscal year, an employee can carry over up to 40 hours of paid time off at the end of the fiscal year into the new year. At June 30, 2017, if the employee didn't use their paid time off by the fiscal year end, they would lose the time and would not be compensated for it.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

Advertising is expensed as incurred. Total advertising expense for the years ended June 30, 2018 and June 30, 2017, were \$3,621 and \$4,245, respectively.

Income Taxes

We are a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying consolidated financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

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

Fair Values of Financial Instruments

The fair values of current assets, current liabilities, and restricted cash approximate the carrying values due to the short maturities of these instruments and they are all Level 1 in the fair value hierarchy.

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (continued)

Reclassifications

Certain accounts in the June 30, 2017, financial statements have been reclassified for comparative purposes to conform to the presentation of the June 30, 2018, financial statements.

NOTE 2 - Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, and various grant, contract and contributions receivable. Grant, contract and contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources.

Three vendors represented 100% of our total accounts payable at June 30, 2017. One donor represented 100% of total accounts receivable at June 30, 2017.

We maintain our cash in bank accounts which, at times, may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe this exposes us to any significant credit risk on our cash.

NOTE 3 - Investments

Investments consisted of the following at June 30, 2018:

Bond Funds	\$ 247,477
Equity Funds	152,384
Exchange Traded Funds	<u>98,180</u>
	<u>\$ 498,041</u>

The entire investment balance at June 20, 2018, was permanently restricted, see NOTE 7.

NOTE 4 - Leases

We leased two copiers under operating leases during the year end June 30, 2017. The minimum monthly rental amount is \$360 for both copiers. Additional amounts due under the lease are based on the number of copies made during the billing period. We currently lease the warehouse where our Franklin store is located for a monthly cost of \$12,000 and the administration building adjacent to the warehouse for a monthly cost of \$1,000. We also currently lease the building at our Fairview location for \$3,533 per month. The total yearly rent expense was \$223,227 for the year ended June 30, 2018, which includes \$5,447 for the copiers that is in the General & IT repairs and maintenance line on the statement of functional expenses and \$194,989 for June 30, 2017, which includes \$5,242 for the copiers that is in the General & IT repairs and maintenance line on the statement of functional expenses.

A schedule of future minimum lease payments required under all non-cancelable operating leases as of June 30, 2018, is as follows:

<u>Year Ending June 30,</u>	
2019	\$ 158,919
2020	148,320
2021	<u>3,600</u>
	<u>\$ 310,839</u>

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 5 - Unrestricted Net Assets

Board-designated net assets are available for the following purposes:

Client Services - This account is intended to provide funds necessary for the different programs.

Building Improvements - This account is intended to provide funds necessary for building improvements.

Endowment - This account is intended to hold the excess realized annual income and the excess of the market value of the corpus that is to remain with the endowment at all times per the investment policy.

A summary of board designated net assets at June 30, 2018 and 2017, is as follows:

	<u>2018</u>	<u>2017</u>
Client Services	\$ 71,560	\$ 75,626
Building Improvements	16,632	16,632
Set Aside for Future Use	216,893	-
Endowment – Neighbor Services programs	1,144	2,206
	<u>\$ 306,229</u>	<u>\$ 94,464</u>

NOTE 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30, 2018 and June 30, 2017:

	<u>2018</u>	<u>2017</u>
Building improvements	\$ 13,172	\$ 27,490
Backpacks	13,427	1,148
Vehicles	154,390	-
Manger	21,267	-
Our Little Angels	6,900	-
Restricted for client services	-	10,891
	<u>\$ 209,156</u>	<u>\$ 39,529</u>

NOTE 7 - Permanently Restricted Net Assets

Permanently restricted net assets consisted of the following at June 30, 2018 and June 30, 2017:

	<u>2018</u>	<u>2017</u>
Endowment funds	\$ 563,438	\$ 563,438

As of June 30, 2018, the funds are shown on the statement of financial position as follows:

Cash and money market funds	\$ 66,541
Investments (NOTE 3)	498,041
	564,582
Board designated - endowment	(1,144)
Permanently restricted	<u>563,438</u>

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 8 - Endowment Funds

Our endowment consists of funds established by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations. Our permanently restricted endowment funds are based on the spending policies described below which follow the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act (SUPMIFA).

Financial accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. Financial accounting standards also require additional disclosures about our endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not we are subject to UPMIFA.

Interpretation of applicable law - The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, we classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

Spending policy – we have a policy of appropriating for distribution each year a maximum payout up to the total earnings from the funds in excess of the original corpus value. Withdrawal of funds cannot cause the account to fall below the original corpus. If market conditions cause the value of the account to fall below this limit, no withdrawal of funds can be made until the value exceeds this limit. Corpus balance will not be restored from general operating funds of the organization rather withdrawals will be prohibited until market growth restores balance. Withdrawn funds will only be used to enhance the Neighbor Service programs above and beyond the amounts typically spent or budgeted on such programs. Funds released for this purpose for the years ended June 30, 2018 and June 30, 2017, were \$0.

Investment return objective, risk parameters and strategies – the objective of our endowment portfolio is a balanced approach between equities and fixed income. The investment horizon is long-term and balances the need for income and growth. The portfolio allows up to 60% investment in equities and up to 40% investment in fixed income.

At June 30, 2018, our endowment funds were held in an investment account consisting of cash and investment funds, see NOTE 3.

A schedule of endowment net asset composition by type of fund as of June 30, 2018 and 2017, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2018</u>	<u>2017</u>
Endowment funds	\$ 1,144	\$ -	\$ 563,438	\$ 564,582	\$ 563,438

NOTE 9 - Contingencies

From time to time, we may be and have been named as a defendant in a lawsuit. There are no outstanding lawsuits at June 30, 2018 and 2017. We do not believe an accrual is necessary at June 30, 2018 and 2017.

GRACEWORKS MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2017

NOTE 10 - New Pronouncements

In May 2014, FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Update provides guidance about recording contract revenue on an organization's statement of activities. The amendments in this Update are effective for annual periods beginning after December 15, 2018, and for annual periods and interim periods thereafter with early adoption permitted for annual periods beginning after December 15, 2016. We are currently evaluating the impact of adopting this statement.

In February 2016, FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2019, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

In August 2016, FASB issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Update provides guidance about the presentation of financial statements for non-profit organizations. The amendments in this Update are effective for annual periods beginning after December 15, 2017, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

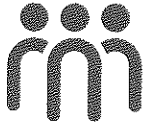
In August 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows. The amendments will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting this statement.

In November 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting this guidance on the financial statements.

NOTE 11 - Subsequent Events

We have evaluated events subsequent to the year ending June 30, 2018. As of December 14, 2018, the date that the financial statements were available to be issued, we are not aware of any material subsequent events, other than those noted below, which would require recognition or disclosure in the accompanying financial statements for the year ended June 30, 2018.

We committed to purchase vehicles with a total cost of \$78,774 on June 29, 2018. However, we did not receive the vehicles until the first day of the 2019 fiscal year and were not obligated to pay for these vehicles until that time. These vehicles will be recorded as property and equipment in the June 30, 2019 financial statements.



MIDCUMBERLAND

Human Resource Agency

March 7, 2019

Specified

MAR 15 2019

Finance

ATTN: Kristine Tallent
Historic Franklin
City Hall
109 Third Avenue South
Franklin, TN 37064

Dear Mayor Moore,

The services offered by Mid-Cumberland Human Resource Agency have proven to impact lives, maintain dignity, and allow many to live at home longer. With your support, we are able to provide and improve the quality of life within your community.

Please consider and approve the following FY'20 funding request:

<u>Service:</u>	<u>Requested Amount:</u>
Dues	\$ 6,873.57
Meals-on-Wheels	\$ 10,152.00
Homemaker	\$ 4,700.00
Ombudsman	\$ 2,750.00
YouthCAN	\$ 5,000.00
Total	\$ 29,475.57

Should you have any questions, feel free to contact me. As always, we sincerely appreciate your support.

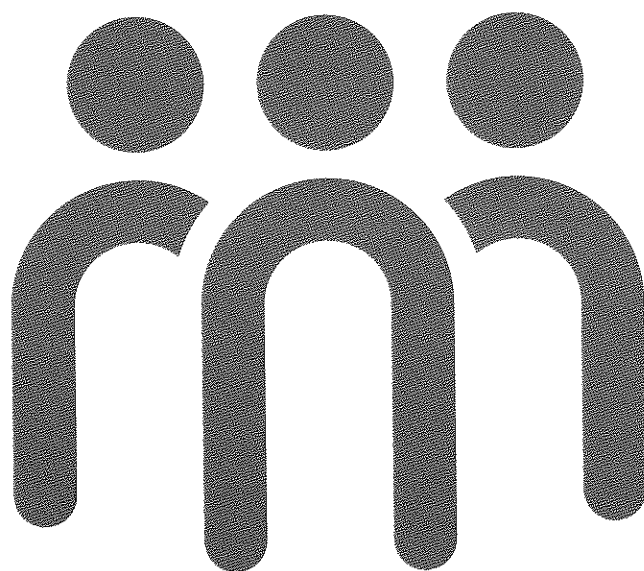
Best regards,

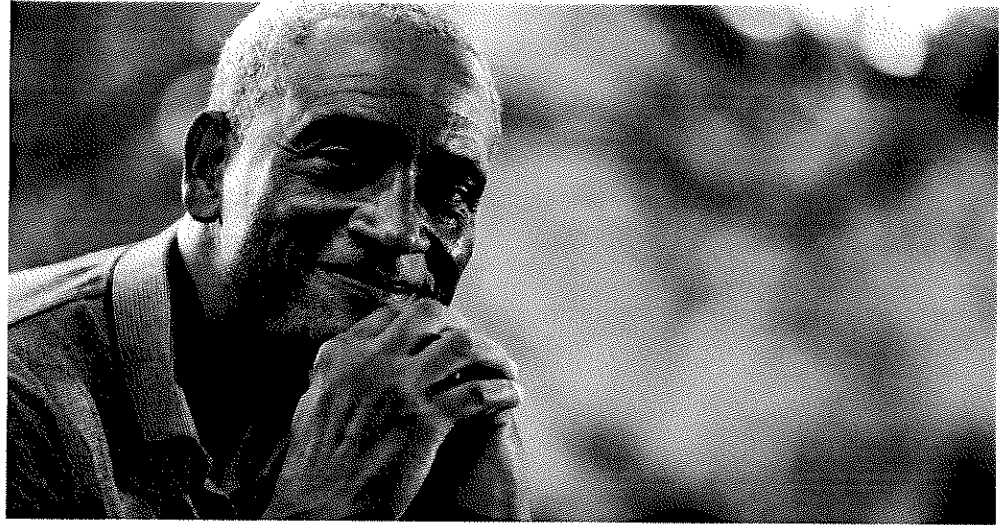
Jane Hamrick

Jane Hamrick
Executive Director

Enclosures

*Thanks so much
for your continued
support!*



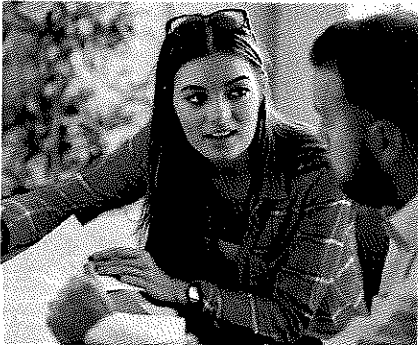


2020 Dues Request for | City of Franklin

Agency Dues Request of \$6,873.57

Pursuant to the "Human Resource Agency Act of 1973" The Mid-Cumberland Human Resource Agency was created forty-four years ago on the fundamental belief that all Middle Tennesseans deserve to live productive, healthy, and independent lives. We use this principle as a measurement tool in our ability to make a difference. And do we?

YES, our dedicated team makes a difference EVERY day!



13-26-102 Creation authorized... *with the intent that the agencies so created may be the delivery system for human resources..."*

13-26-107 (c) Appropriations-Local contributions... *"It is the intent of the state to assist financially with the delivery of human resources for residents. After the creation.... and when the local governments have indicated a willingness to contribute financially by adopting a budget requiring a certain **per capita** assessment, the state is authorized to match the local contributions according to the....schedule..."*



The request for Dues hereby made by the Mid-Cumberland Human Resource Agency is eleven cents per capita, the minimum on this schedule.

(d) ...such funds may be used for purposes of matching various federal programs of assistance... Cities and counties are specifically authorized to appropriate and expend funds for carrying out the purposes of this chapter."

Calculation:

2010 census population of 62,487 x \$.11 per capita = **\$6,873.57**





**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Mid-Cumberland HRA- Meals-on-Wheels Phone: 615-850-3912

Contact Person & Title: Jane Hamrick, Executive Director
Mailing Address: 1101 Kermit Drive, Suite 300, Nashville, TN 37217
Federal Identification # (if applicable): 62-0923487
Email Address: jhamrick@mchra.com

Number of Active Participants in Organization: FY19 Estimate 305-325

Does this organization charge fees to participants? Yes _____ No X
If Yes, please itemize the structure utilized (use a separate sheet if necessary):

If No, please explain: If there is a waiting list, clients can elect to pay otherwise donations are accepted but not required.

Please provide the approximate number of clients served by your program on a yearly basis
322 FY18.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: Clients are tracked in in two databases to determine the number of unduplicated clients served in each county. Funds received are receipted and submitted to program management staff to ensure funds are receipted to the appropriate county budget. Expenses are tracked and receipted to appropriate county.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

A group of churches provides meals on MWF inside the Franklin city limits. Mid-Cumberland serves meals from its Franklin location on Tues and Thurs. The Franklin location also serves Brentwood, Thompson's Station, and Spring Hill. Meals sites in Fairview and Triune serve the remainder of the county.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.
The program has participated in a direct mail campaign for the past four years, and the program also receives corporate and foundation grant funding.

Non-Profit Organization Request for

City of Franklin - Page Two



Organization: Mid-Cumberland HRA-Meals-on-Wheels

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Salaries/Benefits	98,883	102,576	103,549
Raw Food Costs	150,058	161,869	165,000
Professional Fees/Contracted Services	10,986	11,970	11,970
Supplies/Office Expense	10,252	10,402	10,402
Occupany	2,910	2,964	3,078
Travel	2,773	3,648	3,420
Admin	17,370	23,940	23,940
Meetings/Ins/Depreciation	2,697	3,569	3,569
Total	295,929	320,938	324,928

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government	14,622	14,622	14,622
City of Franklin Government	10,152	10,152	10,152
Government Grant	124,325	125,492	135,598
Program Services	29,424	35,625	37,661
Donations/United Way	107,033	113,582	113,475
Other	10,373	21,465	13,420
Total	295,929	320,938	324,928

**Non-Profit Organization Request for
City of Franklin - Page Three**



Organization: Mid-Cumberland HRA- Meals-on-Wheels-Williamson County

Personnel & Salary Information

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
3 site managers for Franklin, Fairview, and Triune. 2 site aides, back up mgr.	60,646	62,522	64,397
Allocated part of Nashville staff:	19,154	19,747	20,749
1 Program Coordinator, 2 Specialists			
1 Regional, 1 Tech Coordinator			
1 Community Engagement Director			
*Salaries only			
Total			

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



City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Mid-Cumberland HRA Meals-on-Wheels Date: March 1, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

The funding will provide 2,093 meals to hunger insecure seniors. Over 1 of 5 TN seniors is hunger insecure and TN ranks 4th in the country for senior hunger insecurity. The meals delivered by caring volunteers provide 1/3rd of the daily required intake and are carbohydrate and protein balanced along with being lower sodium. The program physically nourishes seniors, but it also delivers smiles and love since meals are delivered by caring volunteers. Volunteers can often foster a sense of family for a lonely senior.

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

In the event an health emergency occurs in the process of meal delivery, emergency responders would be called.



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

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

In FY18 15,929 meals were served by the Franklin Meals-on-Wheels to vulnerable senior citizens. Meal service helps a seniors to age in place and also provides a daily well being check on the senior when the meal is delivered. For many seniors the volunteer who delivers the meals is the only person he or she may see daily.

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

Daily, the number of meals served to each client is tracked and reported. Meal site managers record comments regarding the look, taste, and overall quality of meals and provide feedback daily to the food vendor and administrative staff so timely adjustment can be made. Customer satisfaction surveys are also completed.

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

Meal sites have to be permitted by the health department.

Greater Nashville Regional Council audits the program to ensure program and eligibility requirements are met along with procedures in place to ensure safety of the seniors. Agency also receives an annual external audit.

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

3.12%

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

Direct mail campaigns, concerts, corporate and foundation grants

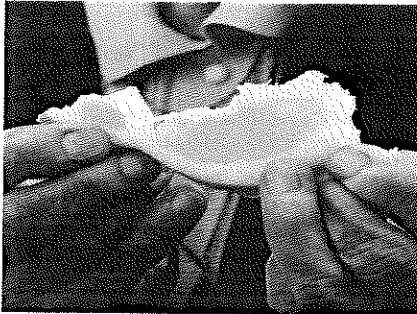
6. Do you charge any fees for your services?

No



Meals-On-Wheels | a Mid-Cumberland Service

It's More than Just a Meal!



Request:

Meals-on-Wheels is requesting a community investment from City of Franklin of \$10,152 to be used as a match for state and federal dollars. This would help serve 2,093 meals to residents of Franklin.

About Us:

Many homebound seniors live alone and do not eat well because of a lack of mobility, money, and knowledge of healthy eating. Meals-On-Wheels aims to assist individuals 60 years and older in maintaining their health and independence. We do this by providing a nutritious meal and a much needed volunteer visit. Our meals meet 1/3 of the daily recommended nutritional value and are packed at local meal sites and delivered to vulnerable seniors by caring, dedicated volunteers. Homebound individuals age 60 and over may qualify for services as funding is available.



Did You Know?

- 1 in 5 Tennessee seniors is hungry
 - 5,533 seniors at risk in Williamson County
- Tennessee ranks 4th in the Nation with the highest rate of hunger amongst seniors
- 30% of seniors choose between food and medicine
- 35% of seniors choose between food and utilities
- Seniors with pets have 21% fewer doctor visits
 - Mid-Cumberland delivers 15,000 pounds of donated pet food annually



Our Volunteers:

Seniors who are lonely have a 45% greater chance of death. Our caring and dedicated volunteers are a vital part of the Meals-On-Wheels experience. They help pack and deliver meals. Without volunteers the program would serve approximately 20% less meals. Most importantly, volunteers offer vulnerable home bound seniors increased opportunities for socialization and a very important check on their well being. Many home bound seniors live alone and the volunteer may be the only person the senior sees that day.



Williamson 2018

322
Clients
Served

33,375 Meals Served

5,668 Volunteer Hours

92% of recipients say
Meals-On-Wheels
enables them to
continue living at home.



**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Mid-Cumberland HRA- Homemaker/CREVAA Phone: 615-850-3912

Contact Person & Title: Jane Hamrick, Executive Director
Mailing Address: 1101 Kermit Drive, Suite 300, Nashville, TN 37217
Federal Identification # (if applicable): 62-0923487
Email Address: jhamrick@mchra.com

Number of Active Participants in Organization: FY19 Estimate 59

Does this organization charge fees to participants? Yes _____ No X
If Yes, please itemize the structure utilized (use a separate sheet if necessary):

If No, please explain: We do not charge fees to participants since most are below poverty level.

Please provide the approximate number of clients served by your program on a yearly basis
68 FY18.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: Clients are tracked in a database to determine unduplicated count of clients served in each county. Funds received are receipted and submitted to program management staff to ensure funds are receipted to the appropriate county budget. Expenses are tracked and receipted to appropriate county.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

Homemaker is the only program contracted with the Department of Human Services to provide services to the most frail, neglected, and abused citizens of Williamson County who fall under Adult Protective Services.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources. Due to contractual and licensure limitations in protecting clients under Adult Protective Services, the program is limited in its fundraising efforts but does accept donations and regularly applies for corporate and foundation grants.

Non-Profit Organization Request for

City of Franklin - Page Two



Organization: Mid-Cumberland HRA-HomeMaker

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Salaries/Benefits	195,490	167,101	165,884
Service Fees	2,680	2,680	2,680
Depreciation	502	500	500
Meetings	453	500	250
Occupancy	4,066	4,500	4,500
Travel	16,337	16,400	13,000
Admin/Other	12,222	10,000	9,500
Insurance	1,019	1,000	950
Total	232,769	202,681	197,264

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government	36,000	36,000	36,000
City of Franklin Government	4,700	4,700	4,700
Government Grant	26,521	23,786	41,564
Program Services	33,048	15,000	15,000
Donations/United Way	132,500	123,195	100,000
Other			
Total	232,769	202,681	197,264

**Non-Profit Organization Request for
City of Franklin - Page Three**



Organization: Mid-Cumberland HRA- Homemaker/Williamson County

Personnel & Salary Information

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Current -3 Homemakers/1 Companion	110,677	88,327	90,976
Regional Coordinator 30%	16,232	16,735	17,237
Allocated Nashville Office Staff:	24,333	19,474	20,479
1 Program Manager, 2 Specialists			
1 Tech Coordinator			
*Salaries only			
Total			

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

City of Franklin
APPLICATION ADDENDUM

For the funding year, July1, 2019 through June 30, 2020

Name of Agency: Mid-Cumberland Human Resource Agency – Homemaker/CREVAA Program

Date: 03/5/19

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

The requested dollars would be spent in direct services to residents of Franklin. City contributions are used to serve one of the most vulnerable populations, individuals who have been or are at imminent risk of becoming victims of abuse, neglect, or exploitation. The funding will be used for direct support services and for match funding for the CREVAA initiative of Mid-Cumberland HRA to provide financial assistance to senior victims of crime including those experiencing abuse, neglect or exploitation. The assistance can take the form of rental help, legal fees, and other necessities for senior victims of crime. The Homemaker Program is careful not to use any City, County, or United Way funds to provide services that an individual is eligible for through other funding sources.

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

The Homemaker Program does not have any official collaborative relationships with City Department; however, referrals are received from multiple sources including housing authorities, schools, senior centers, Dr. offices, and other community organizations to name only a few. The Program then provides unique in-home services as well as assistance accessing other community resources to enable the client to remain safely within their own home.

Please answer the following questions using additional pages if necessary:

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

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. We do this 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. The Homemaker Program stays in the home of the elderly and/or disabled person as long as the services are needed which can be until the client has passed away, or until they must enter an Assisted Living Facility or Nursing Home. However, the Program also serves clients with urgent but short term needs.

The amount of services provided is based upon an assessment of the client's needs, risk factors, other available services and community support. Services are generally provided once a week but can be as frequent as 2-3 times per week when there is an immediate need or as little as once a month once a client has stabilized and is in need of monitoring only. The Regional Coordinator reassesses cases as situations change to assure that the appropriate level of service is received.

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. Clients are more content in their own home and the cost of in-home service is minimal compared to a nursing facility. 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.

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

Yes. Service plans are developed for each client and reassessed at least once every six months by supervisory staff at which time any adjustments to services can be made to assure the appropriate and highest quality of service is provided. Random phone calls and satisfaction surveys are also completed. In addition, the Program is monitored annually by the Department of Finance and Administration, Department of Mental Health's Licensure Office, and Area Agency on Aging and Disability to assure compliance with contract and licensure requirements, goals, and objectives. The Program also measures its success based upon its outcome measures reported to United Way.

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

Yes. The Finance and Administration Department and Department of Mental Health Licensure Office monitor the Homemaker Program on an annual basis. We also have regular monitoring visits by the Area Agency on Aging and Disability, Tennessee Commission on Aging and Disability, and Department of Human Services. In addition, the Agency is audited annually by an independent auditor.

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

The Homemaker Program is requesting \$4,700 from the City of Franklin which would equal 2.38% of the projected county budget.

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

The Homemaker Program is not designed to complete one time fundraisers. However, the Program does apply for grants and awards that it may be eligible and accepts donations at all times. Additionally the Homemaker Program is unable to utilize volunteers in the provision of service.

6. Do you charge any fees for your services?

The Homemaker Program does not charge fees to participants. The clients we serve are generally below the poverty level. We do accept and encourage donations from participants.



Homemaker | a Mid-Cumberland Service

A Homemaker and Elder Abuse Program



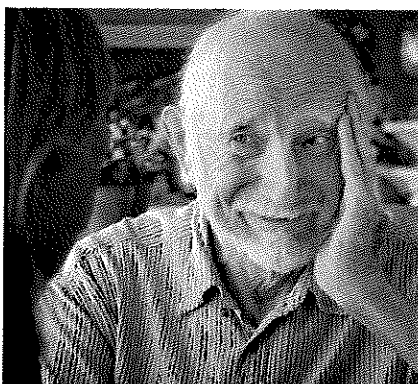
Request:

The Homemaker Program is requesting \$4,700 from Franklin.

About Us:

Trained Homemakers provide basic, in-home assistance to elderly, disabled, and handi-capped persons. Many elderly residents live alone and are in danger of being neglected, exploited, or abused. With the broad range of services the program offers, we are able to address most of the services needed to allow the client to remain SAFELY independent in their own home. Without these services many residents would be forced into institution care prematurely or worse, remain victims of abuse, neglect, and exploitation. The Homemaker is often the only advocate our vulnerable clients have. The Homemaker performs the essential tasks which the client is no longer able to do for him or herself. These include:

- Routine Household Tasks
- Meal Preparation
- Monitoring
- Grocery Shopping
- Household Budgeting/Bill Paying
- Emotional Support
- Resource Assistance
- Transportation
- Others as Needed
- Personal Care



Did You Know?

- Every 5 seconds an elderly person is abused
- 1 in 9 elderly individuals report they have been a victim of abuse
- There are as many as 3,074 victims of elder abuse in Williamson County
- Only 1 out of 23 victims report abuse, neglect, exploitation, or self-neglect to authorities
- In 90% of cases reported, the abuse was imposed by a family member

Our Service Statistics

FY 2018	Number of Clients	Number of Units	Percent of clients able to SAFELY retain their independence as a result of services provided
Williamson County	68	8,108.5	86.67 %



We help clients gain or maintain self-sufficiency and independence

Prevent or reduce the need for institutional care

Prevent or remedy neglect, abuse or exploitation

Maintain safe, intact family units

STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES



LICENSE

THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES GRANTS THIS FULL LICENSE IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 33, CHAPTER 2, PART 4 TO:

MID-CUMBERLAND HUMAN RESOURCE AGENCY (THE)

(Name of Licensee)

TO OPERATE A FACILITY OR SERVICE IDENTIFIED AND LOCATED AS FOLLOWS FOR THE PROVISION OF MENTAL HEALTH, PERSONAL SUPPORT, OR ALCOHOL AND DRUG ABUSE SERVICES:

Mid-Cumberland Human Resource Agency

(Name of Facility or Service as Known to the Public)

1101 Kermit Drive Suite 300, Nashville, TN 37217

(Street Address or Location, City or Town)

THE LICENSEE HAS DEMONSTRATED COMPLIANCE WITH T.C.A. TITLE 33, CHAPTER 2, PART 4 AND WITH RULES OF THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

THIS LICENSE AUTHORIZES LIFE SAFETY OCCUPANCY CLASSIFICATIONS AND THE FOLLOWING DISTINCT CATEGORY OF FACILITY OR SERVICES TO BE PROVIDED.

License Category	Accessible to mobile, non-ambulatory individuals	Approved for persons w		Capacity
		hearing loss	vision loss	
Alcohol & Drug DUI School Services	n/a	n/a	n/a	n/a
Personal Support Services Agency	n/a	n/a	n/a	n/a

February 01, 2019

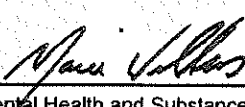
Effective Date

January 31, 2020

Date License Expires

L000000023683

License Number


Commissioner of Mental Health and Substance Abuse Services

THIS LICENSE IS NON-TRANSFERABLE AND NON-ASSIGNABLE.
POST THIS LICENSE IN A CONSPICUOUS PLACE.

23683

Site ID: 1786



**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Mid-Cumberland Human Resource Agency: Ombudsman Phone: 615-850-3912

Contact Person & Title: Jane Hamrick, Executive Director
Mailing Address: 1101 Kermit Drive, Suite 300, Nashville, TN 37217
Federal Identification # (if applicable): 62-0923487
Email Address: jhamrick@mchra.com

Number of Active Participants in Organization: 1.25 staff and 13 volunteers

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

If Yes, please itemize the structure utilized (use a separate sheet if necessary):

N/A

If No, please explain: Ombudsman services are offered to all free of charge.

Please provide the approximate number of clients served by your program on a yearly basis
8,086 District-wide. 2078 in Williamson County.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: Any funds provided by the City of Franklin will be used to fund services to long-term care facilities in the City of Franklin or in Williamson County serving City of Franklin residents.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

We are the only program in Williamson County providing advocacy services for the residents of long-term care facilities, providing quarterly monitoring of facility conditions and helping citizens navigate this service system.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.
We receive funding from Williamson County United Way. The Williamson County Commission is not accepting new funding requests. We also do a direct mail campaign and have secured funding from a private foundation.

**Non-Profit Organization Request for
City of Franklin - Page Two**



Organization: Mid-Cumberland Human Resource Agency: Ombudsman

Williamson Co. share of expenses/expenditures figured at 9.6% of total per allocation plan.

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Personnel/Fringe	13,341	14,979	15,578
Travel	1,226	1,440	1,488
Conferences/Seminars	302	192	192
Occupancy	165	173	182
Communication	242	269	269
Supplies/Printing/Postage	275	412	441
Insurance	83	72	74
Professional/Contract Services	423	202	202
Indirect/Agency Overhead	958	1,152	1,200
Total	17,015	18,891	19,626

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government	0	0	0
City of Franklin Government	2,500	2,500	2,750
Federal Revenue	6,865	8,741	8,976
Williamson United Way	5,250	5,250	5,500
Local & Foundation Contributions	2,400	2,400	2,400
Total	17,015	18,891	19,626

**Non-Profit Organization Request for
City of Franklin - Page Three**



Organization: Mid-Cumberland Human Resource Agency Long-Term Care Ombdsman

Personnel & Salary Information

Total Program Personnel Expense. Williamson County share is 9.6% of the following:

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Program Director/District Ombudsman	45,076	47,008	48,888
Associate Ombudsman	31,086	34,611	35,969
Associate Ombudsman	34,128	34,466	35,844
Administrative Assistant	11,515	5,814	6,046
Total	121,805	121,899	126,747

List any equipment owned by this organization funded, in whole or in part, by City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary): NONE



City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Mid-Cumberland Human Resource Agency Long Term Care Ombudsman Date: 2/25/19

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

City of Franklin funding will be used to help us provide the following services:

1. Investigate and resolve 30 resident complaints about substandard care, poor quality of life and violations of resident rights.
 2. Conduct monitoring visits four times a year to all 13 long-term care facilities in the City of Franklin (52 visits) to monitor conditions.
 3. Educate 300 long-term care facility residents on their rights and on how to access ombudsman services.
 4. Provide 30 information & referral consultations to citizens on navigating the long-term care system.
 5. Provide 20 consultations to facility staff on improving resident care, respect for their rights, their safety and their quality of life.
 6. Provide 4 volunteer recruitment and training events a year and 12 monthly volunteer enrichment and in-service events a year.
- Objective: Make enduring change that transforms facilities into communities of excellence in terms care, safety, and quality of life.

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

Although we have no direct interaction with the operations of City of Franklin departments we work closely with the TN

Department of Health, the TN Bureau of Investigation, The District Attorney's office, the TN Department of Human Services Adult Protective Services unit, the TN Justice Center, Disability Rights of TN, and Legal Aid of TN in protecting residents of Franklin long-term care facilities in improving resident level of care, safety, quality of life and respect for resident rights.



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

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

The lives of residents in nursing homes and assisted care living facilities were made safer and healthier emotionally and physically due to our advocacy in resolving their complaints, monitoring their facilities to ensure compliance with state and federal regs, and providing information and referral services and consultations to staff to improve care.

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

Yes. Our program measures achieved results by soliciting immediate feedback from residents, facility staff and community members to whom we provide services to determine the effectiveness of provided services. The State Long-Term Care Ombudsman at TCAD also regularly monitors our program for effectiveness.

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

Yes. Although there is no certification required to operate, the Tennessee Commission on Aging and Disability (TCAD) and the Area Agency on Aging and Disability complete annual monitoring of our program. Both require monthly and quarterly reports of all program activities to ensure compliance with submitted annual goals as part of our contract.

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

Our \$2,850 request from the City of Franklin is 14% of the Williamson County Ombudsman budget and 1.35% of the total Ombudsman Program Budget.

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

We do not sponsor fund-raisers. We apply for grants from city and county governments and from United Way agencies in our 13-county district. We also conduct a direct-mail campaign.

6. Do you charge any fees for your services?

Services are free to all. No fees are charged.

Long-Term Care Ombudsman | a Mid-Cumberland Service

Advocates for the Elderly



Request:

The **Long-Term Care Ombudsman Program** is requesting a community investment from the City of Franklin of \$2,750 to be used as a match for federal dollars. This would help provide Ombudsman services to the 2,078 residents of the 23 nursing homes and assisted care living facilities serving the City of Franklin and Williamson County.

About Us:

Many elderly residents of long-term care facilities have no one to advocate for them. The Ombudsman Program provides paid staff and trained volunteers to assist residents in resolving complaints about sub-standard care, poor quality of life and violations of their rights. We educate facility residents, their loved ones and citizens on the rights of long-term care residents and how to access Ombudsman services. The program also provides consultations to facility staff on improving care and information and referral services to citizens trying to navigate the long-term care system.

Did You Know?

- 44% of nursing home residents have been abused
- 50% of nursing home staff admitted to mistreating residents
- 30% of Tennessee nursing homes receive the lowest possible rating from the Centers for Medicare and Medicaid Services
- The Families for Better Care Report Card gives Tennessee an overall rating of D for nursing home quality
- There are over 500 veterans residing in long-term care facilities in the Mid-Cumberland service area

Our Volunteers:

Many residents of long-term care facilities have outlived their loved ones or their loved ones live far away or seldom visit. They have no one to monitor conditions in the facility or advocate for better care for them. Our Volunteer Ombudsman Representatives visit each facility assigned to them at least once a month to monitor conditions in the facility and help residents resolve complaints. Volunteers are the heart and soul of this program. For information on volunteering and upcoming volunteer training events call 615-850-3918.

FY 2018	Number of Volunteers	Volunteer Hours	Value of Time
MCHRA Service Area	40	3,873	\$95,624

8,086
Clients
Served

993 Complaints Resolved
1,527 Consults with
Staff & Citizens

5,566
Residents
and Citizens
Educated

There are 15,188
residents in the
183 facilities of
our 13-county
service area.





**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Mid-Cumberland Human Resource Agency - Youth CAN Phone: 615-850-3912

Contact Person & Title: Jane Hamrick, Executive Director

Mailing Address: 1101 Kermit Drive, Suite 300, Nashville, TN 37217

Federal Identification # (if applicable): 62-0923487

Email Address: jhamrick@mchra.com

Number of Active Participants in Organization: 1,500

Does this organization charge fees to participants? Yes _____ No ☒ X
If Yes, please itemize the structure utilized (use a separate sheet if necessary):

If No, please explain: All Youth CAN services are free.

Please provide the approximate number of clients served by your program on a yearly basis

100-Williamson Co.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: Our program model has county-specific service procedures built in. All funding received from the City of Franklin will be used for direct services to participants residing in Williamson Co.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

N/A - We are the only provider of Workforce Innovation and Opportunity Act Youth Services in Williamson Co.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.
We accept private donations year-round and participate in an annual United Way giving campaign.

**Non-Profit Organization Request for
City of Franklin - Page Two**

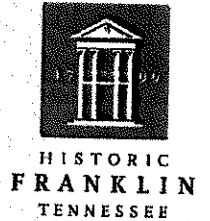


Organization: Mid-Cumberland Human Resource Agency --

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Supportive Services	\$21,020.00	\$22,551.00	\$22,551.00
Staff	\$26,980.00	\$33,828.00	\$33,828.00
Total	\$48,000.00	\$56,379.00	\$56,379.00

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government	0	0	0
City of Franklin Government	0	0	\$5,000.00
Department of Labor	\$48,000.00	\$51,379.00	\$51,379.00
Total	\$48,000.00	\$51,379.00	\$56,379.00

**Non-Profit Organization Request for
City of Franklin - Page Three**



Organization: Mid-Cumberland Human Resource Agency --

Personnel & Salary Information

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Case Manager	\$26,990.00	\$33,828	\$33,828
Total	\$26,130.00	\$33,828.00	\$33,828.00

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



HISTORIC
FRANKLIN
TENNESSEE

**City of Franklin
APPLICATION ADDENDUM**

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Mid-Cumberland Human Resource Agency -- Date: 3/7/2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

Youth CAN leverages local funding to meet the specific needs of our participants in the City of Franklin to overcome barriers to successful employment or education opportunities. These supportive services include but are not limited to: transportation and childcare, tuition, materials, and books assistance, uniforms, medical needs such as glasses, and additional supplies and materials needed for success.

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

N/A



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

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

We provided tuition, emergency utility assistance, and assistance with childcare and transportation costs to City of Franklin residents last year seeking employment or training. On average, a participant is enrolled with Youth CAN for 6-18 months, and 90% of our participants obtain employment or earn a qualified credential. Please see attached for more information.

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

All results are measured during follow-up, to ensure participants can focus solely on achieving their goals. Following participation in Youth CAN, case managers maintain contact for a year (often longer) to ensure no additional barriers arise and to capture program outcomes.

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

See attached.

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

8.8%

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

We apply for numerous City/County, United Way, and private grants to supplement the federal funding we receive.

6. Do you charge any fees for your services?

All of Youth CAN's services are free.



YOUTH CAN | a Mid-Cumberland Service

A Workforce Development Program

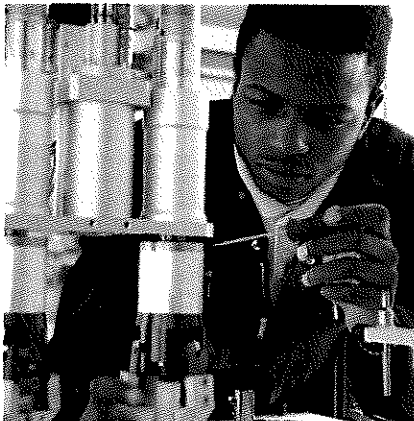


Request:

Youth CAN is requesting a community investment from Franklin of \$5,000 to be used as a match for state and federal dollars. All funds received will be used to provide direct support to Youth CAN participants who reside within Franklin. No additional staff or administrative expenses will be funded by this investment.

About Us:

Youth CAN provides eligible youth ages 16-24 with the financial and educational help they need to receive a high school diploma, HiSET, postsecondary diploma, or other qualified credential. We work to eliminate financial and social barriers that youth face while pursuing employment and postsecondary education. Our mission is to help young people achieve occupational and academic goals and attain a healthy work ethic.



We currently operate in 61 Tennessee counties. We would like to increase the number of young people we are able to serve, as we currently maintain an ever-growing waiting list of youth in need of our services. Program-wide, 90% of our participants leave Youth CAN with a qualified credential and employment or enrollment in post-secondary study.

Did You Know?

- In Tennessee, the median annual income for high school dropouts is \$18,706. Compare with \$25,504 for graduates and \$31,143 for those with some college or an Associate degree.
- Each year's dropouts will cost the country 200 billion in lost wages and unrealized tax revenue.
- 75% of incarcerated Tennesseans are high school dropouts.
- Nearly two-thirds of the nation's jobs require some postsecondary education or training.

Our Service Statistics

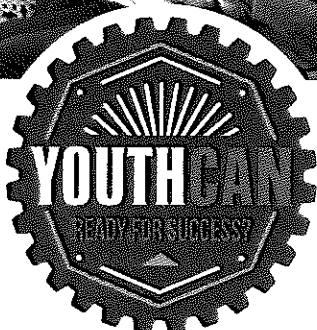
Over 4,500
Clients Served Each Year

61 Tennessee
Counties
Served

45 Years of
Experience

92% of participants
leave with a
qualified
credential and employment
or engaged in post-secondary
study

100% of participants
surveyed say Youth CAN helped
improve their self-esteem and
employability



Address any reply to: 3131 Democrat Road, Memphis, Tennessee 38110
Department of the Treasury

FEB 23. RECD

**Internal Revenue
Service Center
Southeast Region**

Date: **FEB 18 1977** In reply refer to:
49220438:1s



▷ Mid-Cumberland Human Resource Agency
Attn: Mr. James Adams
501 Union St.
Nashville, TN 37219

Gentlemen:

Pursuant to our telephone conversations and letters you submitted, we are accepting the ruling given you by the Wage Excise and Administrative Provisions Branch set forth in their letter of September 7, 1976, stating your organization is not a political subdivision.

Your organization has an exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954. You also have an accepted Form SS-15 effective April 1, 1974.

Therefore, you should continue to file Form 941, employer's quarterly tax return, to report both Federal income tax and Social Security tax withheld from your employees' wages.

If you have any questions and wish to call us at 901-365-5664, Eva Williams will be able to help you. The telephone number is not toll-free.

We are closing our case file at this time.

Sincerely yours,

B. J. Fant, Chief
Correspondence Section

NOV 13 REC'D

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Person to Contact:

Phone Contact: J. Fillmore

Telephone Number: 202-964-4757

Mid-Cumberland Human Resource
Agency
501 Union Street
Suite 601
Nashville, Tennessee 37219

Refer Reply to:

E:EO:T:R:1:3

Date: NOV 11 1975

Key District: Atlanta
Accounting Period Ending: June 30
Form 990 Required: ☒ Yes ☐ No
Foundation Status Classification: 509(a)(1)
Advance Ruling Period Ends: June 30, 1977

Gentlemen:

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

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

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

Within 90 days after the end of your advance ruling period, you must submit to your key district director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization so long as you continue to meet the requirements of the applicable support test. If, however, you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for

Mid-Cumberland Human Resource Agency

future periods. Also, in the event you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. In addition, if you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization..

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

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

If your sources of support, or your purposes, character, or method of operation is changed, you must let your key District Director know so he can consider the effect of the change on your status. Also, you must inform him of all changes in your name or address.

Section 3121(b)(7) of the Federal Insurance Contributions Act (FICA) and section 3306(c)(7) of the Federal Unemployment Tax Act (FUTA) provide that services performed in the employ of an instrumentality wholly owned by a state or political subdivision of a state are excepted

Mid-Cumberland Human Resource Agency

from the definition of "employment." Accordingly, if your organization is a wholly owned instrumentality, remuneration for services performed for you is not subject to the taxes imposed by the FICA or FUTA. When social security coverage is desired for employees of a wholly owned instrumentality of a state or political subdivision the coverage may be obtained only by means of an agreement between the state and the Secretary of Health, Education, and Welfare, entered into pursuant to a section 218 agreement of the Social Security Act, as amended.

The waiver procedure in section 3121(k) of the FICA is not applicable to a wholly owned instrumentality of a state or political subdivision even though the particular instrumentality also qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt From Income Tax. If the Yes box is checked, you are required to file Form 990 only if your gross receipts each year are normally more than \$5,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file the return on time.

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

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

Mid-Cumberland Human Resource Agency

We are informing your key District Director of this action. Please keep this ruling letter in your permanent records.

Sincerely yours,

A handwritten signature in cursive script, reading "Jeanne S. Gessay". The signature is written in dark ink and is positioned above the typed name.

Jeanne S. Gessay
Chief, Rulings Section 1
Exempt Organizations
Technical Branch

**MID-CUMBERLAND HUMAN RESOURCE
AGENCY**

Nashville, Tennessee

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2017

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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, 2017, 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, 2017, 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 February 13, 2018, 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, Nicky & Menckman, P.C.

Chattanooga, Tennessee
February 13, 2018

**Mid-Cumberland Human Resource Agency
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

Mid-Cumberland Management's Discussion and Analysis (MD&A) section provides a financial analysis for the year ended June 30, 2017. Please read this section in conjunction with the Agency's financial statements.

FINANCIAL HIGHLIGHTS

- The Agency's net position increased by \$88,889 (1%) from \$11,057,238 in 2016 to \$11,146,136 for 2017. The moderate increase was attributed to continued performance in Governmental activities and capital outlays.
- The Agency's cash balance increased by \$1,282,571 (19%) from \$6,665,260 in 2016 to \$7,947,831 for 2017. Accounts Receivable decreased by \$1,465,361 (41%) from \$3,581,385 in 2016 to \$2,116,024 for 2017. The increase in cash and decrease in accounts receivable is attributed to better performance in federal and state grantor payments.
- Total Current Assets decreased by (1%) from \$10,246,645 in 2016 to \$10,112,626 in 2017. This decrease is mostly attributed to decreases in accounts receivable and accounts payable.
- The Agency's Governmental funds income before financing sources/uses decreased for 2017 compared to 2016, reporting a decrease of \$237,309 due to reductions in TennCare revenue.
- The unrestricted net position for the Agency increased by \$132,436 (2%) from \$8,584,253 in 2016 to \$8,716,689 for 2017.

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, Youth CAN, 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:

	Net Position (in thousands)		Change Increase (Decrease)
	2017	2016	
Current assets	\$ 10,113	\$ 10,247	(1)%
Capital assets	2,429	2,473	(2)%
Total Assets	12,542	12,720	(1)%
Current/Total Liabilities	1,396	1,663	(16)%
Net Position:			
Net investment in capital assets	2,429	2,473	(2)%
Unrestricted	8,717	8,584	2%
Restricted	-	-	-
Total Net Position	\$ 11,146	\$ 11,057	1%
	Changes in Net Position (in thousands)		Change Increase (Decrease)
	2017	2016	
Program Revenues:			
Charges for services	\$ 5,819	\$ 5,895	(1)%
Federal grants	7,112	6,412	11%
State grants and contributions	4,568	4,455	3%
Other revenues	36	9	300%
	17,535	16,771	5%
Program expenses:			
Agency operations and administration	2,006	2,201	(9)%
Transportation programs	8,435	8,571	(2)%
Nutrition programs	2,644	2,371	12%
Youth Programs	2,012	-	100%
Other programs	2,349	3,334	(30)%
Total Expenses	17,446	16,477	6%
Increase in Net Position	\$ 89	\$ 294	(70)%

The Agency's net position increased by \$88,889 (1%) in 2017 to \$11,146,136. This amount included the net increase in fund balances for all governmental funds of \$46,447 the net effect on disposition of assets (\$3,124), and the amount by which capital outlays exceeded depreciation \$45,575.

The Agency's total revenues (before interest income, gain (loss) on disposal of assets, and miscellaneous items) increased by \$737,298 (4%) from \$16,761,423 in 2016 to \$17,498,721 in 2017. Total expenses increased by \$969,530 (6%), from \$16,476,874 in 2016 to \$17,446,404 in 2017. These increases are attributed to the increases in Youth Can revenues related to expansion of service areas.

Total Current Assets decreased by \$134,019 (1%) from \$10,246,645 in 2016 to \$10,112,626 for 2017. Total Current Liabilities decreased by \$266,455 (16%) from \$1,662,392 in 2016 to \$1,395,937 in 2017.

The Agency's cash balances increased by \$1,282,571 (19%), from \$6,665,260 in 2016 to \$7,947,831 in 2017. Agency receivables (excluding internal balances) decreased by \$1,465,361 (41%) from \$3,581,385 in 2016 to \$2,116,024 for 2017. The increase in cash and decrease in accounts receivable is attributed to better performance in 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 2017. The fund reported a decrease in revenues over expenditures of \$237,309 (97%) in 2017, from \$244,051 in 2016 to \$6,742 in 2017. The unassigned fund balance for 2017 was \$9,436,114.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Agency's capital outlay for 2017 was \$720,056. 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 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, 2017)

Board Officers

County Mayor Jessie Wallace, Humphreys County,
Board Chair
County Mayor Howard Bradley, Robertson
County, Vice-Chair
County Mayor Rogers Anderson, Williamson
County, Secretary
County Mayor Anthony Holt, Sumner County,
Treasurer

Executive Committee Members

County Mayor George Clark, Houston County
County Mayor Robert Rial, Dickson County
County Mayor Rick Joiner, Stewart County
County Mayor Jim Durrett, Montgomery County
County Mayor Ernest Burgess, Rutherford County
County Executive Randall Hutto, Wilson County
County Mayor Carroll Carman, Trousdale County

Cheatham County

Ms. Amber Locke, Consumer Representative
Mayor Rick Johnson, Ashland City
Mayor Tony Gross, Kingston Springs
Mayor Charles Morehead, Pegram
Mayor Perry Keenan, Pleasant View
Interim Mayor Donnie Jordan, 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 Lance Loveless, New Johnsonville
Mayor Buddy Frazier, Waverly
Mayor 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 Sam Childs, 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 Ester 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 Regina Smithson, Brentwood
Mayor Patty Carroll, Fairview
Mayor Ken Moore, Franklin
Mayor Rick Graham, Spring Hill
Mayor Corey Napier, Thompson 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, 2017

	Governmental Activities
ASSETS:	
Cash	\$ 7,947,831
Receivables:	
Grants (Federal)	767,974
Grants (State)	441,536
Participants and other (net)	906,514
Prepaid items	48,771
Capital assets:	
Nondepreciable	150,000
Depreciable, net	<u>2,279,447</u>
 Total assets	 <u>12,542,073</u>
 LIABILITIES AND NET POSITION:	
Liabilities -	
Accounts payable	309,466
Accrued payroll costs	641,599
Accrued payroll taxes and withholding	55,049
Accrued paid time off	<u>389,823</u>
 Total liabilities	 <u>1,395,937</u>
 Net position -	
Net investment in capital assets	2,429,447
Unrestricted	<u>8,716,689</u>
 Total net position	 <u>\$ 11,146,136</u>

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

MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

FUNCTION/PROGRAMS	PROGRAM REVENUES					Net (Expenses) Revenues
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Agency operations and administration	\$ 2,759,678	\$ (753,818)	\$ 2,300,012	\$ 577,781	\$ -	\$ 871,933
Transportation programs	8,027,768	407,003	3,079,525	4,109,658	601,103	(644,485)
Nutrition programs	2,508,103	136,449	357,424	2,306,419	-	19,291
Youth Can programs	1,924,859	87,625	-	1,924,859	-	(87,625)
Other community services programs	2,225,996	122,741	81,773	2,160,167	-	(106,797)
Total governmental activities	\$ 17,446,404	\$ -	\$ 5,818,734	\$ 11,078,884	\$ 601,103	\$ 52,317

CHANGES IN NET POSITION:

Net Revenue	Governmental Activities
Gain on disposal of capital assets	\$ 52,317
	36,581
Change in net position	88,898
Net Position:	
Beginning	11,057,238
Ending	\$ 11,146,136

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

MID-CUMBERLAND HUMAN RESOURCE AGENCY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Transportation Programs	Nutrition Programs	Youth Can	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash	\$ 7,947,831	\$ -	\$ -	\$ -	\$ -	\$ 7,947,831
Receivables -						
Grants (Federal)	-	243,873	102,076	327,796	94,229	767,974
Grants (State)	-	247,791	5,443	-	188,302	441,536
Participants and other (net)	374,661	382,456	148,397	-	1,000	906,514
Prepaid items	48,771	-	-	-	-	48,771
Due from other funds	<u>2,038,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,038,895</u>
 Total assets	 <u>\$ 10,410,158</u>	 <u>\$ 874,120</u>	 <u>\$ 255,916</u>	 <u>\$ 327,796</u>	 <u>\$ 283,531</u>	 <u>\$ 12,151,521</u>
 LIABILITIES:						
Accounts payable	\$ 228,625	\$ 38,937	\$ 9,270	\$ 24	\$ 11,197	\$ 288,053
Accrued payroll costs	641,599	-	-	-	-	641,599
Accrued payroll taxes and withholding	55,049	-	-	-	-	55,049
Due to other funds	<u>-</u>	<u>835,183</u>	<u>246,646</u>	<u>327,772</u>	<u>272,334</u>	<u>1,681,935</u>
 Total liabilities	 <u>925,273</u>	 <u>874,120</u>	 <u>255,916</u>	 <u>327,796</u>	 <u>283,531</u>	 <u>2,666,636</u>
 FUND BALANCES:						
Nonspendable -						
Prepaid items	48,771	-	-	-	-	48,771
Unassigned	<u>9,436,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,436,114</u>
 Total fund balances	 <u>9,484,885</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>9,484,885</u>
 Total liabilities and fund balances	 <u>\$ 10,410,158</u>	 <u>\$ 874,120</u>	 <u>\$ 255,916</u>	 <u>\$ 327,796</u>	 <u>\$ 283,531</u>	 <u>\$ 12,151,521</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, 2017**

Total governmental fund balances	\$ 9,484,885
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.	2,429,447
Internal service fund liabilities	<u>(768,196)</u>
Net position of governmental activities	<u>\$ 11,146,136</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, 2017

	General Fund	Transportation Programs	Nutrition Programs	Youth Can	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Federal grants	\$ -	\$ 3,363,666	\$ 1,028,772	\$ 1,914,540	\$ 805,100	\$ 7,112,078
State grants	36,840	1,311,749	93,315	-	1,183,655	2,625,559
Local program	540,941	35,346	1,184,332	10,319	171,412	1,942,350
Program income	<u>2,275,338</u>	<u>3,079,525</u>	<u>357,424</u>	<u>-</u>	<u>81,773</u>	<u>5,794,060</u>
Total revenues	<u>2,853,119</u>	<u>7,790,286</u>	<u>2,663,843</u>	<u>1,924,859</u>	<u>2,241,940</u>	<u>17,474,047</u>
EXPENDITURES:						
Salaries	1,495,864	3,589,241	623,101	1,028,009	1,250,629	7,986,844
Fringe benefits	434,524	1,496,260	130,135	280,877	392,255	2,734,051
Participant wages	43,673	-	-	231,629	-	275,302
Participant fringe benefits	4,114	-	-	27,559	-	31,673
Travel	89,544	31,307	22,849	82,544	113,895	340,139
Rent	48,735	101,849	18,908	35,114	93,468	298,074
Communications	40,591	110,529	45,691	20,850	40,477	258,138
Utilities	5,399	31,200	2,304	2,546	18,195	59,644
Printing and supplies	34,680	82,306	51,457	18,009	31,820	218,272
Equipment	-	665,792	-	-	-	665,792
Equipment - non capital	92,996	65,186	9,753	-	45,134	213,069
Maintenance and repairs	35,806	542,525	-	-	1,113	579,444
Professional and contracted services	62,522	231,521	91,896	32,318	81,687	499,944
Insurance, bonding and licensing	27,161	216,129	15,748	7,530	21,312	287,880
Food	-	-	1,328,931	-	-	1,328,931
Gasoline	44,597	514,425	-	-	-	559,022
Training and seminars	1,489	3,106	1,746	3,774	16,462	26,577
Specific assistance to participants	74,357	-	-	65,157	-	139,514
Other	-	-	-	-	12,149	12,149
Indirect costs	140,679	407,003	136,449	87,625	122,741	894,497
Miscellaneous	<u>15,226</u>	<u>11,584</u>	<u>29,618</u>	<u>1,318</u>	<u>603</u>	<u>58,349</u>
Total expenditures	<u>2,691,957</u>	<u>8,099,963</u>	<u>2,508,586</u>	<u>1,924,859</u>	<u>2,241,940</u>	<u>17,467,305</u>
Excess (deficit) of revenue over (under) expenditures	<u>161,162</u>	<u>(309,677)</u>	<u>155,257</u>	<u>-</u>	<u>-</u>	<u>6,742</u>
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	(114,715)	269,972	(155,257)	-	-	-
Disposal of capital assets	<u>-</u>	<u>39,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,705</u>
Total other financing sources (uses)	<u>(114,715)</u>	<u>309,677</u>	<u>(155,257)</u>	<u>-</u>	<u>-</u>	<u>39,705</u>
Excess of revenue over expenditures and other financing sources (uses)	46,447	-	-	-	-	46,447
FUND BALANCES:						
Beginning	<u>9,438,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,438,438</u>
Ending	<u>\$9,484,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,484,885</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, 2017**

Net change in fund balances - total governmental funds	\$	46,447
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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	(620,217)		
Capital outlay	<u>665,792</u>		45,575

The net effect of various transactions involving the sale of capital assets		<u>(3,124)</u>
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Change in net position of governmental activities	\$	<u>88,898</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, 2017

	Governmental Activities - Internal Service Fund
ASSETS:	
Capital assets:	
Nondepreciable	\$ 150,000
Depreciable, net	<u>618,196</u>
 Total assets	 <u>768,196</u>
 LIABILITIES:	
Accounts payable	21,413
Accrued paid time off	389,823
Internal balances	<u>356,960</u>
 Total liabilities	 <u>768,196</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, 2017

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Fees for services	\$ 164,936
Total operating revenues	<u>164,936</u>
OPERATING EXPENSES:	
Contracted services	12,995
Rent	8,214
Printing	3,465
Depreciation	<u>140,262</u>
Total operating expenses	<u>164,936</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, 2017**

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from users	\$ 164,936
Cash received related to employees	41,169
Cash paid to suppliers for goods and services	<u>(3,280)</u>
Net cash provided by operating activities	<u>202,825</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from general fund	<u>(148,561)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	<u>(54,264)</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 USED BY OPERATING ACTIVITIES:	
Operating income	\$ -
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation	140,262
Increase in:	
Accounts payable	21,394
Accrued paid time off	<u>41,169</u>
Net cash provided by operating activities	<u>\$ 202,825</u>

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

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF NET POSITION - FIDUCIARY FUND
JUNE 30, 2017**

	<u>Agency Fund</u>
ASSETS:	
Cash	\$ 430,518
LIABILITIES:	
Amounts held in custody for others	\$ 430,518

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

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(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, 2017

(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.

Youth Can Programs -

This fund accounts for revenues and expenditures of the Agency's activities of the Agency's various youth programs (i.e., Youth Can). 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.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting (continued) -

Government-Wide Financial Statements (continued):

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.

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.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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, 2017, the Agency had no cash equivalents.

Prepaid Items -

Payments made to vendors for services that will benefit periods beyond June 30, 2017, 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.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

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, 2017. As of June 30, 2017, 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 2014.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

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, 2017, 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.

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(2) CASH (Continued):

Deposits categorized by level of risk for the year ended June 30, 2017, 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>\$ 8,615,508</u>	<u>\$ 7,947,831</u>

(3) CAPITAL ASSETS:

Capital asset activity for the fiscal year ending June 30, 2017, 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	631,017	-	-	631,017
Furniture and fixtures	162,145	5,169	(4,490)	162,824
Computers, software, and peripherals	1,618,446	52,895	(12,860)	1,658,481
Vehicles	<u>5,215,615</u>	<u>661,992</u>	<u>(588,397)</u>	<u>5,289,210</u>
Total capital assets being depreciated	<u>7,627,223</u>	<u>720,056</u>	<u>(605,747)</u>	<u>7,741,532</u>
Less accumulated depreciation for:				
Building and improvements	(202,423)	(52,503)	-	(254,926)
Furniture and fixtures	(137,002)	(5,354)	4,490	(137,866)
Computers, software, and peripherals	(1,379,392)	(72,442)	12,423	(1,439,411)
Vehicles	<u>(3,585,412)</u>	<u>(630,180)</u>	<u>585,710</u>	<u>(3,629,882)</u>
Total accumulated depreciation	<u>(5,304,229)</u>	<u>(760,479)</u>	<u>602,623</u>	<u>(5,462,085)</u>
Governmental activity capital assets, net	<u>\$ 2,472,994</u>	<u>\$ (40,423)</u>	<u>\$ (3,124)</u>	<u>\$ 2,429,447</u>

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(3) CAPITAL ASSETS (Continued):

Governmental activities depreciation expense was as follows:

Agency operations and administration	\$ 97,215
Transportation programs	644,309
Nutrition programs	483
Other community service programs	<u>18,472</u>
	<u>\$ 760,479</u>

(4) INTERFUND ACTIVITY:

Amounts due to/from other funds as of June 30, 2017, are as follows:

Due to	Due from	
General Fund	Transportation Programs	\$ 835,183
General Fund	Nutrition Programs	246,646
General Fund	Youth Can Programs	327,772
General Fund	Nonmajor Governmental Funds	272,334
General Fund	Internal Service Fund	356,960

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, 2017, are as follows:

	General Fund	Transportation Programs	Nutrition Programs
Transfers in	\$ -	\$ 269,972	\$ -
Transfers out	114,715	-	155,257

(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:

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(5) FUND EQUITY (Continued):

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.

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 used 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.

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

(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 \$385,772 with no forfeitures reducing this amount for the year ended June 30, 2017. As of June 30, 2017 the Agency had accrued pension expense of \$26,309, 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.

(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, 2017, was \$352,315.

Future minimum lease payments with initial or remaining periods of one year or more (including renewal options) at June 30, 2017, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Property</u>	<u>Equipment</u>
2018	\$ 208,774	\$ 11,800
2019	37,480	7,805
2020	958	7,805
2021	-	7,805
2022	-	5,203
	<u>\$ 247,212</u>	<u>\$ 40,418</u>

MID-CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

(7) COMMITMENTS AND CONTINGENCIES (Continued):

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 \$651 per month per employee for individual coverage, \$900 per month per employee for individual plus child(ren) coverage, \$1,199 per month per employee for individual plus spouse coverage and \$1,456 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.

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, 2017, 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 February 13, 2018, 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, 2017

	SPECIAL REVENUE			Total Nonmajor Funds
	Community Corrections	Homemaker	Ombudsman	
ASSETS:				
Receivables:				
Grants (Federal)	\$ -	\$ 85,471	\$ 8,758	\$ 94,229
Grants (State)	188,302	-	-	188,302
Participants and other (net)	-	-	1,000	1,000
 Total assets	 \$ 188,302	 \$ 85,471	 \$ 9,758	 \$ 283,531
 LIABILITIES:				
Accounts payable	\$ 10,253	\$ -	\$ 944	\$ 11,197
Due to other funds	178,049	85,471	8,814	272,334
 Total liabilities	 188,302	 85,471	 9,758	 283,531
 FUND BALANCES:				
Restricted	-	-	-	-
 Total fund balances	 -	 -	 -	 -
 Total liabilities and fund balances	 \$ 188,302	 \$ 85,471	 \$ 9,758	 \$ 283,531

MID-CUMBERLAND HUMAN RESOURCE AGENCY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE			Total Nonmajor Funds
	Community Corrections	Homemaker	Ombudsman	
REVENUES:				
Federal grants	\$ -	\$ 700,000	\$ 105,100	\$ 805,100
State grants	1,127,655	40,000	16,000	1,183,655
Local program	3,758	137,703	29,951	171,412
Program income	81,773	-	-	81,773
Total revenues	1,213,186	877,703	151,051	2,241,940
EXPENDITURES:				
Salaries	634,002	523,112	93,515	1,250,629
Fringe benefits	194,349	171,145	26,761	392,255
Travel	15,763	89,265	8,867	113,895
Rent	75,663	14,660	3,145	93,468
Communications	28,492	9,501	2,484	40,477
Utilities	16,820	1,375	-	18,195
Printing and supplies	23,929	5,720	2,171	31,820
Equipment - non capital	44,186	948	-	45,134
Maintenance and repairs	1,069	44	-	1,113
Professional and contracted services	68,882	8,722	4,083	81,687
Insurance, bonding and licensing	16,280	4,208	824	21,312
Training and seminars	14,668	863	931	16,462
Other	12,149	-	-	12,149
Indirect costs	66,419	48,052	8,270	122,741
Miscellaneous	515	88	-	603
Total expenditures	1,213,186	877,703	151,051	2,241,940
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, 2017**

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>SSI RECIPIENT TRUST FUND</u>				
ASSETS:				
Cash	\$ 407,107	\$ 2,519,560	\$ 2,496,149	\$ 430,518
LIABILITIES:				
Amounts held in custody for others	\$ 407,107	\$ 2,519,560	\$ 2,496,149	\$ 430,518

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, 2017, 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 February 13, 2018.

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, Wickey & Menckem, P.C.

Chattanooga, Tennessee
February 13, 2018



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, 2017. 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, 2017.

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, Nicky & Menckson, P.C.

Chattanooga, Tennessee
February 13, 2018

**MID-CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number
U.S. Department of Labor		
Passed through Nashville Career Advancement Center:		
WIA - Youth Activities (Area 9) (04/13-06/16) (06/16)	17.259	320458
WIA - Youth Activities (Area 9) (04/13-06/16) (06/17)	17.259	320458
WIA - Youth Activities (07/14-06/16) (06/16)	17.259	344112
WIA - Youth Activities (Area 9) (07/16-06/17) (06/17)	17.259	388574
WIA - Youth Activities (Area 9) (PWE) (07/16-07/17) (06/17)	17.259	388574
WIA - Youth Activities (Area 8) (06/17)	17.259	WIOA-16-08-Youth
WIA - Youth Activities (Area 8) (PWE) (06/17)	17.259	WIOA-16-08-Youth
WIA - Youth Activities (Area 7) (06/17)	17.259	17-07-999-010-9010
WIA - Youth Activities (Area 7) (PWE) (06/17)	17.259	17-07-999-010-9010
WIA - Youth Activities (Area 11) (06/17)	17.259	16-11-000-001-20-82
WIA - Youth Activities (Area 11) (PWE) (06/17)	17.259	16-11-000-001-20-82
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) (03/12-02/17) (06/17)	20.521	Z-12-NF008-00
Public Transportation (5317) (03/12-02/17) (06/17)	20.521	Z-14-41483-00
Total Transit Services Programs Cluster		
Public Transportation (Section 5311) (07/15-12/16) (06/16)	20.509	Z-16-RT006-00
Public Transportation (Section 5311) (07/15-12/16) (06/16)	20.509	Z-16-RT0017-00
Public Transportation (Section 5311) (07/16-06/17) (06/17)	20.509	Z-17-RT0006-00
Public Transportation (Section 5310) (08/15-07/18) (06/17)	20.509	Z-16-EMSP09-00
Public Transportation (Section 5309) (08/12-07/17) (06/17)	20.509	GG-13-32958-02
Public Transportation (Section 5309) (01/14-12/18) (06/17)	20.509	GG-14-41902-00
Public Transportation (Section 5309) (07/13-12/16) (06/17)	20.509	GG-14-42125-01
Public Transportation (RPO) (06/16)	20.205	47337
Public Transportation (RPO) (06/17)	20.205	GG-17-50658
Public Transportation (Section 5339) (07/16-12/17) (06/17)	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, 2016	Receipts or Revenues Recognized	Disbursements/ Expenditures	Adjustments	(Deferred) Accrued Revenue June 30, 2017
\$ 153,489	\$ 153,489	\$ -	\$ -	\$ -
-	12,803	14,250	-	1,447
49,489	49,489	-	-	-
-	393,201	478,993	-	85,792
-	216,238	247,970	-	31,732
58,148	343,069	335,464	-	50,543
-	170,069	192,448	-	22,379
-	81,571	114,843	-	33,272
-	48,443	69,659	-	21,216
-	234,650	270,126	-	35,476
-	136,367	176,787	-	40,420
<u>261,126</u>	<u>1,839,389</u>	<u>1,900,540</u>	<u>-</u>	<u>322,277</u>
-	-	88,949	-	88,949
8,963	30,208	21,245	-	-
-	-	12,721	-	12,721
<u>8,963</u>	<u>30,208</u>	<u>122,915</u>	<u>-</u>	<u>101,670</u>
227,556	227,556	-	-	-
1,020,749	1,020,749	-	-	-
-	2,404,897	2,441,861	-	36,964
-	246,400	246,400	-	-
-	13,470	13,470	-	-
-	15,370	70,611	-	55,241
319,550	485,242	165,692	-	-
14,466	14,466	-	-	-
-	41,078	43,906	-	2,828
-	-	30,611	-	30,611
<u>1,591,284</u>	<u>4,499,436</u>	<u>3,135,466</u>	<u>-</u>	<u>227,314</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, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number
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
U.S. Department of Health & Human Services		
Passed through Greater Nashville Regional Council:		
Aging Cluster		
Nutrition Program for the Elderly (06/16)	93.053	2016-40
Nutrition Program for the Elderly (06/17)	93.053	2017-40
Special Programs for the Aging -		
Title III-C Nutrition Services (06/16)	93.045	2016-40
Title III-C Nutrition Services (06/17)	93.045	2017-40
Title III-B Transportation Services (06/16)	93.044	2016-40
Title III-B Transportation Services (06/17)	93.044	2017-40
Title III-B Ombudsman (06/16)	93.044	2016-40
Title III-B Ombudsman (06/17)	93.044	2017-40
Total Aging Cluster		
Special Programs for the Aging -		
Title VII Ombudsman Funds (06/16)	93.042	2016-40
Title VII Ombudsman Funds (06/17)	93.042	2017-40
Passed through Tennessee Department Human Services:		
Social Services Block Grant -		
Homemaker SSBG (06/16)	93.667	Z-16-C9
Homemaker SSBG (06/17)	93.667	Z-17-49313
Total U.S. Department of Health & Human Services		
U.S. Department of Housing and Urban Development		
Passed through Tennessee Department Human Services:		
Youth Can Services (06/16)	14.228	
Youth Can Services (06/17)	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, 2016	Receipts or Revenues Recognized	Disbursements/ Expenditures	Adjustments	(Deferred) Accrued Revenue June 30, 2017
-	15,000	34,195	-	19,195
29,212	29,212	-	-	-
-	145,530	158,760	-	13,230
136,923	136,923	-	-	-
-	766,166	835,817	-	69,651
41,927	41,927	-	-	-
-	211,641	228,200	-	16,559
7,917	7,917	-	-	-
-	43,542	47,500	-	3,958
215,979	1,382,858	1,270,277	-	103,398
9,600	9,600	-	-	-
-	52,800	57,600	-	4,800
77,548	77,548	-	-	-
-	614,529	700,000	-	85,471
303,127	2,137,335	2,027,877	-	193,669
8,781	8,781	-	-	-
-	8,481	14,000	-	5,519
8,781	17,262	14,000	-	5,519
<u>\$ 2,164,318</u>	<u>\$ 8,508,422</u>	<u>\$ 7,112,078</u>	<u>\$ -</u>	<u>\$ 767,974</u>

(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, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Agency or Pass-Through Number
Tennessee Department of Transportation	
Public Transportation (Section 5311) (07/15-12/16) (06/16)	Z-16-RT006-00
Public Transportation (Section 5311) (07/15-12/16) (06/16)	Z-16-RT0017-00
Public Transportation (Section 5311) (07/16-06/17) (06/17)	Z-17-RT0006-00
Public Transportation (Section 5310) (08/15-07/18) (06/17)	Z-16-EMSP09-00
Public Transportation (Section 5339) (07/16-12/17) (06/17)	GG-17-52646
Public Transportation (Section 5309) (08/12-07/17) (06/17)	GG-13-32958-02
Public Transportation (Section 5309) (01/14-12/18) (06/17)	GG-14-41902-00
Public Transportation (Section 5309) (07/13-12/16) (06/17)	GG-14-42125-01
Public Transportation (RPO) (06/16)	47337
Public Transportation (RPO) (06/17)	GG-17-50658
Public Transportation (5317) (03/12-02/17) (06/17)	Z-12-NF008-00
Public Transportation (5317) (07/13-12/17) (06/17)	Z-14-41483-00
Public Transportation (5316) (07/12-06/17) (06/17)	GG-15-43107-00
Tennessee Department of Corrections	
Community Corrections (06/16)	41760
Community Corrections (06/17)	41760
Title III-C Nutrition Services (06/16)	2016-40
Title III-C Nutrition Services (06/17)	2017-40

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, 2016	Receipts or Revenues Recognized	Disbursements/ Expenditures	Adjustments	(Deferred) Accrued Revenue June 30, 2017
\$ 28,278	\$ 28,278	\$ -	\$ -	\$ -
510,375	510,375	-	-	-
-	996,331	1,219,939	-	223,608
-	30,800	30,800	-	-
-	-	2,701	-	2,701
-	1,684	1,684	-	-
-	1,921	7,578	-	5,657
32,725	50,203	17,478	-	-
1,808	1,808	-	-	-
-	5,134	5,488	-	354
4,474	15,084	10,610	-	-
-	-	6,361	-	6,361
-	-	9,110	-	9,110
169,580	169,580	-	-	-
-	939,353	1,127,655	-	188,302
10,886	10,886	-	-	-
-	59,872	65,315	-	5,443
<u>\$ 758,126</u>	<u>\$ 2,821,309</u>	<u>\$ 2,504,719</u>	<u>\$ -</u>	<u>\$ 441,536</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, 2017**

(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, 2017. 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, 2017**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	___ Yes	___X___ No
Significant deficiency(ies) identified?	___ Yes	___X___ 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	___X___ No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.267	Incentive Grants - WIA Section 503
17.259	WIA Youth Activities

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	___X___ 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, 2017**

FINANCIAL STATEMENT FINDINGS

No prior audit findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No prior audit findings.

Received
MAR 5 1
11:00 AM

**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Second Harvest Food Bank of Middle Tennessee **Phone:** 615-329-3491

Contact Person & Title: Brandon Shaw, Grants Manager

Mailing Address: 331 Great Circle Road, Nashville, TN 37228

Federal Identification #: 62-1049447

Email Address: brandon.shaw@secondharvestmidtn.org

Number of Active Participants in Organization: 125 staff & 35,000 volunteers/year

Does this organization charge fees to participants? Yes ☐ No ☒

If yes, please itemize the structure utilized (use separate sheet if necessary)

If no, please explain: While hungry people receiving food through partner agencies are never charged, agencies pay a small shared maintenance fee to offset the operational cost of obtaining and providing food (avg. of \$0.04/lb. of food). If they want their order delivered, we charge a shipping fee of around \$35, depending on distance.

Please provide the approximate number of clients served by your program on a yearly basis. 362,020

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many Williamson County Citizens: Second Harvest does not have access to the distribution records of the partner agencies in Williamson County that we provide food to. We do maintain records of how many agencies we distributed to, mobile pantries offered in Williamson County, and how much food we distribute each year. In fiscal year 2017-2018, we distributed 1,460,358 lbs. of food in Williamson County. Using our standard calculation of 1.2 lbs. per meal, we estimate food insecure Williamson County residents received 1,216,965 meals. Please see the attached list of sites that we partner with in Williamson County to distribute food.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed): We provide quantity and variety of foods to agencies that other organizations cannot. Our unique grocery rescue program brings in 9 million pounds a year of produce, canned goods, dairy, breads, and frozen meats. We have the capacity to source, store, and distribute perishable and shelf stable goods on a scale not currently matched by any other organization in Middle Tennessee. This makes us able to provide food to 490+ partner agencies in 46 counties, including twelve in Williamson. Our capacity also positions us for large-scale response to natural disasters.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources. Second Harvest receives food donations from local grocers, manufacturers, local growers and farmers as well as food drives. We also receive monetary donations from individuals and private/corporate foundations. Please see the attached Statement of Activities page from our FYE 2018 audited financial statement.

City of Franklin
For the funding year, July 1, 2019 through June 30, 2020

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

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

Second Harvest operates a grocery rescue program called Middle Tennessee's Table (MTT). Through a partnership with over 220 grocery stores, we rescue food that we then redistribute to partner agencies feeding the hungry. In fiscal year 2017-2018, we met our goal by distributing 9 million pounds of MTT food, the equivalent of 7.5 million meals. This food included shelf stable canned and boxed goods, and perishable foods such as fresh produce, dairy, and meats.

According to the most recent US Census Bureau study (2017), the population of Williamson County is 226,257. Of those, an estimated 8,824 live at or below the Federal Poverty Level (FPL). Feeding America's annual *Map the Meal Gap* study showed in 2018 that there are approximately 14,450 "food insecure" people in Williamson. The USDA defines this as limited or uncertain access to enough food to sustain a healthy life.

With a food insecurity rate of 7%, we know it is important to feed the need in Williamson County especially. We operate year-round, and distribute MTT food to over 490 partner agencies in a 46-county service area so that men, women, children, seniors, immigrants, the homeless, veterans, handicapped and disabled individuals all have access to meals for the quality of life they deserve.

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

We measure results by tracking pounds of food distributed as well as the number of partner agencies served. Last fiscal year, we sent 1,460,358 pounds of purchased and donated food to 13 partner agencies in Williamson County. Feeding America, our parent organization, calculates meals using the formula of total pounds of food distributed divided by 1.2. Using this amount, we distributed 1,216,965 meals for food insecure Williamson County residents.

Our logistics process ensures that food poundage is properly recorded as it is picked up, stored, and delivered. MTT food is rescued from a network of over 220 grocery stores. Second Harvest's Food Resource Specialist manages relationships with each store and works to add more stores to the program whenever possible. Our drivers bring rescued product to our distribution center where it is weighed, inspected, sorted, and stored. Rescued food is weighed again as it leaves the warehouse via Mobile Pantry distributions, perishable routes, and when ordered by an agency. Much of the food that we receive via MTT is perishable, and includes meat and dairy as well as fruits and vegetables. These much-needed items help to enrich the diets of those struggling with hunger. We track how much of what we collect is perishable, and our goal is to increase

this portion of our food distribution so individuals have healthy and protein-rich foods to sustain a balanced diet.

Serving hungry people in Williamson County is made possible because of our partnership with the City of Franklin and local agencies which include:

<u>Agency Name</u>	<u>Agency Type</u>
*Boys & Girls Club of Fairview	Youth Program
*Bridges Domestic Violence Shelter	Shelter
*Camp Marymount	Youth Program
*Church at Fairview	Food Box/Youth Program/Mobile Pantry
*Graceworks Ministries	Food Box/Mobile Pantry
*Graceworks West (formerly Helping Hands of Fairview)	Food Box/Mobile Pantry
*Graceworks Fuel Program	Community Backpack
*Limestone Baptist Church	Food Box/Senior Program
*One Gen Away	Mobile Pantry Only
*Pro Health Community Health Center	Senior Program
*Spring Meadows Church of Christ	Food Box
*Women of St. Phillips Catholic Church	Community Backpack

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

Yes. Among external review and accreditations:

- Inspection by AIB International certifies us under the requirements of the AIB International Consolidated Standards for Food Distribution Centers. This covers areas of food storage, waste, distribution, finances, standard operating procedures, health hazards, and safety. See attached certification for our 2016 audit and certification.
- The national organization with which we are affiliated, Feeding America, requires reports and monitors our compliance with financial and operational standards.
- Our manufacturing operation, Project Preserve, is under continual USDA inspection.
- We undergo an annual independent financial audit. See attached for FYE 2018 audit.

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

A request of \$2,500 represents less than 1% of our total agency budget, and less than 1% of the total program budget.

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

Our fundraising team works diligently to secure the funds needed to meet our goal of 31 million meals per year. Funding sources include individual donors, corporate partners, foundations grants, municipal and state government grants and reimbursements, and United Way. We also hold special fundraisers throughout the year, with some of our signature events including: Generous Helpings (May), Stars for Second Harvest (June), and Harvest Moon (November).

6. Do you charge any fees for your services?

Food insecure individuals are never charged in any way for receipt of food from a Second Harvest program. Partner agencies pay a small shared maintenance fee to offset the cost of soliciting, collecting, storing, repacking, and distributing donated food (an average of \$0.04/pound of food). If the agency wants their food order delivered to their site, we assess a shipping fee of around \$35. If a certain county is struggling to provide its citizens with enough food, Second Harvest works to allocate grant funding to that county specifically.

City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2010

Name of Agency: Second Harvest Food Bank of Middle Tennessee **Date:** March 14, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

A gift of \$2,500 from the City of Franklin will provide food insecure Williamson County residents with 10,000 meals through the Middle Tennessee's Table program. Middle Tennessee's Table (MTT) is a grocery rescue program operating in Williamson and surrounding counties in partnership with 220+ grocery stores. Funds will help cover the cost of picking up and distributing rescued food, including frozen meats, bread, dairy, canned goods, and produce. Goods are brought into our Nashville facility to be inspected, sorted, packed, and redistributed to partner agencies feeding the hungry in Franklin and surrounding areas. With every dollar received, we can provide four meals to Williamson County residents in need.

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

Second Harvest does not directly interact with City of Franklin departments, though our partner agencies in Franklin (see question 2) include many that regularly partner with public services, social programs, and law enforcement both on a local and state level.

Non-Profit Organization Request for**City of Franklin – Page Two****Organization:** Second Harvest Food Bank of Middle Tennessee

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Employee Salaries & Benefits	7,416,206	8,472,802	8,726,986
Payroll Taxes	402,036	461,410	475,252
Fees	169,701	308,750	318,013
National network dues	25,492	26,256	27,044
Communication Expense	621,702	734,296	756,325
Office Expenses	958,659	1,185,867	1,221,443
Occupancy	1,562,248	2,011,434	2,071,777
Other special event costs	205,172	269,500	277,585
Travel	93,619	92,846	95,631
Depreciation	628,994	1,000,000	1,030,000
Insurance	261,483	254,600	262,238
Other Expenses (<i>includes the cost of food supplies, donated food, transportation costs, USDA commodities and the Project Preserve Cost of Goods Sold</i>)	77,115,295	78,055,896	79,142,401
Total	89,460,607	92,873,657	94,404,695

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
City of Franklin Government	1,500	1,500	1,500
Donated Food	37,977,725	41,839,066	41,839,066
Grants	3,496,684	2,497,894	2,572,831
All Other Contributions	10,824,922	8,532,346	8,788,316
Shared Maintenance Fees	561,619	612,571	630,948
Culinary Arts Center	89,713	-	-
Special Events & Activities	858,231	760,000	782,800
Less: Direct benefits to donors	(180,914)	-	-
Investment Income	209,363	-	-
Agency Transportation Reimbursement	223,547	241,429	248,672
Project Preserve	37,486,988	36,987,640	38,097,269
Less: Cost/Expenses -Project Preserve	(35,569,338)	(33,510,210)	(34,515,516)
Other Income	193,164	19,212	19,788
Total	56,173,204	57,981,448	58,465,674

**Non-Profit Organization Request for
City of Franklin – Page Three**

Organization: Second Harvest Food Bank of Middle Tennessee

Personnel & Salary Information

Personnel & Salary Information

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
CEO	\$285,467	\$279,669	--
CDMO	\$159,935	\$165,640	
CFO	\$130,110	\$137,582	--
COO	\$142,291	\$155,107	--
Vice President	\$92,222	\$105,312	--
Average of all Directors	\$83,369	\$85,915	--
Average of all Managers	\$51,849	\$47,752	--
Average of all Drivers	\$32,629	\$35,987	--
Total	\$977,872	\$1,012,964	--

List any equipment owned by this organization funded, in whole or in part, by City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary):

None. _____

ATTACHMENTS

501(c)3 Letter

Statement of Activities Page Showing All Donations

Photo of Inspection

FY 2017-2018 Audited Financial Statement

Internal Revenue Service

Date: July 31, 2006

SECOND HARVEST FOOD BANK OF
MIDDLE TENNESSEE INC
% ANGELA BONOVICH
331 GREAT CIRCLE RD
NASHVILLE TN 37228-1703 313

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Cheryl Skaggs 31-04010
Correspondence Specialist/Screeners

Toll Free Telephone Number:

877-829-5500

Federal Identification Number:

62-1049447

Dear Sir or Madam:

This is in response to your request of July 31, 2006, regarding your organization's tax-exempt status.

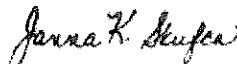
In May 1979 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		
	Unrestricted	Temporarily Restricted	Totals
PUBLIC SUPPORT AND REVENUE			
Donated food	\$ 37,977,725	\$ -	\$ 37,977,725
Contributions	8,792,406	2,032,516	10,824,922
Government grants	3,498,184	-	3,498,184
Shared maintenance fees	561,619	-	561,619
Culinary arts center	89,713	-	89,713
Special events and activities	858,231	-	858,231
Less: direct benefits to donors	(180,914)	-	(180,914)
Investment income	209,363	-	209,363
Agency transportation reimbursement	223,547	-	223,547
Other income	193,164	-	193,164
Net assets released in satisfaction of program restrictions	5,811,949	(5,811,949)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>58,034,987</u>	<u>(3,779,433)</u>	<u>54,255,554</u>
REVENUE - PROJECT PRESERVE® PROGRAM			
Sales to out of area network agencies, net of discount	35,149,157	-	35,149,157
Sales to local agencies	2,112,717	-	2,112,717
Donated food and services	225,114	-	225,114
TOTAL REVENUE - PROJECT PRESERVE® PROGRAM	37,486,988	-	37,486,988
LESS DIRECT COSTS AND EXPENSES - PROJECT PRESERVE® PROGRAM	<u>(35,569,338)</u>	<u>-</u>	<u>(35,569,338)</u>
GROSS PROFIT FROM PROJECT PRESERVE® PROGRAM	<u>1,917,650</u>	<u>-</u>	<u>1,917,650</u>
TOTAL SUPPORT AND REVENUE	<u>59,952,637</u>	<u>(3,779,433)</u>	<u>56,173,204</u>
EXPENSES			
Program services:			
Emergency Food Box	4,442,578	-	4,442,578
Community Food Partners	43,333,967	-	43,333,967
Children's Programs	2,015,446	-	2,015,446
Culinary Arts Center	338,785	-	338,785
Total Program Services	<u>50,130,776</u>	<u>-</u>	<u>50,130,776</u>
Supporting services:			
Management and general	940,252	-	940,252
Fundraising	2,639,327	-	2,639,327
Total Supporting Services	<u>3,579,579</u>	<u>-</u>	<u>3,579,579</u>
TOTAL EXPENSES	<u>53,710,355</u>	<u>-</u>	<u>53,710,355</u>
CHANGE IN NET ASSETS	6,242,282	(3,779,433)	2,462,849
NET ASSETS - BEGINNING OF YEAR	<u>12,681,264</u>	<u>6,456,912</u>	<u>19,138,176</u>
NET ASSETS - END OF YEAR	<u>\$ 18,923,546</u>	<u>\$ 2,677,479</u>	<u>\$ 21,601,025</u>

See accompanying notes to financial statements.

AIB INTERNATIONAL

Announced
940/1000
Second Harvest Food Bank of Middle Tennessee

Nashville, Tennessee

was inspected by a qualified AIB International Inspector on

March 4, 2016

under the requirements of the AIB International
Consolidated Standards for Food Distribution Centers.

Don T. Driffel
Chairman of the Board

Andie B. Bana
President and CEO



Margaret C. Olewnik
Senior Vice President, Food Safety Services

TO VERIFY AUTHENTICITY OF THIS DOCUMENT, CALL AIB INTERNATIONAL AT +1-785-537-4750

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2018 AND 2017

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2018 AND 2017

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**Second Harvest Food Bank of Middle Tennessee, Inc.
Board of Directors 2018 - 2019**

Greg Allen	Amy Johnston-Little
Scott Bowers	Bill Krueger
Brian Bowman	Gabriela Lira <i>Board Secretary</i>
David Bradley	Phil Pacsi
Susanne Buchanan	Lyn Plantinga
John Bumpus	Sylvia Roberts, <i>Ad Hoc</i>
Dr. Jim Burton	Paul Robinson
Jayne Day <i>President & CEO</i>	Tony Rose
Bruce Esworthy	Laquita Stribling
Melissa Eads	David Taylor
Jonathan Flack <i>Board Chair</i>	Scott Turner
Andy Flatt	Mimi Vaughn
Lucia Folk <i>Board Vice Chair</i>	Jeffrey D. Warne <i>Past Board Chair</i>
Dave Fulmer	Ken Watkins
Lisa Gardi	John West
Dennis Georgatos	Shawn Williams <i>Board Treasurer</i>



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Second Harvest Food Bank of Middle Tennessee, Inc.
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Second Harvest Food Bank of Middle Tennessee, Inc. (the "Food Bank"), a Tennessee not-for-profit corporation, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, cash flows and functional expenses for the years then ended and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Food Bank as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Food Bank taken as a whole. The schedule of expenditures of federal awards on page 26-27, as required by Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 December 18, 2018, on our consideration of the Food Bank'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Food Bank's internal control over financial reporting and compliance.

Kraft CPAs PLLC

Nashville, Tennessee
December 18, 2018

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 2,063,968	\$ 57,349
Accounts receivable, net	1,592,610	1,426,910
Grants receivable	465,313	560,186
Pledges receivable, net	1,214,800	986,763
Inventories	3,443,667	3,733,293
Prepaid expenses	243,182	192,465
Investments	2,036,574	1,823,416
Capital campaign:		
Cash	930,696	3,533,220
Pledges receivable, net	2,183,731	2,190,247
Property and equipment, net	<u>12,227,304</u>	<u>7,354,381</u>
 TOTAL ASSETS	 <u>\$ 26,401,845</u>	 <u>\$ 21,858,230</u>
 LIABILITIES		
Accounts payable and accrued expenses	\$ 2,875,159	\$ 1,487,261
Deferred revenue	247,974	284,504
Line of credit	628,300	937,583
Long-term debt	<u>1,049,387</u>	<u>10,706</u>
 TOTAL LIABILITIES	 <u>4,800,820</u>	 <u>2,720,054</u>
 NET ASSETS		
Unrestricted:		
Designated:		
Donated food inventory	1,727,593	1,776,783
Property and equipment, less related debt	11,177,917	7,343,675
Board designated	300,000	300,000
Undesignated	<u>5,718,036</u>	<u>3,260,806</u>
Total unrestricted	18,923,546	12,681,264
Temporarily restricted	<u>2,677,479</u>	<u>6,456,912</u>
 TOTAL NET ASSETS	 <u>21,601,025</u>	 <u>19,138,176</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 26,401,845</u>	 <u>\$ 21,858,230</u>

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		
	Unrestricted	Temporarily Restricted	Totals
PUBLIC SUPPORT AND REVENUE			
Donated food	\$ 37,977,725	\$ -	\$ 37,977,725
Contributions	8,792,406	2,032,516	10,824,922
Government grants	3,498,184	-	3,498,184
Shared maintenance fees	561,619	-	561,619
Culinary arts center	89,713	-	89,713
Special events and activities	858,231	-	858,231
Less: direct benefits to donors	(180,914)	-	(180,914)
Investment income	209,363	-	209,363
Agency transportation reimbursement	223,547	-	223,547
Other income	193,164	-	193,164
Net assets released in satisfaction of program restrictions	5,811,949	(5,811,949)	-
TOTAL PUBLIC SUPPORT AND REVENUE	58,034,987	(3,779,433)	54,255,554
REVENUE - PROJECT PRESERVE® PROGRAM			
Sales to out of area network agencies, net of discount	35,149,157	-	35,149,157
Sales to local agencies	2,112,717	-	2,112,717
Donated food and services	225,114	-	225,114
TOTAL REVENUE - PROJECT PRESERVE® PROGRAM	37,486,988	-	37,486,988
LESS DIRECT COSTS AND EXPENSES - PROJECT PRESERVE® PROGRAM	(35,569,338)	-	(35,569,338)
GROSS PROFIT FROM PROJECT PRESERVE® PROGRAM	1,917,650	-	1,917,650
TOTAL SUPPORT AND REVENUE	59,952,637	(3,779,433)	56,173,204
EXPENSES			
Program services:			
Emergency Food Box	4,442,578	-	4,442,578
Community Food Partners	43,333,967	-	43,333,967
Children's Programs	2,015,446	-	2,015,446
Culinary Arts Center	338,785	-	338,785
Total Program Services	50,130,776	-	50,130,776
Supporting services:			
Management and general	940,252	-	940,252
Fundraising	2,639,327	-	2,639,327
Total Supporting Services	3,579,579	-	3,579,579
TOTAL EXPENSES	53,710,355	-	53,710,355
CHANGE IN NET ASSETS	6,242,282	(3,779,433)	2,462,849
NET ASSETS - BEGINNING OF YEAR	12,681,264	6,456,912	19,138,176
NET ASSETS - END OF YEAR	\$ 18,923,546	\$ 2,677,479	\$ 21,601,025

See accompanying notes to financial statements.

2017

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
\$ 39,829,092	\$ -	\$ 39,829,092
8,262,121	753,273	9,015,394
4,053,060	-	4,053,060
559,799	-	559,799
215,988	-	215,988
733,606	-	733,606
(149,464)	-	(149,464)
198,718	-	198,718
226,704	-	226,704
41,149	-	41,149
<u>1,224,776</u>	<u>(1,224,776)</u>	<u>-</u>
<u>55,195,549</u>	<u>(471,503)</u>	<u>54,724,046</u>
29,884,551	-	29,884,551
2,465,948	-	2,465,948
<u>229,944</u>	<u>-</u>	<u>229,944</u>
32,580,443	-	32,580,443
<u>(30,905,703)</u>	<u>-</u>	<u>(30,905,703)</u>
<u>1,674,740</u>	<u>-</u>	<u>1,674,740</u>
<u>56,870,289</u>	<u>(471,503)</u>	<u>56,398,786</u>
4,903,817	-	4,903,817
44,650,808	-	44,650,808
1,953,561	-	1,953,561
<u>578,987</u>	<u>-</u>	<u>578,987</u>
<u>52,087,173</u>	<u>-</u>	<u>52,087,173</u>
936,158	-	936,158
<u>2,467,838</u>	<u>-</u>	<u>2,467,838</u>
<u>3,403,996</u>	<u>-</u>	<u>3,403,996</u>
<u>55,491,169</u>	<u>-</u>	<u>55,491,169</u>
1,379,120	(471,503)	907,617
<u>11,302,144</u>	<u>6,928,415</u>	<u>18,230,559</u>
<u>\$ 12,681,264</u>	<u>\$ 6,456,912</u>	<u>\$ 19,138,176</u>

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,462,849	\$ 907,617
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	628,994	665,797
(Gain) loss on sale of equipment	66,411	(30,286)
Capital campaign contributions	(1,520,684)	(232,179)
Noncash contribution of land	(80,000)	-
Noncash contribution of investments	(88,977)	(98,623)
Realized and unrealized gains on investments	(180,029)	(172,981)
(Increase) decrease in:		
Accounts receivable	(165,700)	(77,570)
Grants receivable	94,873	(182,972)
Pledges receivable	(228,037)	(6,681)
Inventories	289,626	216,051
Prepaid expenses	(50,717)	(36,981)
Increase (decrease) in:		
Accounts payable and accrued expenses	558,068	(1,053,381)
Deferred revenue	(36,530)	(164,308)
TOTAL ADJUSTMENTS	<u>(712,702)</u>	<u>(1,174,114)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,750,147</u>	<u>(266,497)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	89,475	97,555
Purchases of investments	(33,627)	(31,332)
Proceeds from sale of equipment	50,498	33,748
Additions to property and equipment	(4,708,996)	(797,152)
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,602,650)</u>	<u>(697,181)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Draws on USDA loan	1,042,621	-
Capital campaign collections	1,527,200	1,310,788
Net draws (repayments) on line of credit	(309,283)	567,133
Payments on long-term debt	(3,940)	(71,736)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,256,598</u>	<u>1,806,185</u>
NET INCREASE (DECREASE) IN CASH	<u>(595,905)</u>	<u>842,507</u>
CASH - BEGINNING OF YEAR	<u>3,590,569</u>	<u>2,748,062</u>
CASH - END OF YEAR	<u>\$ 2,994,664</u>	<u>\$ 3,590,569</u>
 Operating cash	\$ 2,063,968	\$ 57,349
Capital campaign cash	930,696	3,533,220
TOTAL CASH	<u>\$ 2,994,664</u>	<u>\$ 3,590,569</u>
 OTHER CASH FLOW DISCLOSURES:		
Cash paid for interest	<u>\$ 24,160</u>	<u>\$ 16,265</u>
Accounts payable for construction in progress	<u>\$ 829,830</u>	<u>\$ -</u>
Property and equipment financed with long-term debt	<u>\$ -</u>	<u>\$ 12,000</u>

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	PROGRAM SERVICES				SUPPORTING SERVICES		
	PROJECT PRESERVE®	EMERGENCY FOOD BOX	COMMUNITY FOOD PARTNERS	CHILDREN'S PROGRAMS	CULINARY ARTS CENTER	MANAGEMENT AND GENERAL	FUND RAISING
							TOTALS
Salaries	\$ 1,017,854	\$ 490,214	\$ 1,725,373	\$ 485,492	\$ 216,960	\$ 376,542	\$ 1,079,091
Contract labor	67,659	53,626	179,908	31,280	57,541	18,276	96,165
Payroll taxes and benefits	306,845	199,980	606,458	149,723	78,019	91,109	323,760
							1,755,894
TOTAL SALARIES AND RELATED EXPENSES	1,392,358	743,820	2,511,739	666,495	352,520	485,927	1,499,016
Food supplies and distribution							7,651,875
Donated food	29,255,517	59,701	36,823	12,768	77,733	7,401	8,147
USDA commodities distribution	229,944	3,026,244	36,685,345	207,996	-	-	-
Internal food purchases and/or reimbursement	-	317,023	2,520,912	-	-	-	-
	(1,882,356)	203,935	851,797	828,991	(9,992)	6,746	879
Product transportation	1,268,560	120,753	781,772	50,238	7,844	-	4,229
Office and administration	61,314	41,936	212,073	21,150	30,849	230,437	326,443
Occupancy	331,695	211,669	573,508	101,765	56,472	28,027	89,105
Depreciation	84,742	135,486	331,506	35,569	34,750	24,016	19,728
Communication expense	25,475	13,238	32,279	12,266	5,667	11,327	454,863
Travel and conferences	33,366	165	7,747	1,381	-	34,740	16,286
National network dues	-	-	-	-	-	25,480	-
Professional fees	63,291	8,949	11,265	4,493	2,246	71,608	7,408
Other special event costs	-	-	-	-	-	-	180,749
Insurance	41,797	20,898	94,042	10,449	20,898	10,449	10,449
							208,982
TOTAL EXPENSES	30,905,703	4,903,817	44,650,808	1,953,561	578,987	936,158	2,617,302
Less expenses included with revenues on the statement of activities:							
Direct benefits to donors	-	-	-	-	-	-	(149,464)
Direct costs and expenses of Project Preserve* program	(30,905,703)	-	-	-	-	-	(30,905,703)
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF STATEMENT OF ACTIVITIES	\$ -	\$ 4,903,817	\$ 44,650,808	\$ 1,953,561	\$ 578,987	\$ 936,158	\$ 2,467,838
							\$ 55,491,169

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 1 - GENERAL

Second Harvest Food Bank of Middle Tennessee, Inc. (the "Food Bank") was founded in 1978. Its mission is to feed hungry people and to work to solve hunger issues in the community. The Food Bank is one of over 200 certified members of Feeding America® (previously known as America's Second Harvest), the Nation's Food Bank Network.

The Food Bank also operates the Project Preserve® program which distributes purchased products and internally manufactured food items to local agencies and other Feeding America® affiliates throughout the country. The gross profit from these sales is used to supplement the Food Bank's efforts within its own local service area. During 2018 and 2017, the program contributed approximately \$1.9 million and \$1.6 million, respectively, to the Food Bank's mission to feed hungry people.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the Food Bank on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested, and the income or specific portions thereof be used for operations. The Food Bank had no permanently restricted net assets as of June 30, 2018 or 2017.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support (Continued)

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

The Food Bank also receives grant revenue from various federal, state and local agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant funds received prior to expenditure are recorded initially as deferred revenue.

The Food Bank reports any gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated Services

Donated services are recognized if the services (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Food Bank.

A substantial number of unpaid volunteers have contributed their time to the Food Bank's program and supporting services. The value of this contributed time is not reflected in these statements since it does not meet the criteria noted above.

Project Preserve® Revenue Recognition

Project Preserve® sales are reported net of allowances for discounts and returns. Revenue is recognized when the product is shipped to the customer. Project Preserve® sells products primarily to out-of-area agencies in the Feeding America® network, but also sells to partner agencies within the Food Bank's local area. In addition to selling purchased product, the program also operates a cook/chill operation, which is a method of food manufacturing that involves heating food, pumping the product into form-fill plastic bags that are heat sealed, then super cooled for approximately 45 minutes prior to freezing the product. It has utilized large amounts of donated ingredients that would have otherwise been wasted. Additionally, this operation produces tray pack meals for children's feeding, senior nutrition and partner agencies that do direct home distribution to clients in need. In 2017, an innovative solution to produce shelf-stable spaghetti sauce from donated tomatoes began. Project Preserve® was able to produce 6,000 pounds per week of this highly nutritious and desirable product during 2018.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Project Preserve® Revenue Recognition (continued)

Another component of Project Preserve is to provide Disaster Relief. During 2018, Project Preserve was able to provide over \$4.2M in purchased food either in case-lot or assembled food boxes to affected Feeding America network food banks. In addition, Project Preserve provided nearly 49.6 million pounds of quality first line purchased food items to the Feeding America network of foodbanks (44 million pounds in 2017).

Cash

Cash consists principally of checking account balances.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (2.73% for the year ended June 30, 2018 and 1.89% for the year ended June 30, 2017). Amortization of the discount, if any, is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions is provided based on management's estimate of uncollectible pledges and historical trends. Pledges deemed to be uncollectible are charged off against the allowance in the period of determination.

Accounts Receivable

The Food Bank sells purchased food and supplies to other not-for-profit agencies under the Project Preserve® program. Accounts receivable are reported at gross sales price less any applicable payments or adjustments. The Food Bank extends trade credit based on evaluation of those agencies' financial condition and, generally, does not require collateral. The Food Bank does not charge interest on past due accounts.

The Food Bank estimates an allowance for doubtful accounts on trade accounts receivable, which may not be fully collectible, based on its knowledge of customers' individual credit circumstances, the Food Bank's historical loss experience and current economic conditions. Accounts determined to be uncollectible are charged off against the allowance in the period of determination. Subsequent recoveries of previously charged off accounts are credited to the allowance in the period received.

Management estimated the allowance for doubtful accounts to be \$10,694 at June 30, 2018 (\$35,500 at June 30, 2017).

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Food inventories include donated food, purchased inventory, manufactured product and undistributed USDA commodities. Donated food received from food drives, food companies, grocery stores and Feeding America® is valued at \$1.68 per pound in 2018 (\$1.73 per pound in 2017), the estimated average market value at the date of gift, based on a study commissioned by Feeding America®. Purchased inventory is reported at average cost, which approximates the lower of cost or net realizable value. USDA inventory is valued at the most recent USDA established market value per pound amount, and is recognized as program services expense when distributed.

Investments

Investments consist of money market accounts, certificates of deposit, equity funds and taxable bond funds. Money market accounts and certificates of deposit are carried at cash value plus accrued interest. Equity funds and taxable bond funds are carried at their quoted market value on the last business day of the reporting period. Interest and dividends, as well as changes in unrealized gains and losses, are recognized currently in the Statement of Activities.

Property and Equipment and Depreciation

Property and equipment are reported at cost at the date of purchase or at estimated fair value at the date of gift to the Food Bank. The Food Bank's policy is to capitalize purchases with a cost of \$5,000 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows: five to thirty-nine years for building and improvements, two to fifteen years for equipment, three to five years for furniture and three to seven years for transportation equipment.

Designated Unrestricted Net Assets

The Board of Directors has designated \$300,000 of unrestricted net assets to be invested, with the income used to support current operations of the Food Bank. Designations may be reversed at the discretion of the Board of Directors.

Fair Value Measurements

The Food Bank classifies its assets and liabilities measured at fair value based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available) and Level 3 (valued based on significant unobservable inputs).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Investments - Equity funds and taxable bond funds are classified within Level 1 where quoted market prices are available in an active market for identical assets. If quoted market prices are unavailable, fair value is estimated using quoted prices of investments with similar characteristics, and the investments are classified within Level 2.

Donated inventory - The value of donated food is based on poundage times a standard rate. The donated food rate is updated annually based on a study commissioned by Feeding America®, which is classified as Level 3. The inputs used in the valuation include twenty-nine product types calculating a weighted-average value for the year based on actual donated pounds by type on a national level.

There have been no changes in the valuation methodologies since the prior year.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Food Bank believes its valuation method is appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Program and Supporting Services

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

Program Services - include activities carried out to fulfill the Food Bank's mission, resulting in services provided to feed the hungry in Middle and West Tennessee. Program services are the major purpose of the organization. The Food Bank distributes food to needy persons in forty-six Middle and West Tennessee counties through the following programs:

Emergency Food Box - provided approximately 1,700,000 pounds of food during 2018 in emergency staples to families in need through its sixteen satellite centers in Davidson County.

Additionally, The Produce Truck was launched in March 2018 to supplement the Emergency Food Box network with weekly deliveries of fruits and vegetables. In addition to the 16 sites, The Produce Truck also delivers to senior towers and safety net clinics. The Produce Truck average distribution is nearly 20,000 lbs per week to over 950 households in Davidson County.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Community Food Partners - provided nearly 23,000,000 pounds of food during 2018 to nearly 500 not-for-profit agencies, including soup kitchens, daycare centers and emergency food programs.

Middle Tennessee's Table - collects perishable and non-perishable food from more than 220 food donors, such as grocery stores, retailers, wholesalers and bakeries, and is then distributed to community food partners and programs. These products include meats, produce, dairy, bread, bakery items and dry products. During 2018, the Food Bank distributed over 12,600,000 pounds of food (equivalent to more than 10.5 million meals) under this program.

Mobile Pantry - Mobile Pantry travels to the forty-six-county service area and delivers large boxes of perishable and non-perishable food and supplies that are distributed to people in need. During 2018 nearly 4,200,000 pounds of food were distributed through this program.

SNAP Outreach - The Food Bank offers SNAP Outreach through our Emergency Food Box Sites, Mobile Pantry Distributions, and partner agencies. SNAP, also known as Food Stamps, is for people and families with low incomes, including working people, households with children, seniors, unemployed people, immigrant families, and people with disabilities. SNAP helps them buy the food they need for good health. Second Harvest's Benefits Outreach Counselor shares information about the nutrition benefits of SNAP, pre-screens potential participants, and helps people fill out the SNAP Application. Counselors assisted in completing approximately 1,325 applications during fiscal year 2018.

Children's Programs - includes Kids Café®, At Risk After School Program and the Backpack Program. Kids Café® and At Risk After School Program operates a weekly feeding program for children at risk of hunger at several area community centers and provided over 154,000 meals during 2018. The mission of the Backpack Program is to meet the needs of hungry children by providing them with nutritious and easy to prepare food to take home on weekends when other resources are not available. During 2018, the Food Bank distributed over 250,000 backpacks to hungry children.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Children's Programs (Continued)

The School Food Pantry program is designed to increase food access for families in need and may have a permanent residence within a school or may operate through a mobile pantry distribution where food is brought to the school campus and distributed once a month. Twenty-nine sites were operated during 2018, providing over 150,000 pounds of food for families in need.

Culinary Arts Center - operated a state-of-the-art food preparation facility located at the Food Bank until December 12, 2017, when it was discontinued to make way for the construction of a Volunteer Engagement Center. The purpose of the Culinary Arts Center was to educate the public on issues related to nutrition and food preparation. The Center was used for food handling safety classes, food product testing and demonstrations, nutrition training and catering for the Food Bank's partner agencies, supporters and clients. The Culinary Arts Center also offered a lunch opportunity twice a week that was open to the public.

Supporting Services

Management and General - relates to the overall direction of the organization. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the organization. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, and other administrative activities

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and non-financial data or reasonable subjective methods determined by management.

Shipping and Handling

Shipping and handling charges billed to customers through the Project Preserve[®] program are included in sales to out of area network agencies. Associated costs are included in product transportation expense in the Statement of Functional Expenses, which is reported as a direct cost and expense of the Project Preserve[®] program in the Statement of Activities.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Food Bank qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Accordingly, income taxes are not provided.

The Food Bank files a U.S. Federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Food Bank's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Food Bank is currently evaluating the effect that the updated standard will have on the financial statements.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those financial years. The Food Bank is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Food Bank is currently evaluating the impact the adoption of this guidance will have on its financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash* (a consensus of the FASB Emerging Issues Task Force), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the Food Bank beginning on January 1, 2019. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted. The adoption of ASU 2016-18 is not expected to have a material impact on the financial statements.

Events Occurring after Reporting Date

The Food Bank has evaluated events and transactions that occurred between June 30, 2018 and December 18, 2018, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable for operations consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Due in less than one year	\$ 752,709	\$ 945,338
Due in one to five years	<u>467,500</u>	<u>46,834</u>
	1,220,209	992,172
Less: Allowance for uncollectible pledges	<u>(5,409)</u>	<u>(5,409)</u>
	<u>\$ 1,214,800</u>	<u>\$ 986,763</u>

NOTE 4 - INVENTORIES

Inventories consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Donated food	\$ 1,727,593	\$ 1,776,783
USDA inventory	247,974	283,756
Cook/chill manufactured inventory	103,402	102,646
Purchased inventory	<u>1,364,698</u>	<u>1,570,108</u>
	<u>\$ 3,443,667</u>	<u>\$ 3,733,293</u>

NOTE 5 - INVESTMENTS

Investments consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Liquid money market funds	\$ 120,577	\$ 108,178
Certificates of deposit	120,840	119,556
Equity funds	1,075,522	1,184,491
Taxable bond funds	<u>719,635</u>	<u>411,191</u>
	<u>\$ 2,036,574</u>	<u>\$ 1,823,416</u>

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 5 - INVESTMENTS (CONTINUED)

Investment income consisted of the following for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Realized and unrealized gains - net	\$ 180,029	\$ 172,953
Dividend and interest income	<u>29,334</u>	<u>25,765</u>
	<u>\$ 209,363</u>	<u>\$ 198,718</u>

NOTE 6 - FAIR VALUE MEASUREMENTS

The following table sets forth the Food Bank's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of June 30:

	<u>2018</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity funds:				
Large value	\$ 626,482	\$ 626,482	\$ -	\$ -
Small cap	98,262	98,262	-	-
International	<u>350,778</u>	<u>350,778</u>	-	-
Total equity funds	1,075,522	1,075,522	-	-
Taxable bond funds:				
Intermediate term	<u>719,635</u>	<u>719,635</u>	-	-
Total investments at fair value	1,795,157	1,795,157	-	-
Donated inventory	<u>1,727,593</u>	-	-	<u>1,727,593</u>
Total	<u>\$ 3,522,750</u>	<u>\$ 1,795,157</u>	<u>\$ -</u>	<u>\$ 1,727,593</u>

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)

		2017		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity funds:				
Large value	\$ 920,900	\$ 920,900	\$ -	\$ -
International	<u>263,591</u>	<u>263,591</u>	<u>-</u>	<u>-</u>
Total equity funds	1,184,491	1,184,491	-	-
Taxable bond funds:				
Intermediate term	<u>411,191</u>	<u>411,191</u>	<u>-</u>	<u>-</u>
Total investments at fair value	1,595,682	1,595,682	-	-
Donated inventory	<u>1,776,783</u>	<u>-</u>	<u>-</u>	<u>1,776,783</u>
Total	<u>\$ 3,372,465</u>	<u>\$ 1,595,682</u>	<u>\$ -</u>	<u>\$ 1,776,783</u>

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Beginning of year	\$ 1,776,783	\$ 1,867,291
Donated food received	38,205,309	40,059,021
Donated food distributed	<u>(38,254,499)</u>	<u>(40,149,529)</u>
End of year	<u>\$ 1,727,593</u>	<u>\$ 1,776,783</u>

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 7 - CAPITAL CAMPAIGN

During 2014, the Food Bank began soliciting donations for a capital campaign *Setting the Table for the Future*, for expansion and improvements to more effectively distribute food to the 46-county service area. During 2018, the Food Bank broke ground on a 25,800 square foot western branch in Benton County (the "Camden facility") and began construction on a 13,000 square foot freezer addition to the Nashville facility. The Food Bank also expanded into Rutherford County by leasing 86,000 square feet of warehouse space (see Note 14) that houses the Project Preserve Program and will serve as the operations facility for a 15-county area. Additionally, the Food Bank is developing a volunteer engagement center, reconfigured open shopping, and other aesthetic improvements to the Nashville facility. At June 30, pledges receivable for this campaign are expected to be received as follows:

	<u>2018</u>	<u>2017</u>
Due in less than one year	\$ 1,360,314	\$ 926,793
Due in one to five years	842,931	1,281,924
Due in greater than five years	<u>24,000</u>	<u>34,000</u>
	2,227,245	2,242,717
Less: Discount to present value	<u>(43,514)</u>	<u>(52,470)</u>
	<u>\$ 2,183,731</u>	<u>\$ 2,190,247</u>

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,414,586	\$ 1,334,586
Building and improvements	7,193,831	7,103,807
Office and warehouse furniture and equipment	2,813,000	2,430,407
Transportation equipment	1,718,003	1,832,980
Cook/chill equipment	687,122	782,979
Culinary arts center equipment	-	139,415
Construction in progress	<u>4,881,623</u>	<u>156,241</u>
	18,708,165	13,780,415
Less accumulated depreciation	<u>6,480,861</u>	<u>6,426,034</u>
	<u>\$ 12,227,304</u>	<u>\$ 7,354,381</u>

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 8 - PROPERTY AND EQUIPMENT (CONTINUED)

In October 2017, Benton County, Tennessee donated 22.85 acres of land valued at \$80,000 to the Food Bank upon which the Camden facility is being constructed.

Construction in progress at June 30, 2018 includes construction of the Camden facility and main warehouse renovations. All construction is expected to be completed in fiscal year 2019 at an estimated additional cost of \$7,200,000.

NOTE 9 - LONG TERM DEBT

Long-term debt consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
<u>Line of Credit</u>		
\$2,500,000 line of credit to a financial institution, subject to a borrowing base calculated on eligible accounts and inventory. The line has been extended through May 2019. It is management's intent to extend or renew the line of credit upon maturity. Interest is payable monthly at a rate of one-month LIBOR plus 2.25% (4.34% at June 30, 2018).	<u>\$ 628,300</u>	<u>\$ 937,583</u>
<u>Notes Payable</u>		
\$2,200,000 USDA Rural Development Loan requiring interest only payments of 3.5% through June 11, 2020. At June 30, 2018, the loan was only partially drawn. The loan matures in 480 monthly payments of principal and interest in the amount of \$8,734. The loan is secured by the real property under construction in Camden, Tennessee.	\$ 342,621	\$ -
\$700,000 USDA Rural Development Loan requiring interest only payments of 3.5% through June 11, 2020. The loan matures in 480 monthly payments of principal and interest in the amount of \$2,779. The loan is secured by a deed of trust on the Camden and Nashville, Tennessee facilities.	700,000	-

(continued on following page)

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 9 - LONG TERM DEBT (CONTINUED)

	<u>2018</u>	<u>2017</u>
<u>Lease Obligation</u>		
\$12,000 lease obligation to a financial institution to finance the purchase of forklift machinery. Lease is payable in monthly principal and interest payments of \$345, with interest at a fixed rate of 2.246%. Lease matures March 1, 2020 with a \$1 purchase option at maturity.	\$ 6,766	\$ 10,706
Total long-term debt	<u>\$ 1,049,387</u>	<u>\$ 10,706</u>

Total interest expense incurred by the Food Bank was \$24,160 in 2018 and \$16,265 in 2017. Interest expense is included in office and administration expense in the Statements of Functional Expenses.

Maturities on the notes payable at June 30, 2018 are as follows:

<u>For the year ending June 30:</u>	
2019	\$ -
2020	-
2021	103,311
2022	106,985
2023	110,790
Thereafter	<u>721,535</u>
	<u>\$ 1,042,621</u>

Maturities on the lease obligation at June 30, 2018 are as follows:

<u>For the year ending June 30:</u>	
2019	\$ 4,140
2020	<u>3,105</u>
	7,245
Less: amount representing interest	<u>(479)</u>
	<u>\$ 6,766</u>

On September 11, 2018 the Food Bank entered into a \$5,500,000 line of credit agreement for capital improvements requiring monthly interest-only payments at a rate of 5.05% per year through September 11, 2024 at which time all outstanding principal and interest are due. The agreement is subject to certain financial covenants and is secured by a second deed of trust on the Nashville facility.

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of specific restrictions within the following programs as of June 30:

	<u>2018</u>	<u>2017</u>
United Way of Middle Tennessee - contribution pledge for the following period for program grants	\$ 100,000	\$ 109,154
Donations for Children's programs (backpacks and summer feeding programs)	39,893	42,604
Donations for <i>Setting the Table for the Future</i> capital campaign	2,077,490	5,723,467
Donations for mobile pantries and agency equipment	363,175	434,930
Donations for emergency food box program	47,460	52,964
Donations for Culinary Arts Program scholarships	-	3,050
Donations for other equipment purchases	49,461	90,743
	<u>\$ 2,677,479</u>	<u>\$ 6,456,912</u>

NOTE 11 - IN-KIND DONATIONS

Excluding donated food inventory items, other in-kind donations of goods and services recognized by the Food Bank as contributions revenue for the years ended June 30 are as follows:

	<u>2018</u>	<u>2017</u>
Special events goods and services	\$ 43,883	\$ 23,061
Food supplies and distribution	2,295	4,905
Equipment	8,200	2,000
Computer equipment and software	-	180
Office and administration:		
Marketing	10,133	11,356
Furniture	24,235	-
Other	16,846	29,175
Land	80,000	-
	<u>\$ 185,592</u>	<u>\$ 70,677</u>

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 12 - CONCENTRATIONS OF CREDIT RISK

The Food Bank maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Food Bank's cash balance, from time to time, may exceed statutory limits. The Food Bank has not experienced any losses in such accounts and considers this to be a normal business risk.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Food Bank's securities is covered by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

At June 30, 2018, pledges receivable from two donors amounted to \$1,100,000, or approximately 32% of total pledges receivable. At June 30, 2017, pledges receivable from two donors amounted to \$900,000, or approximately 28% of total pledges receivable.

NOTE 13 - EMPLOYEE BENEFIT PLAN

The Food Bank sponsors a Section 403(b) defined contribution pension plan for the benefit of eligible employees. The plan provides for discretionary employee deferral contributions, as allowed under the Internal Revenue Code ("IRC"). In addition, the plan requires the Food Bank to contribute 5% of each participant's compensation, and to match 100% of employee deferral contributions up to 3% of their compensation. Total Food Bank contributions to the plan for the year ended June 30, 2018, amounted to \$343,638 (\$280,013 for 2017).

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 14 - LEASES

The Food Bank leases 86,000 square feet of warehouse space that houses its Rutherford County operations facility under a seventy-five-month non-cancelable lease which expires June 2024. Rent expense is recognized on a straight-line basis over the term of the lease.

Future minimum lease payments required under the lease is as follows at June 30, 2018:

For year ended June 30:

2019	\$	477,406
2020		521,364
2021		531,812
2022		542,521
2023		553,498
Thereafter		<u>564,749</u>
Total	\$	<u>3,191,350</u>

Lease expense under this agreement and other cancellable or short-term leases amounted to \$323,058 and \$222,628 during years ended June 30, 2018 and 2017, respectively.

ADDITIONAL INFORMATION

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED) DEFERRED REVENUE 7/1/2017	7/1/17 - 6/30/18		(ACCRUED) DEFERRED REVENUE 6/30/2018	PASSED THROUGH TO SUBRECIPIENTS
					RECEIPTS	EXPENDITURES		
10.766	(1)	N/A	N/A	\$ -	\$ 1,042,621	\$ 1,042,621	\$ -	\$ -
EXPENDITURES OF FEDERAL AWARDS								
U.S. DEPARTMENT OF AGRICULTURE								
Community Facilities Loans and Grants								
Passed Through Tennessee Department of Human Services								
10.558	N/A	*	*	(14,394)	190,902	190,822	(14,314)	-
10.559	N/A	5/1/17 - 9/30/17	*	(27,979)	60,814	32,835	-	-
10.559	N/A	5/1/18 - 9/30/18	*	-	30,000	62,696	(32,696)	-
10.561	N/A	10/1/16 - 6/30/17	\$ 31,675	(6,244)	6,244	-	-	-
10.561	N/A	7/1/16 - 9/30/16	\$ 10,558	-	8,573	8,573	-	-
10.561	N/A	10/1/16 - 6/30/17	\$ 31,675	-	23,551	31,235	(7,884)	-
Total - Tennessee Department of Human Services					320,084	326,161	(54,694)	-
Passed Through Tennessee Department of Agriculture								
10.568	(1)	10/01/16 - 8/31/17	\$ 327,000	(145,059)	152,500	7,441	-	-
10.568	(1)	09/01/17 - 9/30/17	\$ 13,500	-	13,500	13,500	-	-
10.568	(1)	10/01/16 - 9/30/17	*	283,754	476,186	759,940	-	759,940
10.569	(1)	10/01/17 - 9/30/18	\$ 329,500	-	150,600	194,550	(43,950)	-
10.569	(1)	10/01/17 - 9/30/18	*	-	1,831,338	1,583,364	247,974	1,583,363
Total - Tennessee Department of Agriculture					2,624,124	2,558,795	204,024	2,343,303
TOTAL U.S. DEPT OF AGRICULTURE					3,985,829	3,927,577	149,330	2,343,303
DELTA REGIONAL AUTHORITY								
Passed through the Northwest Tennessee Development District								
90.200	TN-50478	N/A	\$ 144,500	-	-	144,500	(144,500)	-
TOTAL DELTA REGIONAL AUTHORITY					-	144,500	(144,500)	-

(continued on following page)

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED)	7/1/17 - 6/30/18		(ACCRUED)	PASSED THROUGH TO SUBRECIPIENTS
				DEFERRED REVENUE 7/1/2017	RECEIPTS	EXPENDITURES	DEFERRED REVENUE 6/30/2018	
DEPARTMENT OF HOMELAND SECURITY								
Passed Through United Way of Middle Tennessee								
97 024	781800-002	12/1/15-6/30/17	\$ 13,287	\$ (6,644)	\$ 6,644	\$ -	\$ -	
Emergency Management Food and Shelter Program								
97 024	765200-002	10/1/16-6/30/17	\$ 54,223	-	\$4,223	\$4,223	-	
Emergency Management Food and Shelter Program								
97 024	781800-002	10/1/16-6/30/17	\$ 15,091	-	15,091	15,091	-	
TOTAL DEPARTMENT OF HOMELAND SECURITY								
				(6,644)	75,958	69,314	-	
TOTAL EXPENDITURES OF FEDERAL AWARDS								
				\$ 83,434	\$ 4,062,787	\$ 4,141,391	\$ 4,830	\$ 2,343,303

Total Expenditures by CFDA Number

10 766	\$ 1,042,621
10 558	190,822
10 559	95,531
10 561	39,808
10 568 & 10 569	2,558,795
90 200	144,500
97 024	69,314
	<u>\$ 4,141,391</u>

* Not specified.

(1) Denotes a major program

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Second Harvest Food Bank of Middle Tennessee, Inc. (the "Food Bank") under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Food Bank, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Food Bank.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the 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 Food Bank has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - LOAN BALANCES

The outstanding balance on the Community Facilities Rural Development Loans at June 30, 2018 are as follows:

97-01	\$ 342,621
97-02	700,000
	<u>\$ 1,042,621</u>

OTHER REPORTS

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

Board of Directors
Second Harvest Food Bank of Middle Tennessee, Inc.
Nashville, Tennessee

We have audited, 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, the financial statements of Second Harvest Food Bank of Middle Tennessee, Inc. (the "Food Bank"), a Tennessee not-for-profit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Food Bank'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Food Bank's internal control.

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

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 the Food Bank's financial statements are free of 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 Food Bank'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.

Kraft CPAs PLLC

Nashville, Tennessee
December 18, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Second Harvest Food Bank of Middle Tennessee, Inc.
Nashville, Tennessee

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Second Harvest Food Bank of Middle Tennessee, Inc.'s (the "Food Bank") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Food Bank's major federal programs for the year ended June 30, 2018. The Food Bank's major federal programs are identified in the summary of auditor's 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the Food Bank'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 Regulation* 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 the Food Bank'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 the Food Bank's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, Second Harvest Food Bank of Middle Tennessee, Inc. 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 the Food Bank 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 the Food Bank'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 the Food Bank'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.

Knapf CPAs PLLC

Nashville, Tennessee
December 18, 2018

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.568 and 10.569	Food Distribution Cluster
10.766	Community Facilities Loans and Grants

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

Part II - Financial Statement Findings

There were no audit findings in the prior year or current year.



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

TENNESSEE REHABILITATION SERVICES
1405-A BROOKWOOD AVENUE
FRANKLIN, TENNESSEE 37064

TELEPHONE: 615-595-2071 FAX: 615-790-5972

www.tn.gov/humanservices

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

March 08, 2019

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

received
MAR 15 11
Finance

Dear Ms. Tallent:

The Tennessee Rehabilitation Center at Franklin is requesting \$23,170.00 for the 2019-2020 fiscal year which is the same amount approved for the 2018-2019 fiscal year.

Enclosed is the completed "Non-Profit Organization Request for City of Franklin," and a copy of the most recent state audit report.

We greatly appreciate the support and assistance the City of Franklin has provided in the past. We hope the City of Franklin will be able to continue their assistance by funding this request for fiscal year 2019-2020. If you should have any questions, or need further assistance, please call our center at (615)790-5509.

Sincerely,

A handwritten signature in cursive script, appearing to read "Selina Kirkland".

Selina Kirkland
Tennessee Rehabilitation Center at Franklin, Manager
1405-A Brookwood Avenue
Franklin, TN 37064
615-595-2071

**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN FUNDS
2019-20 FISCAL YEAR**

Organization Name: Tennessee Rehabilitation Center at Franklin Phone: 615-790-5509
Contact Person & Title: Selina Kirkland, Manager
Mailing Address: 1405-A Brookwood Avenue, Franklin, TN 37064
Federal Identification # (if applicable): N/A
E-mail address: Selina.Kirkland@tn.gov

Number of Active Participants in Organization: 120

If necessary, use separate sheet to provide requested information.

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

If yes, please itemize the structure utilized:

If no, please explain: Funding received from the City of Franklin and Williamson County is matched with federal monies to provide services to individuals with significant disabilities living in Williamson County. No fees are charged to the client.

Please provide the approximate number of clients served by your program on a yearly basis: 130. All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County citizens:

All clients served by the Tennessee Rehabilitation Center at Franklin are Williamson County residents. During FY 18-19, 130 individuals with disabilities were served.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities:

Waves, Inc. is a residential day program providing employment services to individuals with severe cognitive disabilities. They are a fee for service agency and require participants to be recipients of Social Security Disability benefits.

Center for Living and Learning is a residential facility providing employment services to individuals with severe and emotional disabilities. The center is a fee-for-service agency.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private sources. The Tennessee Rehabilitation Center at Franklin receives local funding that is matched with federal dollars and is administered by the State of Tennessee. The State of Tennessee does not permit fundraising.

Non-Profit Organization Request for City of Franklin**Funds - Page Two****Organization:** Tennessee Rehabilitation Center at Franklin

EXPENDITURES:	Avg FY18 & FY 17 Actuals	FY 19 budget	Proposed FY20 Budget
Travel	1,845	5,000	1,900
Printing and Duplicating		100	-
Utilities and Fuel	5,617	7,500	6,700
Communications	6	200	-
Maint. & Repairs	4,733	7,400	4,400
Prof Services Third Party	1,298	2,600	2,700
Supplies and Materials	1,090	3,000	900
Rentals and Insurance	87,513	90,000	88,400
Motor Vehicle Operation	-	200	-
Awards and Indemnities	-	-	-
Grants and Subsidies	686	3,000	1,000
Unclassified	-	-	-
Inventory	(235)	-	-
Equipment	-	-	-
Land	-	-	-
Buildings	-	-	-
Training	28	200	-
Data Processing	860	800	1,100
Prof Services by State Agency	14,364	10,000	12,500
Operational Total	117,807	130,000	119,600
GRAND TOTAL	192,140	351,700	302,600

Non-Profit Organization Request for City of Franklin
Funds - Page Three
Organization: Tennessee Rehabilitation Center at Franklin

REVENUES:	Actual 2017-18	Expended 2018-2019	Requested 2019-2020
Williamson County Government	67,816	67,816	67,816
City of Franklin	23,170	23,170	23,170
Federal Government	278,972	278,972	279,972
TOTAL REVENUES	369,958	369,958	369,958

Personnel & Salary Information

PERSONNEL:	Avg FY18 Actuals & FY17 Actual	FY19 Budget	Proposed FY20 Budget
Salaries and Wages	52,849	171,700	123,100
Longevity	526	2000	1,600
Overtime			
Employee Benefits	20,958	48,000	58,300
Payroll Total	74,333	221,700	183,000

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

City of Franklin APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Tennessee Rehabilitation Center at Franklin

Date: March 8, 2019

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

Funds allocated by the City of Franklin to the Tennessee Rehabilitation Center at Franklin will be used to cover the administrative operational cost associated with providing no cost services in the form of Vocational Evaluations, Employee Development Services, and Job Placement assistance to eligible individuals with significant disabilities who are interested in obtaining employment.

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

During the past fiscal year, the Tennessee Rehabilitation Center at Franklin had no interaction with the departments of the City of Franklin.

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

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

The Tennessee Rehabilitation Center at Franklin provided the following services last year:

1. Comprehensive Vocational Evaluation Services

- a) Assists in discovery of vocational interests, strengths, and weaknesses as well as the type of jobs or training in which the client can best perform.
- b) Determines employment aptitudes, interests and abilities.
- c) Involves career exploration and planning.
- d) Observation of work habits and behaviors.

2. Employee Development Services

- a) Assists with building physical work tolerance.
- b) Teaches valuable employment skills and allows client to gain actual work experience.
- d) Education through classes on various life skill topics such as budgeting, interviewing, independent living skills and application of basic computer skills.

3. Job Readiness, Job Development, and Community Employment Placement Assistance

- a) Job Readiness instruction, resume creation, job development, interview skills practice, online job searching/applications, and assistance with completing applications.
- b) Job Coaching services.
- c) Job Retention services.
- d) Supported Employment Services.

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

The state of Tennessee requires the Tennessee Rehabilitation Center at Franklin to provide monthly statistical information documenting program utilizations and successful outcomes.

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

The Counsel on Accreditation of Rehabilitation Facilities (CARF) has accredited this agency through 2019.

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

The allocation request of \$23,170 from the City of Franklin represents 25% of the administrative budget of the Tennessee Rehabilitation Center at Franklin.

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

The Tennessee Rehabilitation Center at Franklin does not participate in any fundraising.

6. **Do you charge any fees for your services?**

The Tennessee Rehabilitation Center does not charge for services.



November 29, 2016

Pam Furlong
Middle Tennessee Rehabilitation Center Network
1132 Haley Road
Murfreesboro, TN 37129

Dear Ms. Furlong:

It is my pleasure to inform you that Middle Tennessee Rehabilitation Center Network has been issued CARF accreditation based on its recent survey. The Three-Year Accreditation applies to the following service(s):

Community Employment Services: Job Development
Comprehensive Vocational Evaluation Services
Employee Development Services

This accreditation will extend through October 31, 2019. This achievement is an indication of your organization's dedication and commitment to improving the quality of the lives of the persons served. Services, personnel, and documentation clearly indicate an established pattern of conformance to standards.

The survey report is intended to support a continuation of the quality improvement of your organization's service(s). It contains comments on your organization's strengths as well as any consultation and recommendations. A quality improvement plan (QIP) demonstrating your organization's efforts to implement the survey recommendation(s) must be submitted within the next 90 days to retain accreditation. The QIP form is posted on Customer Connect (customerconnect.carf.org), CARF's secure, dedicated website for accredited organizations and organizations seeking accreditation. Please log on to Customer Connect and follow the guidelines contained in the QIP form.

Your organization should take pride in achieving this high level of accreditation. CARF will recognize this accomplishment in its listing of organizations with accreditation and encourages your organization to make its accreditation known throughout the community. Communication of the accreditation to your referral and funding sources, the media, and local and federal government officials can promote and distinguish your organization. Enclosed are some materials that will help you publicize this achievement.

Your organization's complimentary accreditation certificate will be sent separately. You may use the enclosed form to order additional certificates.

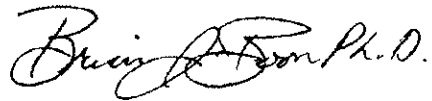
If you have any questions regarding your organization's accreditation or the QIP, you are encouraged to seek support from John Hannon by email at jhannon@carf.org or telephone at (888) 281-6531, extension 7198.

CARF International Headquarters
6951 E. Granddune Road
Tucson, AZ 85756-2407, USA

www.carf.org

CARF encourages your organization to continue fully and productively using the CARF standards as part of its ongoing commitment to accreditation. CARF commends your organization's commitment and consistent efforts to improve the quality of its service(s) and looks forward to working with your organization in its ongoing pursuit of excellence.

Sincerely,

A handwritten signature in black ink, reading "Brian J. Boon Ph.D." in a cursive script.

Brian J. Boon, Ph.D.
President/CEO

Enclosures

SINGLE AUDIT REPORT

DIVISION OF STATE AUDIT

For the Year Ended June 30, 2017



Justin P. Wilson, Comptroller


TENNESSEE
COMPTROLLER
OF THE TREASURY



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

March 27, 2018

The Honorable Bill Haslam, Governor
Members of the General Assembly

Ladies and Gentlemen:

We are pleased to submit the thirty-fourth *Single Audit Report* for the State of Tennessee. This report covers the year ended June 30, 2017. The audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996 and the provisions of Title 2, *Code of Federal Regulations*, Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance).

This *Single Audit Report* reflects federal expenditures of over \$14.1 billion. We noted instances of noncompliance that resulted in qualified opinions on compliance for 2 of the state's 18 major federal programs. In addition, we noted other instances of noncompliance that meet the reporting criteria contained in the Uniform Guidance. We also noted material weaknesses and significant deficiencies in internal control over compliance with requirements related to federal programs. The instances of noncompliance, material weaknesses, and significant deficiencies related to federal programs are described in Section III of the Schedule of Findings and Questioned Costs.

The *Comprehensive Annual Financial Report* of the State of Tennessee for the year ended June 30, 2017, has been issued under a separate cover. In accordance with the standards applicable to financial audits contained in generally accepted government auditing standards, we are issuing our report on our consideration of the State of Tennessee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. We noted no material weaknesses in internal control. We noted no instances of noncompliance that we considered to be material to the state's basic financial statements.

We would like to express our appreciation to the Department of Finance and Administration and other state agencies, universities, and community colleges, for their assistance and cooperation in the single audit process.

Sincerely,

Deborah V. Loveless, CPA, Director
Division of State Audit

**State of Tennessee
Single Audit Report
For the Year Ended June 30, 2017**

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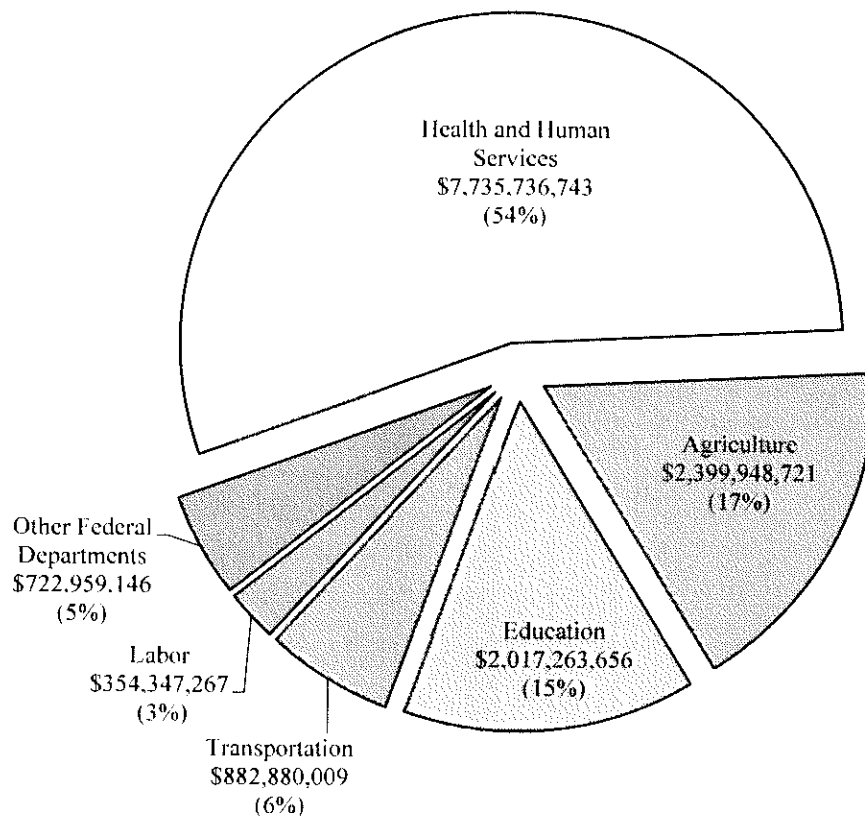
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Expenditures by Awarding Agency
July 1, 2016, through June 30, 2017



**State of Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

Section I – Summary of Auditor’s Results

Financial Statements

- We issued unmodified opinions on the basic financial statements.
- We identified no material weaknesses in internal control over financial reporting.
- No significant deficiencies in internal control over financial reporting were reported.
- We noted no instances of noncompliance considered to be material to the basic financial statements.

Federal Awards

- We identified material weaknesses in internal control over major programs.
- We identified significant deficiencies in internal control over major programs.
- We issued qualified opinions for CFDA 10.558 Child and Adult Care Food Program and the Child Care and Development Fund (CCDF) Cluster. We issued unmodified opinions for each of the other major federal programs.
- We disclosed audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- The dollar threshold used to distinguish between Type A and Type B programs, as prescribed in 2 CFR 200.518(b), was \$30,000,000.
- The State of Tennessee does not qualify as a low-risk auditee under the provisions of 2 CFR 200.520.

State of Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I – Summary of Auditor’s Results (continued)

CFDA Number	Name of Major Federal Program or Cluster
10.558	Child and Adult Care Food Program
17.225	Unemployment Insurance
84.002	Adult Education - Basic Grants to States
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.377	School Improvement Grants
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.767	Children’s Health Insurance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse
-	Supplemental Nutrition Assistance Program (SNAP) Cluster
-	Child Nutrition Cluster
-	Housing Voucher Cluster
-	Clean Water State Revolving Fund Cluster
-	Student Financial Assistance Cluster
-	Temporary Assistance for Needy Families (TANF) Cluster
-	Child Care and Development Fund (CCDF) Cluster
-	Medicaid Cluster

Finding Number	2017-010
CFDA Number	10.559, 10.560, 10.561, 84.126, 93.558, 93.563, 93.575, 93.778, and 96.001
Program Name	Child Nutrition Cluster State Administrative Expenses for Child Nutrition Supplemental Nutrition Assistance Program Cluster Rehabilitation Services - Vocational Rehabilitation Grants to States Temporary Assistance for Needy Families Cluster Child Support Enforcement Child Care and Development Fund Cluster Medicaid Cluster Disability Insurance/Supplemental Security Income Cluster
Federal Agency	Department of Agriculture Department of Education Department of Health and Human Services Social Security Administration
State Agency	Department of Human Services
Federal Award Identification Number	201616N109945, 201717N109945, 201717N253345, 201616IS251445, 201717IS251445, 8044 H126A160063, 8044 H126A170063, G1502TNTANF, G1602TNTANF, 1504TNCSES, 1604TNCSES, 1704TNCSES, G1601TNCCDF, G1701TNCCDF, 05-1605TN5ADM, 05-1705TN5ADM, 8826 04-16-04TNDI00, and 8826 04-17-04TNDI00
Federal Award Year	2015 through 2017
Finding Type	Significant Deficiency (10.559, 10.561, 84.126, 93.563, and 93.575) Material Weakness (93.558) Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	2016-015
Pass-Through Entity	N/A
Questioned Costs	

	Federal Award Identification Number	Amount
CFDA 10.560	201717N253345	\$6,623
10.561	201616IS251445	(\$79,754)
10.561	201717IS251445	\$164,918
93.563	1504TNCSES	(\$6,189)
93.563	1604TNCSES	(\$242)
93.563	1704TNCSES	\$57,894
93.778	05-1605TN5ADM	(\$44,191)
93.778	05-1705TN5ADM	\$113,510
96.001	8826 04-16-04TNDI00	(\$41)
96.001	8826 04-17-04TNDI00	\$123,359

As noted in the prior audit, fiscal staff for the Department of Human Services again did not adhere to federal requirements by allocating costs to programs based on prior period information rather than current period information, resulting in federal questioned costs of \$335,887

Background

Because the Department of Human Services administers various public assistance programs, federal regulations require the state to submit a cost allocation plan that outlines the procedures used to identify, measure, and allocate costs to all programs administered by the department. Fiscal staff within the Department of Finance and Administration create and submit the cost allocation plan on behalf of the Department of Human Services, as well as allocate costs to federal grant awards in accordance with the cost allocation plan.

In accordance with federal regulations, fiscal staff allocate administrative costs that cannot be directly charged to a specific federal program to all benefitting federal programs based on the cost allocation plan. During the audit period, July 1, 2016, through June 30, 2017, two cost allocation plans were effective for the department. The first plan was effective July 1, 2016, through March 31, 2017. The second was effective April 1, 2017. A total of \$381,213,289 of the department's expenditures during our audit period was subject to allocation under the cost allocation plan. (Federal regulations exclude from cost allocation plans expenditures for financial assistance, medical vendor payments, food stamps, and payments for services and goods provided directly to program recipients.)

According to Title 45, *Code of Federal Regulations*, Part 95, Section 507(a), a cost allocation plan for a state agency must describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the state agency.

Each quarter, fiscal staff prepare cost allocation tables. Generally, each table covers a specific activity that department staff perform for programs, identifies one or more federal programs to which costs for the activity should be charged, and identifies the percentage of costs associated with the specific activity that should be charged to each federal program.

Fiscal staff then use the cost allocation tables' percentages to prepare cost allocation spreadsheets that identify the amount of expenditures that fiscal staff should allocate to the federal programs administered by the department.

Finally, fiscal staff enter cost allocation entries into the department's accounting system based on the cost allocation calculations documented in the spreadsheets.

Percentages Used to Allocate Costs

For the department's activities that benefit multiple federal and state programs, fiscal staff⁶ allocate the total amount of expenditures for the activities to the programs based on percentages.

To describe fiscal staff's responsibilities under cost allocation, for example, in January, if 75% of the department's employees work on the Supplemental Nutrition Assistance Program (SNAP) and 25% work on the Temporary Assistance for Needy Families (TANF) program, fiscal staff should allocate costs for the Commissioner's Office, which oversees all employees, 75% to SNAP and 25% to TANF. We continue this example for the next month under the assumption that in February a different proportion of employees work on these federal programs. Thus, in February, if 60% of the department's employees work on SNAP and 40% work on TANF, federal cost principles require allocating the expenditures to the grants based on February's 60/40 percentages, rather than the prior period's 75/25 percentages. We found, however, that fiscal staff did not always use current period percentages, and regularly used the prior period's percentages.

To understand management's rationale for this methodology, we discussed the process with the Department Controller, who stated that he believed that using prior period percentages would not over- or undercharge programs.⁷ We noted, however, that using prior period percentages did not adhere to a several of federal requirements. For example, \$109,884,675 of the department's administrative costs incurred during the audit period, July 1, 2016, through June 30, 2017, was allocated using random moment time sampling, and Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 430(i)(5)(i)(C), requires the results of the state's random moment sampling method to be applied to the period being sampled. While additional specific requirements are addressed further below, the basic cost principle is that federal regulations require costs to be allocated to federal programs based on the relative benefit received. In the example discussed above, SNAP only received 60% of the benefits in February; therefore, allocating costs to SNAP based on the prior period percentage (75%) would overcharge SNAP by 15%.

Even if the prior period's percentages are consistently used each month instead of the current period's percentages, programs could be over- or undercharged. These differences can accumulate over time, as demonstrated by the \$188,302 total overcharge for Medicaid in the example in Table 1 below, which uses actual data for the Adult Protective Services division of the department for July 2016 through March 2017:

⁶ On April 11, 2016, the Department of Finance and Administration assumed responsibility for performing the Department of Human Services' fiscal functions, including preparing and implementing cost allocation plans. Therefore, the Department Controller and other fiscal employees referenced in this finding are employees within the Department of Finance and Administration.

⁷ As discussed further below, we could find no evidence to support the conclusion that programs would not be over- or undercharged by using prior period information, and the evidence we reviewed suggested the opposite.

Table 1
Example of Accumulating Overcharges and Undercharges
Caused by Using Prior Period Percentages for Cost Allocation Table ACS-3*

Period	Program	Current Period's Percentage	Prior Period's Percentage	Percentage Difference	Allocable Costs	SSBG Overcharge (Undercharge)	Medicaid Overcharge (Undercharge)
July – Sep 2016	SSBG	61%	59%	-2%	\$2,283,194	\$(53,621)	
July – Sep 2016	Medicaid	39%	41%	2%	\$2,283,194		\$53,621
Oct – Dec 2016	SSBG	64%	61%	-3%	\$2,355,050	\$(72,179)	
Oct – Dec 2016	Medicaid	36%	39%	3%	\$2,355,050		\$72,179
Jan – Mar 2017	SSBG	67%	64%	-2%	\$2,569,663	\$(62,502)	
Jan – Mar 2017	Medicaid	33%	36%	2%	\$2,569,663		\$62,502
Grand Total						\$(188,302)	\$188,302

* Percentages in this table were rounded for presentation in the percentage columns, but not rounded in the calculations in the difference and overcharge (undercharge) columns.

Based on our review of the department's accounting records, the department allocated \$381,213,289 through the cost allocation process during the audit period, July 1, 2016, through June 30, 2017; therefore, it is critical that the percentages of costs allocated to various programs are appropriate, because small differences in prior period and current period percentages could lead to fiscal staff overcharging federal programs by significant amounts over time.

Audit Results

During the prior audit, we noted that fiscal staff used prior period percentages to allocate costs for two divisions within the department, among other instances of noncompliance related to the cost allocation plan. Management concurred in part with the prior audit finding and noted that the department was in the process of revising the cost allocation plan to take effect April 1, 2017.

During the current audit, we again noted several instances in which the department used prior period information to allocate the current period's costs for certain divisions during the period July 1, 2016, through March 31, 2017. In addition, the department amended its cost allocation plan, effective April 1, 2017, to begin allocating *all* divisions' costs based on prior period percentages. As a result of the errors identified during the audit, we questioned a net⁸ total of \$335,887 in federal costs and \$180,994 in state matching costs.

Summary of Conditions

We tested the department's cost allocation processes for the periods October 1, 2016, to December 31, 2016, and April 1, 2017, to June 30, 2017. Based on testwork performed, we found that the Department Controller did not ensure that fiscal staff allocated costs in accordance with federal requirements. Specifically, we noted that fiscal staff

⁸ Due to the nature of the cost allocation process, errors generally result in overcharging certain federal programs and undercharging others. After netting overcharges against any undercharges for the same federal program, we questioned the net amount by which each federal program was overcharged.

- used allocation information from the prior quarter (prior period percentages) to allocate all costs for the department for the quarter April 1, 2017, through June 30, 2017 (Condition A);
- used prior period percentages to allocate certain divisions' costs for part or all of the audit period, July 1, 2016, through June 30, 2017 (Condition B).

Condition A. Fiscal Staff Allocated All Departmental Costs Using Prior Period Percentages for Three Months

Throughout our audit fieldwork we discussed management's actions since the prior audit to resolve the prior audit issues. We recognize, based on these discussions, that management is continuing to work through their processes to find the best method to achieve federal compliance given the magnitude of the transactions involved in administering the federal grants. As auditors, we are also required to follow federal regulations in performing our audit and in reporting our conclusions. In this audit, given management's on-going assessment and efforts to change processes to resolve all prior noted conditions, we believe it is important to note that our finding is required since full corrective action has not yet occurred. The next audit cycle will be a critical analysis of true resolution. As such, during our audit scope we found the following condition.

The department's amended *Public Assistance Cost Allocation Plan* became effective on April 1, 2017. During the planning stage of the audit, we noted that the Department Controller included language in the plan that stated that "the Department generally relies on allocation statistics from the immediately preceding quarter [prior period percentages] to allocate current quarter costs." This means that for the period April 1, 2017, through June 30, 2017, fiscal staff allocated all costs based on the relative benefits federal programs received in the prior quarter, January 1, 2017, through March 31, 2017.

Based on discussion with the U.S. Department of Health and Human Services' Cost Allocation Services Division (CAS), using prior quarter percentages was appropriate for estimates, but the department would need to perform end of the year adjustments using current quarter data for each quarter. CAS stated if fiscal staff did not make these adjustments, the department would not be in compliance with 2 CFR 200.405(a).

In our discussions with the Department Controller, he asserted that the differences caused by using prior quarter percentages would be negated in the next quarter when the current quarter's percentages will be used. Similarly, in an email exchange between the Department Controller and a federal official involved in the cost allocation approval process—the Lead Grants Management Specialist within the U.S. Department of Health and Human Services' Administration for Children and Families—the Department Controller provided information to the federal official, such as,

By consistently using the same methodology from quarter to quarter, the methodology does not over/under allocate costs to any benefiting program. . . . In short, there is nothing to "true up." At worst, were the allocation statistics to fluctuate significantly from one quarter to the next, there would be a one quarter "lag" in reflecting under/over allocations that would be compensated for in the subsequent quarter.

Although the federal official voiced her concerns regarding the methodology by stating, in part, “the methodology could under/over allocate costs to benefitting programs which is why ACF [Administration for Children and Families] requests a ‘true up’ once all statistics are intact,” the Department Controller responded by stating, in part, “it would be at worst one more quarter before those allocation statistics were used to allocate current quarter costs; therefore, ‘truing them up’ for the fluctuation.”

In our attempt to determine whether management’s statements to the federal partner were reasonable, we asked for supporting evidence of management’s cost impact analysis. Because this analysis did not include all divisions of the department and only involved one quarter, we did not think the analysis was sufficient to support the assertion that the department’s methodology would achieve compliance over two quarters. Management provided no other evidence to support management’s statements.

In an effort to satisfy ourselves as to whether the methodology based on prior period percentages, rather than current period percentages, was a reasonable methodology, we performed a comprehensive analysis to test management’s statement that overcharges caused by using prior period percentages would reverse in the subsequent period. Specifically, for all divisions in the department, we reperformed the department’s cost allocation procedures using prior period percentages for the period October 1, 2016, through March 31, 2017. We then compared these allocations to the fiscal staff’s actual calculations, which used current quarter percentages for the same period of time. It is important to note that our calculations were based on fiscal staff’s own schedules; we simply substituted fiscal staff’s current quarter percentages with their prior quarter percentages in their schedules and summarized the results. Based on our procedures, we found that the differences caused by using prior period data did not reverse in the next quarter and the differences this methodology would cause over time did not appear to be immaterial as indicated by management.

Specifically, we noted that using prior period percentages would have resulted in federal programs being overcharged by up to \$500,000 per program over the six-month period, which suggests that using the methodology could result in overcharging programs by up to \$1 million per year. It is not clear that federal officials would consider potential overcharges of up to \$1 million per program per year to be immaterial. See Table 2 below for the differences using prior period percentages would have caused each quarter over the course of these two periods.

Table 2
Overcharges (Undercharges) by Program Due to the Use of Prior Period Statistical Data,
for the Period October 1, 2016, through March 31, 2017

Program	October 2016 - December 2016	January 2017 - March 2017	Total Expenditures
Programs Overcharged			
Child Care and Development Block Grant	\$53,234	\$142,165	\$195,399
Child Support Enforcement	(47,688)	113,691	66,003
Community Services Block Grant	90,580	(28,467)	62,113

Medical Assistance Program	105,767	1,583	107,350
State Administrative Expenses for Child Nutrition	(46,188)	136,680	90,492
Social Security Disability Insurance	39,904	34,375	74,279
Temporary Assistance for Needy Families	237,513	293,543	531,056
Totals	\$433,122	\$693,570	\$1,126,692*
Programs Undercharged			
State Only Activities	\$11,864	(108,333)	(96,469)
Child and Adult Care Food Program	5,228	(104,297)	(99,069)
Independent Living Services for Older Individuals Who Are Blind	(4,565)	2,969	(1,596)
Summer Food Service Program	(56,441)	(3,399)	(59,840)
Supplemental Nutrition Assistance Program	(222,942)	(372,362)	(595,304)
Social Services Block Grant	(116,816)	(80,794)	(197,610)
Vocational Rehabilitation	(49,579)	(30,255)	(79,834)
Totals	\$(433,251)	\$(696,471)	\$(1,129,722)*

*There is a net total of (\$3,032) due to immaterial errors detected in fiscal staff's original calculations, as well as rounding differences in our calculations.

Because federal requirements, communications from federal officials, and our procedures all suggested that using current period percentages was the appropriate method, we reperformed the cost allocation procedures for the period April 1, 2017, through June 30, 2017, using current period percentages and compared these allocation amounts to the amounts fiscal staff calculated using prior period percentages. We questioned the differences caused by using prior period data rather than current period data. See Table 3 below for more information.

Table 3
Overcharges (Undercharges) by Program Due to the Use of Prior Period Percentages for the Period of April 1, 2017, Through June 30, 2017

Program	Federal Expenditures	State Expenditures	Total Expenditures
Programs Overcharged			
Child Support Enforcement	\$45,761	\$23,574	\$69,335
Medical Assistance Program	44,087	44,087	88,174
State Administrative Expenses for Child Nutrition	7,182	-	7,182
Summer Food Service Program	1	-	1
Supplemental Nutrition Assistance Program	192,586	192,586	385,172
Social Security Disability Insurance	123,359	-	123,359
Total	\$412,976	\$260,247	\$673,223*
Programs Undercharged			
Child Care and Development Block Grant	\$(7,474)	\$(130,477)	\$(137,951)

Community Services Block Grant	(6,873)	-	(6,873)
Independent Living Services for Older Individuals Who Are Blind	(7,256)	(806)	(8,062)
Social Services Block Grant	(48,484)	-	(48,484)
Temporary Assistance for Needy Families	(200,954)	(200,954)	(401,908)
Vocational Rehabilitation	(55,002)	(14,886)	(69,888)
Total	\$(326,043)	\$(347,123)	\$(673,166)*

*The sum of all overcharges and undercharges due to using prior period percentages should be zero. The sum of overcharges and undercharges in the table above is \$57 due to immaterial errors detected in fiscal staff's original calculations, as well as rounding differences in our calculations.

It is important to note that our analyses of the two plans in effect for our audit scope (the new cost allocation plan on April 1, 2017, and the plan for October 1, 2016, through March 31, 2017) are not directly comparable because the plans allocate costs differently. Tables 2 and 3 are stand-alone conclusions. More specifically, the April 1, 2017, plan introduced a variety of changes, such as changes from direct to indirect allocation methodologies, changes to cost allocation bases, eliminating cost pools and merging them with pre-existing ones, and more. Therefore, the factors that caused the differences identified in Tables 2 and 3 are not necessarily identical.⁹

As a result, even though some programs' cumulative differences would be reduced if all three quarters' results were added together, adding the quarters together would not be appropriate as the allocation methodologies were not consistent. Additionally, some programs' cumulative differences would continue to increase if the quarters were added together.

After we performed the comprehensive analysis in December 2017, we learned that the federal government had approved the April 1, 2017, cost allocation plan in which management stated they planned to use prior period percentages. According to the approval letter, dated December 5, 2017,

Approval of the plan/amendment cited above is predicated upon conditions that . . .
. (4) the approval is based on information provided by the State and is void if the information is later found to be materially incomplete or inaccurate (5) the allocation methods proposed result in an equitable distribution of costs to programs.

As described above, we noted that the Department Controller had informed federal officials that the use of prior period percentages "does not over/under allocate costs to any benefiting program". However, because of the inconsistencies between management's statements and our analysis, we are not able to conclude that fiscal staff adhered to condition 4 referenced above. In addition, based on our audit procedures described above, the allocation methods used by the department did not result in an equitable distribution of costs to programs, which does not comply with condition 5 above. Further, according to decisions by the U.S. Department of Health and Human Services' Departmental Appeals Board, such as decision Number 370, issued in December 1982, the board has repeatedly found that ". . . an approved CAP [Cost Allocation Plan] does not constitute prior

⁹ Although the factors that caused the differences identified in Tables 2 and 3 are not necessarily identical, the October 1, 2016, through March 31, 2017, analysis provides evidence supporting the general conclusion that using prior period information rather than current period information can result in differences that may accumulate and become significant over time, and we identified no evidence to suggest that this general conclusion was not applicable to the April 1, 2017, plan.

approval to deviate from applicable statutes and regulations.” Finally, in our communications with federal officials and our review of correspondence between federal officials and management, the officials consistently communicated that allocating costs based on prior period percentages without subsequent adjustment was not appropriate. Due to all these factors, and given we cannot yet audit management’s intentions to adjust the estimates to actual, we included this matter as an audit finding despite the federal government’s approval of the plan.

We also noted that using prior period information led to fiscal staff allocating approximately \$3.4 million in expenditures that was not based on valid statistical data, which is not in accordance with federal requirements. See finding 2017-011 for more information.

Cause for Condition A

The primary reason fiscal staff moved to allocating costs based on prior period percentages was so that fiscal staff could complete the cost allocation process more quickly after the end of each quarter. The Department Controller noted that the department had prior audit findings related to cost allocations not being adjusted to actual timely in accordance with an agreement between the state and the federal government related to cash management (the Treasury-State Agreement). We noted, however, that management could have pursued other options to improve the timeliness of adjustments, such as amending the agreement to extend the deadline for making cost allocation entries or streamlining fiscal processes for preparing cost allocation schedules. In addition, we noted that the time constraints also appeared to be due to some extent to a lack of sufficient staff. Specifically, only two fiscal staff appeared to be primarily responsible for performing the entire cost allocation process (one person prepared the percentages, and another applied the percentages to costs).

Another contributing factor was the Department Controller’s belief that using prior period percentages would not lead to overcharging or undercharging federal programs if applied consistently over time; however, our testwork did not support this statement.

Condition B. Fiscal Staff Used Prior Period Percentages to Allocate Certain Divisions’ Costs for Part or All of the Audit Period

Condition A above is related to a formal accounting practice established in the department’s cost allocation plan for allocating the entire department’s costs using prior period information beginning April 1, 2017; however, we also identified isolated situations in which fiscal staff used prior period percentages for certain departmental divisions. These issues primarily occurred between July 1, 2016, and March 31, 2017, prior to the new cost allocation plan taking effect. See the table below for additional information.

Table 4
Allocations of Costs Using Prior Period Percentages by Division and Time Period

Divisions	Allocation Basis	Time Period of Costs	Time Period of Percentages Used to Allocate Costs
APS, FA1, FA2, FO, INV*	Random Moment Sampling	July 2016 and August 2016	April 2016 through June 2016
Family Assistance	Various	October 2016 through December 2016	September 2016
Appeals and Hearings	Case Counts	October 2016 through December 2016	September 2016
Office of General Counsel	Workload Hours	July 2016 through June 2017	June 2016 through May 2017

*APS – Adult Protective Services

FA1 – Family Assistance – Field Staff, Management, and Support Staff

FA2 – Family Assistance – Hospital-Based Eligibility Determination Workers

FO – Family Assistance – Field Operations

INV – Investigations

For all divisions identified in the table above except for the Office of General Counsel, we calculated the correct allocation of costs using the correct percentages for the applicable time period and compared our results to fiscal staff's calculations based on prior period percentages. We questioned the differences between our calculations and the amounts allocated by fiscal staff. See Table 5 below for the amount of overcharges and undercharges by program. For the Office of General Counsel, we did not question the costs related to this issue because the data needed to calculate these costs was not readily available in the department's accounting system.

Table 5
Programs Overcharged (Undercharged) Due to
Allocating Costs Based on Prior Period Percentages

Program	Federal Expenditures	State Expenditures	Total Expenditures
Programs Overcharged			
Child Care and Development Block Grant	\$1,590	\$48,791	\$50,381
Child Support Enforcement	5,702	2,937	8,639
Medical Assistance Program	25,232	25,232	50,464
Temporary Assistance for Needy Families	18,662	119,221	137,883
Vocational Rehabilitation	372	101	473
Total	\$51,558	\$196,282	\$247,840
Programs Undercharged			
Social Security Disability Insurance	\$(41)	-	\$(41)
Social Services Block Grant	(31,231)	-	(31,231)
State Administrative Expenses for Child Nutrition	(559)	-	(559)
Summer Food Service Program	(1,165)	-	(1,165)

Supplemental Nutrition Assistance Program	(107,422)	(107,422)	(214,844)
Total	\$(140,418)	\$(107,422)	\$(247,840)

Source: Summarized using accounting records from Edison, the state's accounting system, and the department's cost allocation schedules.

After we brought this matter to the attention of fiscal staff, fiscal staff partially resolved the errors identified in Table 5 above by correcting the cost allocation calculations for two divisions, Family Assistance and Appeals and Hearings, for the October through December 2016 costs that were allocated improperly.

Cause for Condition B

For the Family Assistance and Appeals and Hearings divisions for the period October through December 2016, the errors noted in Table 5 above were due to fiscal staff accidentally failing to replace the prior period cost allocation tables with the current tables when preparing the cost allocation spreadsheets. For the remainder of the divisions and time periods in Table 3 above, when these errors occurred, it does not appear that fiscal staff were aware that the cost allocation tables should not be created using prior period percentages.

Condition C. Risk Assessment

Given the problems identified during our fieldwork, we also reviewed the department's November 2016 Financial Integrity Act Risk Assessment and determined that top management assessed the risk that "Costs charged to a federal program are not allowable under program regulations" as having a remote likelihood and small impact; however, management did not identify any mitigating controls related to the issue. Given the unallowable costs and cost principles issues identified in this finding and others during the current audit, such as 2017-015, 2017-033, and 2017-037, we concluded that management should have assessed the likelihood as reasonably possible, assessed the impact as large, and included a control activity to mitigate the risk in the department's annual risk assessment.

Criteria for All Conditions

According to *A Guide for State, Local and Indian Tribal Governments – Cost Allocation Principles and Procedures for Developing Cost Allocation Plans* (ASMB C-10), Section 3-23, prior periods' random moment time sampling percentages and other time and effort percentages may not be used to allocate the current period's costs:

Can the results of an acceptable statistical sampling method or time and effort reporting covering one period of time be applied to a different period, e.g., a prior quarter? [Att. B, ¶ 11.h(5)(c)]

No. The results of a specific period represents the values experienced during that period only. Attachment B, paragraph 11.h(5)(c) requires that time and effort reporting coincide with one or more pay periods. Therefore, retroactive application of such results, whether they are statistically based or effort reporting, is unacceptable. However, prior period actuals may be used as estimates for applying

costs in a future period, provided that the estimates are adjusted back to actual effort for that period when claimed for reimbursement.

The guide quoted above has the effect of a regulatory requirement because it represents instructions released by the Department of Health and Human Services, and 45 CFR 95.507(a)(2) requires the cost allocation plan to "Conform to the accounting principles and standards prescribed in Office of Management and Budget Circular A-87, and other pertinent Department regulations and instructions."

Like ASMB C-10, 2 CFR 200.430(i)(5)(i)(C) also requires the results of the state's random moment sampling method to be applied to the period being sampled.

According to OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," Attachment A, Section C.3.a-b, a cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received, and all activities which benefit from indirect costs will receive an appropriate allocation of indirect costs. These requirements are also stated in 2 CFR 200.405(a-b).

For direct costs, 2 CFR 200.405(d) states that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

Effect for All Conditions

Failure to allocate costs in accordance with the cost allocation plan and federal requirements increases the risk that fiscal staff will fail to assign an appropriate share of costs to programs and that federal grantors will disallow costs charged to federal programs.

Additionally, federal regulations address actions that federal agencies may impose in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in Section 200.207, "Specific conditions":

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

Furthermore, Section 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Questioned Costs

We questioned a total of \$516,881 due to the net amount of overcharges to federal programs, consisting of federal questioned costs of \$335,887 and \$180,994 in questioned costs related to state matching funds for federal grant awards. See Table 6 for details regarding all overcharges and undercharges.

Table 6
Total Questioned Costs by Federal Program

Program	Federal Expenditures	State Expenditures	Total Expenditures
Programs Overcharged			
Child Support Enforcement	\$51,463	\$26,511	\$77,974
Medical Assistance Program	69,319	69,319	138,638
State Administrative Expenses for Child Nutrition	6,623	-	6,623
Supplemental Nutrition Assistance Program	85,164	85,164	170,328
Social Security Disability Insurance	123,318	-	123,318
Total	\$335,887	\$180,994	\$516,881
Programs Undercharged			
Child Care and Development Block Grant	\$(5,884)	\$(81,686)	\$(87,570)
Community Services Block Grant	(6,873)	-	(6,873)
Independent Living Services for Older Individuals Who Are Blind	(7,256)	(806)	(8,062)

Summer Food Service Program	(1,164)	-	(1,164)
Social Services Block Grant	(79,715)	-	(79,715)
Temporary Assistance for Needy Families	(182,292)	(81,733)	(264,025)
Vocational Rehabilitation	(54,630)	(14,785)	(69,415)
Total	\$(337,814)	\$(179,010)	\$(516,824)

Concerning questioned costs, 2 CFR 200.516(a)(3) requires us to report known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program.

In addition, 2 CFR 200.516(a)(4) requires us to report known questioned costs that are greater than \$25,000 for a federal program which is not audited as a major program. This finding, in conjunction with findings 2017-12, 2017-014, and 2017-015, results in total known federal questioned costs exceeding \$25,000 for a federal program which is not audited as a major program.

According to 2 CFR 200.84,

Questioned cost means a cost that is questioned by the auditor because of an audit finding:

- (a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) Where the costs, at the time of the audit, are not supported by adequate documentation; or
- (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation

The Commissioner of the Department of Finance and Administration (the Commissioner) should ensure that proposed revisions to cost allocation plans are supported by comprehensive estimated cost analyses that span multiple time periods, and should establish adequate internal controls to ensure that communications to federal officials regarding the impact of proposed changes are supported by these impact analyses. These controls should include ensuring that the communications are documented and distributed to the relevant fiscal staff.

In order to allow fiscal staff to complete cost allocation entries timely without using prior period information, the Department Controller, in consultation with appropriate officials within the Department of Finance and Administration, should consider alternatives for ensuring that cost allocation entries are performed more quickly, such as

- updating the Treasury-State Agreement with the U.S. Department of Treasury to extend the amount of time fiscal staff have to perform cost allocation entries;
- hiring or reassigning additional staff to assist in the cost allocation process; and

- discussing with Comptroller's Office staff potential automation solutions for cost allocation processes using the department's existing spreadsheet tools, including strategies for automatically detecting when fiscal staff have accidentally allocated costs based on prior period percentages.

The Commissioner of the Department of Human Services should assess all significant risks with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements, assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur in part.

Condition A. Fiscal Staff Allocated All Departmental Costs Using Prior Period Percentages for Three Months

The department does not concur. A cost allocation plan is a narrative of the procedures that the department will use in identifying, measuring, and allocating all department costs incurred in support of all programs administered or supervised by the department. The plan utilizing the methodology described in condition A was approved by Cost Allocation Services within the U.S. Department of Health and Human Services even after being contacted by the state auditor who voiced concerns with the approach.

In addition, management discussed the concept of using prior quarter percentages extensively with its federal partners while its April 1, 2017 effective public assistance cost allocation plan (PACAP) was being developed and reviewed for approval. This discussion resulted in valuable clarifications and understandings for all participants, and ultimately resulted in the following support for this approach being received from the Lead Grants Management Specialist, HHS/ACF/OA – Office of Grants Management:

ACF does not have issues with application of prior quarter statistics as long as appropriate quarter adjustments after subsequent analysis is completed. In our discussions, your intent to adhere to these guidelines is clear and subsequent PACAP submissions have been augmented to clarify this understanding.

The department clearly documented in its subsequent July 1st cost allocation plan submission that it would periodically evaluate the differences between allocation approaches and make adjustments for any material variations.

Management does not believe the tables presented in this finding provide sufficient evidence that the allocation methods utilized by the department will not result in an equitable distribution of costs to programs. While table 2 and 3 do present three quarters of data, as noted in the finding, they are not comparable, so they provide little value in establishing whether or not allocations using the federally approved technique over an extended period are equitable.

Finally it is important to note, that as stated in the finding, management communicated to the state auditor that the primary reason behind the approach taken in the PACAP was to address other findings related to cost allocation timeliness. Management agrees that there are alternative approaches to addressing the timeliness issue, but does not believe that one is measurably preferable over another.

Condition B. Fiscal Staff Used Prior Period Percentages to Allocate Certain Divisions' Costs for Part or All of the Audit Period

The department concurs that the cost allocation plan in place did not adequately represent all departmental practices which is why the plan was amended effective April 1, 2017. Due to the time delay associated with compiling results from the Random Moment Sample (RMS), prior quarter RMS results were used in some instances so as not to delay the cost allocation process. This is another contributing factor to why the plan was amended as described in condition A.

As noted in the finding, cost allocations for Family Assistance and Appeals and Hearings were corrected. Costs for the Office of General Counsel were allocated in accordance with the approved cost allocation plan in place at the time.

Condition C. Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101 using guidance provided by the Tennessee Department of Finance and Administration (F&A). The Department's November 2016 Financial Integrity Act Risk Assessment risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance risks, were assessed on a more programmatic/divisional level.

Auditor's Comment

Condition A. Fiscal Staff Allocated All Departmental Costs Using Prior Period Percentages for Three Months

We are not aware of any relevant federal requirements that permit fiscal management to determine the materiality of overcharges to federal grants. We also have specific federal requirements which require us to report questioned costs when those costs exceed the federal reporting thresholds. As such we have reported the \$516,881 in overcharges to federal programs for the quarter ended June 30, 2017, based on our requirement to do so.

It is also not clear that federal officials responsible for approving the plan were aware that fiscal management intends to only address variations deemed significant, instead of "truing up" all variations to actual. Specifically, the July 1st plan states, "Prior quarter adjustments will be made on Federal reports when appropriate." Based on discussion with fiscal management, "when appropriate" means when management concludes variations are material, but this was not explained in the plan or any other communication we reviewed. Without this clarity, there may be differing opinions between management, the federal partners, and the state auditors regarding materiality of variations.

As of March 2018, there was no indication that fiscal management had performed the periodic review described in management's comment for the quarter ended June 30, 2017, and fiscal management had not informed us of when this will occur. The cost principles identified in this finding do not authorize temporary noncompliance, and the state's Treasury-State agreement required cost allocations to be adjusted to actual quarterly. Further, the CAS official we spoke to indicated that allocations should be adjusted to actual each fiscal year, at least. As a result, we are required to report this issue until fiscal management has implemented a process that ultimately corrects these cost allocations. We look forward to working with management and the federal partners in the future to achieve an appropriate resolution to this matter.

Finding Number	2017-011
CFDA Number	10.558, 10.559, 10.561, 84.126, 93.558, 93.563, 93.596, and 93.778
Program Name	Child and Adult Care Food Program Child Nutrition Cluster Supplemental Nutrition Assistance Program Cluster Rehabilitation Services - Vocational Rehabilitation Grants to States Temporary Assistance for Needy Families Cluster Child Support Enforcement Child Care and Development Fund Cluster Medicaid Cluster
Federal Agency	Department of Agriculture Department of Education Department of Health and Human Services
State Agency	Department of Human Services
Federal Award Identification Number	201717N109945, 201717IQ390345, 8044 H126A170063, G1702TNTANF, 1704TNCSES, G1701TNCCDF, 05-1705TN5ADM
Federal Award Year	2017
Finding Type	Significant Deficiency (10.558, 10.559, 10.561, 84.126, 93.563, 93.596, and 93.778) Material Weakness (93.558) Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A

Fiscal staff for the Department of Human Services used incomplete, inaccurate information to create cost allocation tables

Background

Because the Department of Human Services administers various public assistance programs, federal regulations require the state to submit a cost allocation plan that outlines the procedures used to identify, measure, and allocate costs to all programs administered by the department. Fiscal staff within the Department of Finance and Administration create and submit the cost allocation plan on behalf of the Department of Human Services, as well as allocate costs to federal grant awards in accordance with the cost allocation plan.

In accordance with federal regulations, fiscal staff allocate administrative costs that cannot be directly charged to a specific federal program to all benefitting federal programs based on the cost allocation plan. During the audit period, July 1, 2016, through June 30, 2017, two cost allocation plans were effective for the department. The first plan was effective July 1, 2016, through March 31, 2017. The second was effective April 1, 2017. A total of \$381,213,289 of the department's expenditures during our audit period was subject to allocation under the cost allocation plan. (Federal regulations exclude from cost allocation plans expenditures for financial assistance,

medical vendor payments, food stamps, and payments for services and goods provided directly to program recipients.)

According to Title 45, *Code of Federal Regulations*, Part 95, Section 507(a), a cost allocation plan for a state agency must describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the state agency.

Each quarter, fiscal staff prepare cost allocation tables. Generally, each table covers a specific activity that department staff perform for programs, identifies one or more federal programs to which costs for the activity should be charged, and identifies the percentage of costs associated with the specific activity that should be charged to each federal program.

Fiscal staff then use the cost allocation tables' percentages to prepare cost allocation spreadsheets that identify the amount of expenditures that fiscal staff should allocate to the federal programs administered by the department.

Finally, fiscal staff enter cost allocation entries into the department's accounting system based on the cost allocation calculations documented in the spreadsheets.

Summary of Conditions

Based on testwork performed, we found that the Department Controller did not ensure that fiscal staff adhered to acceptable statistical sampling methods and that fiscal staff allocated costs in accordance with the cost allocation plan and federal requirements. Specifically, we noted that

- the Family Assistance Random Moment Sampling universe did not contain all required staff (see Condition A), and
- fiscal staff did not calculate allocation percentages correctly for costs that benefitted the entire department (see Condition B).

Condition A – The Family Assistance Random Moment Sampling Universe Did Not Contain All Required Staff

Random Moment Sampling

During the audit period, July 1, 2016, through June 30, 2017, fiscal staff for the Department of Human Services allocated approximately \$109.9 million in administrative costs to various federal and state funding sources using random moment sampling. According to the *Division of Cost Allocation Best Practices Manual for Reviewing Public Assistance Cost Allocation Plans*, random moment sampling (RMS) is

. . . a work sampling technique for statistically determining the amount of effort spent by a group of employees on various activities. A RMS study consists of a number of individual observations of employee activities taken at randomly selected points in time. Based on these observations, the total effort of a group of employees can be estimated with a measurable degree of confidence and precision

that the results approximate those had the employees been observed 100% of the time.

According to the *Cost Allocation Plan for the TN Department of Human Services*, RMS is used to identify employee efforts directly related to specific programs and activities and to identify employee effort which is common to more than one program for subsequent distribution of costs to individual programs. Fiscal staff¹⁰ for the Department of Human Services used RMS to allocate costs to four benefitting organizational units during the audit period: Investigations (INV), Adult Protective Services (APS), Field Operations (FO), and Family Assistance (FA).

The State RMS Administrator uploads a list of employees (the sample population universe) into an electronic RMS system. The RMS system randomly selects sample occurrences and employees from the sample population universe. The selected individual uses the RMS system to complete a survey identifying the activities the employee was working on at the sampled moment in time. Per the cost allocation plan, each workday is broken down into one-minute intervals yielding 315 possible strike points per standard workday. The RMS System monitors the number of valid samples received for each survey on a daily basis and adds additional samples during the sample period (each calendar quarter) to meet the required number of valid samples for each organizational unit.

According to Title 2, *Code of Federal Regulations* (CFR), Section 200.430(i)(5)(i) and OMB A-87, Attachment B, Section h(6)(a), the RMS methodology must generally meet acceptable statistical sampling standards including

- A. the sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results . . . ;
- B. the entire time period involved must be covered by the sample; and
- C. the results must be statistically valid and applied to the period being sampled.

During the audit period, of the \$109.9 million in administrative costs that fiscal staff allocated using RMS, \$85.2 million was based on the RMS results for the Family Assistance division, which is the largest division of the department. Family Assistance staff perform tasks such as eligibility determination for the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, Child Care and Development Fund, and the Medical Assistance Program (Medicaid).

Fiscal staff used the RMS results for January through March 2017 to allocate costs incurred during January through March 2017, as required by federal regulations. In addition, however, fiscal staff used the same January through March 2017 RMS results to allocate costs for the quarter April through June 2017, which is not in accordance with federal requirements (see Finding 2017-010). Because the Family Assistance division is the largest division and the RMS results for January through March 2017 were used to allocate half of the audit period's costs for the division, we tested

¹⁰ On April 11, 2016, the Department of Finance and Administration assumed responsibility for performing the Department of Human Services' fiscal functions, including implementation of the cost allocation plan. Therefore, the Department Controller and other fiscal employees referenced in this finding are employees within the Department of Finance and Administration.

fiscal staff's RMS sampling procedures for the quarter January 1, 2017, through March 31, 2017, to determine whether the RMS universe of employees for the Family Assistance division was complete and accurate.

Audit Procedures for Family Assistance RMS Results

For each of the six, bi-monthly pay periods during January 1, 2017, through March 31, 2017, we reviewed the employees included in the Family Assistance RMS universe, and compared them to the Family Assistance unit's Edison payroll data¹¹ for January 1, 2017, through March 31, 2017. For the purpose of determining whether the RMS universe was complete, if an employee was excluded from the RMS universe but their payroll records indicated that they were on leave for the entire pay period, we considered the exclusion to be appropriate and did not note any error.

Based on our procedures, we concluded that the Department Controller did not ensure that the Family Assistance RMS methodology followed acceptable statistical methods, because fiscal staff improperly excluded 308 of the 1052 employees who should have been included in the RMS universe (29%) for the quarter ended March 31, 2017. See Table A below for details related to the employees that were excluded from the RMS universe.

Table A
Reasons for Excluding Employees from the Family Assistance
RMS Universe for the Quarter Ended March 31, 2017

Descriptions	Number of Employees
New Worker Training	159
Eligibility Assistants	80
Leave, Resigned, or Retired*	48
Not Working in Normal Office location	5
Assigned to Special Family Assistance Projects	4
Multiple**	12
Total Employees	308

*These employees had regular time worked in Edison, the state's accounting system, during the pay period(s) during which they were excluded from the RMS universe.

**These employees had multiple reasons for exclusions during the quarter. For example, for one month, the employee may have been excluded due to New Worker Training, and the next month excluded due to leave.

In addition to these 308 Family Assistance employees, we noted that for the quarter ended June 30, 2017, fiscal staff improperly excluded 260 employees from the RMS universe because they erroneously used the prior periods' RMS results to allocate current quarter costs.

¹¹ Edison is the State's accounting system. Each pay period, employees have their payroll costs charged to organizational units called department IDs. For this testwork, we reviewed payroll data for department IDs that were designated to have their costs allocated using the Family Assistance RMS system.

In both cases, we noted that these individuals were excluded from the RMS universe because fiscal staff had not established adequate controls for ensuring that exclusions from the RMS universe were appropriate and accounted for properly. Additional details related to the exclusions are provided below.

New Worker Training

For the 159 employees assigned to new worker training, the cost allocation plan did not provide for excluding these employees, and we noted that the RMS process was not designed to ensure that employees were included in the RMS universe as soon as the employees' training was completed. Specifically, the RMS universe is updated every two weeks (every other Friday), so any individual excluded from the universe is excluded for two weeks, even if the employee's new worker training ends the first week of the two-week period. As a result, any time an employee spends working on programmatic activities after new worker training ends and before the end of the two-week sampling period (which occurs every other Friday) is improperly excluded from the RMS universe.

Based on discussion with Family Assistance staff, new worker training is not scheduled to coincide with the two-week RMS sampling periods and could end on any day of the week; therefore, each individual completing new worker training could be improperly excluded from the RMS universe for up to two weeks.

Since excluding these staff was not approved in the plan, and there was no evidence to suggest the employees were in new worker training for the entire sampling periods, we concluded that it was not appropriate to exclude these individuals.

Eligibility Assistants

For the 80 eligibility assistants excluded from the RMS universe, we noted that the job description¹² for these employees and our discussions with fiscal staff suggested that these employees interacted directly with clients, worked directly on applications, and performed eligibility determinations. According to the *Division of Cost Allocation Best Practices Manual for Reviewing Public Assistance Cost Allocation Plans* (Best Practices Manual), Section VI., Part C(4), employees who work directly on cases should normally be included in the universe, or the matter should be explained in the cost allocation plan. In addition, the cost allocation plan did not provide for excluding these employees and stated that all employees performing functions within the organizational unit would be included in the RMS universe.

Per 2 CFR 200.430(i)(5)(ii), the state is permitted to exclude support staff from the RMS universe and instead allocate support staff's costs based on the sampled employees' RMS results. Nevertheless, we included this condition in this finding because "support staff" is not defined in

¹² According to the job description, eligibility assistants' activities include asking applicants questions needed to obtain information related to their eligibility status to determine proper benefit eligibility, documenting information obtained during client interviews into the eligibility determination system, obtaining information from various databases and other needed sources to assist Eligibility Counselors in eligibility determination, and comparing client information to eligibility criteria. The position differs from Eligibility Counselor I in that "Eligibility Counselors perform work of greater scope and complexity to determine needed social services and eligibility for these services."

the regulations and the Best Practices Manual suggests that federal officials may not conclude that individuals working directly on client cases and determining client eligibility are support staff.

Leave, Resigned, or Retired

For the 48 employees that fiscal staff indicated were on leave, had resigned, or had retired, we noted that the payroll records demonstrated that these individuals were working on Family Assistance activities during the applicable sampling period, and they were not actually on leave or out of the office due to resignation or retirement during the entire sampling period. For example, for the pay period January 16, 2017, through January 31, 2017, there were eight individuals excluded from the universe due to being in the “FMLA” (Family and Medical Leave Act) category. Of these eight individuals, we noted that five of them took no leave during the period, and the remaining three took some leave, but they also worked during the period. Since these individuals were working on Family Assistance activities during the period and their costs were allocated based on the Family Assistance RMS results, federal regulations require fiscal staff to include the employees in the RMS universe.

We noted that this matter occurred primarily due to inadequate processes for determining when employees should be excluded due to absences. Specifically, based on discussion with fiscal staff, fiscal staff excluded individuals from the universe due to leave when Human Resources staff indicated that the individuals were *approved* to take extended leave, not necessarily when fiscal staff performed procedures to determine that the employees were not in the office. As a result, we noted many instances in which employees worked for the entire period, but fiscal staff excluded the employees from the RMS universe.

Not Working in Normal Office Location

For five employees, fiscal staff indicated that the employees were working in the community and would not have been able to access the RMS website to complete the survey in time, so fiscal staff excluded the employees. In order for the RMS results to be statistically valid, these individuals were required to be included in the RMS universe, even if they were working remotely. Although fiscal staff’s practice was to allocate these individuals’ personnel costs based on the RMS results, fiscal staff did not establish a mechanism for obtaining these individuals’ survey responses, such as using a mobile device, in the event the employees were randomly selected.

Assigned to Special Family Assistance Projects

For the four employees working on special Family Assistance projects, the employees were working on Family Assistance activities and their costs were allocated using Family Assistance RMS results; therefore, the employees should have been included in the universe. Fiscal staff’s documentation indicated that these individuals were excluded because they had no caseloads; however, we noted that the Family Assistance RMS survey had specific options for employees to select if they were working on program activities that were not case specific. In addition, if the special projects were not program specific, the RMS survey also had an option for the employee to indicate that they were working on non-program related tasks. Since these individuals could have used the RMS survey to document their work activities, it is not clear why fiscal staff excluded these individuals.

260 employees were excluded from the RMS universe for the quarter ended June 30, 2017

Beginning April 1, 2017, fiscal staff began allocating all current quarter costs based on the previous quarter's information, which is not in accordance with federal cost principles requirements. This practice resulted in not including all required employees in the Family Assistance RMS universe. Specifically, beginning April 1, 2017, the Field Operations division was blended with the Family Assistance division. Because fiscal staff used the Family Assistance RMS results for the prior quarter, January 1, 2017, through March 31, 2017, to allocate the costs for the quarter April 1, 2017, through June 30, 2017, and the Field Operations staff were excluded from the Family Assistance RMS universe during the prior quarter, none of the 260 Field Operations staff were represented in the RMS universe used to allocate their costs. As a result, for the quarter ended June 30, 2017, fiscal staff allocated approximately \$3.4 million in expenditures associated with the Field Operations employees based on invalid statistical data. For more information regarding noncompliance associated with using prior period data to allocate current period costs, see Finding 2017-010.

Condition B – Fiscal Staff Did Not Calculate Allocation Percentages Correctly for Costs that Benefitted the Entire Department

Table 1

Per the cost allocation plan, fiscal staff created Table 1 to allocate costs associated with departmental activities that benefit all programs administered by the department, such as costs associated with the Commissioner's Office. During the audit period, fiscal staff used Table 1 to allocate \$43,841,431 in administrative costs to various funding sources.

Table 1 was created using the position count allocation basis. Fiscal staff calculate the average number of filled full and part time positions for each program during a quarter, then use these averages to calculate a percentage for each program based on the proportion of the department's entire workforce for each program. Fiscal staff use staffing assignment data to determine the number of filled full and part time positions for each program.

We tested fiscal staff's Table 1 calculations for the quarter ended March 31, 2017, to determine whether the table was prepared accurately based on employees' working assignments and the cost allocation plan.

Relationship Between Family Assistance RMS Results and Table 1

It is important to note that since Table 1 was created using the staffing assignments of all department employees, and given that employees within the Family Assistance division represent the largest group of employees within the department, the Family Assistance RMS results have a significant impact on Table 1. For example, of the 3,318 department employees included in the data used to create Table 1 for the period January 1, 2017, through March 31, 2017, 1,686 of them (51%) were Family Assistance employees whose personnel costs were allocated via Family Assistance RMS results. Since 51% of the information used to create Table 1 for the quarter was based on Family Assistance RMS information, any inaccuracies in the RMS results could invalidate over half of the Table 1 calculations as well.

Continuing with the example above, if the RMS results showed that 20% of Family Assistance staff's time for the quarter was spent working on Temporary Assistance for Needy Families, for example, fiscal staff would add 337.2 people (1,686 X 20%) to the total number of department employees working on Temporary Assistance for Needy Families during the quarter. In order to ensure costs are allocated via Table 1 based on the proportional benefits that programs receive, these pro-rata calculations should generally occur for all employees whose activities benefit multiple programs.

Due to the significant amount of costs that are allocated through both Table 1 and the Family Assistance Tables, and the relationship between the two, it is critical that fiscal staff maintain adequate controls over the data and processes used to prepare the RMS and Table 1 calculations.

Audit Procedures for Table 1

Based on our review, we determined that the Department Controller did not ensure that fiscal staff prepared Table 1 properly. We noted several deficiencies in the accounting procedures fiscal staff used to calculate Table 1 including the following:

- fiscal staff did not reconcile employees' assignments per the staffing assignment data used to create Table 1 with employees' assignments per payroll data to ensure the table was prepared using accurate information;
- fiscal staff did not prepare Table 1 to properly reflect the effect of temporary staff assignments;
- fiscal staff did not update Table 1 to reflect key changes in the cost allocation methodologies used in the amended cost allocation plan, effective April 1, 2017; and
- fiscal staff improperly excluded employees working in divisions of the department and did not always calculate position counts correctly for included divisions.

Fiscal Staff Did Not Reconcile Key Data Sources

We noted that fiscal staff created Table 1 based on employee roster information, rather than developing the table based on the division to which the employees' payroll costs were charged. According to fiscal staff, reconciliation procedures were not performed to ensure that each employee's payroll costs were charged to the divisions that match their employee roster information. Based on our review of both the roster information and the payroll information for the quarter ended March 31, 2017, we noted that for 70 employees, the programs the employees worked on per the roster information did not agree with the programs the employees worked on per their payroll information. This is a critical control deficiency, as differences between the payroll data and the employee roster information mean that either Table 1 was created incorrectly based on erroneous employee roster information or that employee payroll costs were charged incorrectly to federal programs because employees were working in one division but their payroll costs were charged to another division, or both. We were unable to determine which of these scenarios applied to these individuals. See Finding 2017-015, Condition A, Testwork for payroll costs charged to the incorrect department ID, for more information.

Fiscal staff did not prepare Table 1 to properly reflect the effect of employees placed on temporary work assignments

For the quarter January 1, 2017, through March 31, 2017, fiscal staff's records indicated that there were 107 employees working on temporary assignments. The time that employees spend working on temporary assignments is generally tracked using timesheets. When preparing table 1, fiscal staff assumed that the employees spent 100% of their time working in their normal staff assignments instead of determining the actual time spent working on the temporary assignments so that fiscal staff could include an accurate number of employees in the position count calculation for the temporary assignment.

Fiscal staff did not update Table 1 to reflect key changes

We also noted that the fiscal staff did not update Table 1 to reflect key changes in the cost allocation methodologies used in the amended cost allocation plan, effective April 1, 2017, for 54 employees. When calculating the total number of filled positions for the Child Support Enforcement program (CSE), for example, fiscal staff included six employees working in the Information Technology division on Child Support activities, even though the Information Technology employees' payroll costs were already allocated to all federal programs via Table 1.¹³ This accounting treatment is not consistent with federal cost principles.¹⁴

Fiscal staff improperly excluded employees working in divisions of the department and did not always calculate position counts correctly for included divisions

As discussed in the Background section, when calculating the number of Family Assistance staff to include in Table 1 for each program, fiscal staff multiply the total Family Assistance staff count by each federal program's RMS results percentage to calculate each program's pro rata share of Family Assistance staff positions. We noted, however, that fiscal staff did not perform these pro rata calculations for 63 staff working in the Investigations Division and 14 staff working in the Office of General Counsel Field Staff Division; therefore, these 77 staff were excluded from the Table 1 calculations. In other cases, staff working on multiple programs were included in Table 1, but fiscal staff included the employees in the incorrect program count or calculated the pro rata share using the incorrect cost allocation table.

Recalculation of Table 1

For April 1, 2017, through June 30, 2017, to obtain an understanding of the potential impact these errors had on the quarter, we recalculated Table 1 based on the updated methodologies in the amended cost allocation plan, and included the appropriate department employees in our calculations. We calculated the pro rata share of position counts for all of the employees using the

¹³ The costs were allocated to all programs because the amended cost allocation plan provided for temporarily allocating costs for four divisions using Table 1 until fiscal staff could determine a more appropriate allocation method.

¹⁴ If fiscal staff have evidence that the employee's activities for the quarter benefitted only one federal program, such as CSE (and thus fiscal staff should include the employee in the CSE position count), federal regulations would prohibit allocating the payroll costs as indirect costs to all programs for that quarter. Conversely, if fiscal staff determined that the employee's activities benefitted all programs (and thus fiscal staff allocated the costs to all programs via Table 1), including the employee in the CSE position count would be inappropriate, as the employee's activities did not benefit only CSE.

applicable cost allocation methodology. In order to obtain an understanding of the difference between preparing the table based on staffing data, which was fiscal staff's practice, and preparing it based on payroll data, we based our calculations on payroll data and assumed the employees worked in the same division to which their payroll costs were charged.

After preparing our version of Table 1 for the quarter, we allocated the quarter's costs to programs using our table and compared our allocation amounts to the amounts fiscal staff allocated for the quarter. See Table B below for the differences in the allocated amounts for each program and Table C below for the differences in the position counts calculated for each program.

Table B

**Potential Overcharges (Undercharges) By Program Due to Calculating Table 1 Incorrectly
for the Period April 1, 2017, through June 30, 2017**

Program	Federal Expenditures	State Expenditures	Total Expenditures
Programs Overcharged			
Child Care and Development Block Grant	\$ -	\$13,175	\$13,175
Child Support Enforcement	36,110	18,602	54,712
Community Services Block Grant	85	-	85
Medical Assistance Program	12,725	12,725	25,450
Social Security Disability Insurance	29,958	-	29,958
Vocational Rehabilitation	107,860	31,022	138,882
Total	\$186,738	\$75,524	\$262,262
Programs Undercharged			
Independent Living Services for Older Individuals Who Are Blind	\$(38,717)	\$(4,302)	\$(43,019)
State Administrative Expenses for Child Nutrition	(6,677)	-	(6,677)
Supplemental Nutrition Assistance Program	(59,563)	(59,563)	(119,126)
Social Services Block Grant	(70,900)	-	(70,900)
Temporary Assistance for Needy Families	(11,270)	(11,270)	(22,540)
Total	\$(187,127)	\$(75,135)	\$(262,262)

Table C

**Differences in Table 1 Employee Counts by Activity
for the Period April 1, 2017, through June 30, 2017**

Activity	Difference
Employees Overcounted	
Appeals and Hearings	1
Child Support Enforcement	6
Medical Assistance Program	3
Vocational Rehabilitation	15
Total	25*
Employees Undercounted	
Adult Protective Services	(2)
Assistive Technology	(1)
Child Care and Development Block Grant	(1)
Independent Living Services for Older Individuals Who Are Blind	(6)
Social Services Block Grant	(9)
State Administrative Expenses for Child Nutrition	(1)
Supplemental Nutrition Assistance Program	(35)
Temporary Assistance for Needy Families	(6)
Total	(61)*

*Note: The amounts of over- and undercounted areas do not net to zero due to fiscal staff not including as many employees in their calculations as we did in ours.

As noted previously, fiscal staff use Family Assistance RMS data to prepare Table 1; therefore, any errors included in the RMS results (such as the matters discussed in Condition A above) are reflected in Table 1 as well.

Given the nature and scope of the errors related to the Family Assistance RMS and Table 1 calculations, and the fact that we did not always have sufficient information to perform accurate recalculations (such as accurate data identifying employees' activities), we did not attempt to calculate questioned costs related to the noncompliance noted in this finding.

Condition C – Risk Assessment

Given the problems identified during our fieldwork, we also reviewed the Department of Human Services' November 2016 Financial Integrity Act Risk Assessment and determined that top management assessed the risk that "Costs charged to a federal program are not allowable under program regulations" as having a remote likelihood and small impact; however, management did not identify any mitigating controls related to the issue. Given the unallowable costs and cost principles issues identified in this finding and others during the current audit, such as 2017-015, 2017-033, and 2017-037, we concluded that management should have assessed the likelihood as

reasonably possible, assessed the impact as large, and included a control activity to mitigate the risk in the department's annual risk assessment.

Criteria

Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 430(i)(5)(i) and OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," Attachment B, Section 8(h)(6)(a), state that substitute systems which use sampling methods must meet acceptable statistical sampling standards including:

- (A) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results . . . [except that less than full compliance with the statistical sampling standards may be accepted by the cognizant agency if the cognizant agency makes certain determinations];
- (B) The entire time period involved must be covered by the sample; and
- (C) The results must be statistically valid and applied to the period being sampled.

According to the department's cost allocation plan, "The universe for the [RMS] surveys will be comprised of all employees performing functions within each organizational unit."

Per 45 CFR 95.517(a), "A State must claim FFP [federal financial participation] for costs associated with a program only in accordance with its approved cost allocation plan." This requirement is effectively extended to all programs administered by state public assistance agencies by Section C, Appendix VI, of Title 2, CFR, Part 200 (formerly Section C of OMB A-87, Attachment D), which states,

State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the state public assistance agency.

The *Division of Cost Allocation Best Practices Manual for Reviewing Public Assistance Cost Allocation Plans*, Section VI., Part C(4), states:

The sample universe should normally include all workers with direct client contact (direct workers). The PA plan should clearly identify and explain why any direct workers are excluded from the sample universe.

Cause

Based on discussion with fiscal staff, fiscal staff excluded individuals from the RMS universe that were potentially on leave, resigned, or retired because fiscal staff believed that including these individuals would invalidate the results of the sample. We did not identify any evidence that supported that including these individuals in the RMS universe would result in invalidating the statistical results, and the federal regulations required the individuals to be included.

Regarding improper calculations for Table 1, based on discussion with fiscal staff, fiscal staff was not aware that employee assignments per payroll data did not agree with employee assignments per roster information. In addition, for the Table 1 calculations for the quarter ended June 30, 2017, fiscal staff did not appear to consider the impact that a revision in the cost allocation plan would have on the cost allocation tables prepared for the prior quarter.

Effect

Failure to allocate costs in accordance with the cost allocation plan and federal requirements increases the risk that fiscal staff will fail to assign an appropriate share of costs to programs and that federal grantors will disallow costs charged to federal programs.

Additionally, federal regulations address actions that federal agencies may impose in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in Section 200.207, "Specific conditions":

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

Furthermore, Section 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).

- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Recommendation

The Department Controller should ensure that the Department of Human Services' Random Moment Sampling universe includes all applicable moments for all direct worker employees in the universe whose salaries and wages are to be allocated based on the sample results. In addition, the Department Controller should establish processes to ensure that Table 1 calculations are accurate and that the calculations

- properly reflect the effect of temporary assignments;
- are updated to reflect changes in cost allocation methodologies, as needed;
- include all employees working in the department (except those whose personnel costs are allocated via Table 1); and
- include all necessary pro-rata calculations.

Finally, the Department Controller should ensure that fiscal staff and management establish adequate internal controls to resolve all errors noted above, including a comprehensive reconciliation process for payroll data and staffing assignment data.

The Commissioner of the Department of Human Services should assess all significant risks with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements, assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur in part.

Condition A. The Family Assistance Random Moment Sampling Universe Did Not Contain All Required Staff

We do not concur.

Management is concerned that the interpretation of the regulations throughout this condition may be more rigid than intended, and that the cost of implementing a corrective action plan that satisfies this rigid interpretation will far exceed the benefits to be achieved by such a plan. The underlying premise behind the entire sampling process is that costs are difficult to assign to any one benefitting program; therefore, another means of assigning cost was developed. The auditor's interpretation of the regulations as it pertains to inclusion in the sampling universe is so precise that it mirrors procedures that would be performed were the employees completing timesheets that charged costs directly to the benefitting federal program. The finding cites Title 2, *Code of Federal Regulations* (CFR), Section 200.430. This section of the guidance also includes additional information on

standards for personnel charges which state that charges to federal awards for salaries must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated (emphasis provided). The charges must also comply with established accounting policies and practices of the department. To that end, we believe our current process for RMS inclusion or exclusion is reasonable and is consistent with the Federal established practices of the department. Additionally, the same section of the Federal guidance states, "Less than full compliance with the statistical sampling standards noted in subsection (5)(i) may be accepted by the cognizant agency for indirect costs if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the non-Federal entity will result in lower costs to Federal awards than a system which complies with the standards." Management maintains that the methodologies being utilized by management result in a lower cost to the federal awards than processes that would need to be put in place to address the identified concerns.

In regard to the specific items noted in the findings,

New Worker Training

As indicated in the finding, the RMS universe was updated every two weeks during the audit period. Management believes that a twice a month control is reasonable given the nature of the costs being incurred and the additional costs associated with the auditor's suggestion of revising this to a daily control. It is also reasonable to assume that an employee who just completed training (even if it was in week 1 of a 2 week period) would rely on a seasoned employee to continue providing guidance; thus, the new employee's costs would mirror the time charged by the employee that was already included in the RMS universe.

Eligibility Assistants

Eligibility assistants are excluded from the RMS universe in accordance with 2 CFR 200.430(i)(5)(ii). The department is permitted to exclude support staff. As indicated in footnote 12, Eligibility assistants "... assist Eligibility Counselors in eligibility determination..." The assistants are not authorized to make eligibility determinations for the program.

Other Categories

The aggregate total of employees noted for the other categories approximates 2% of the RMS universe. Management does not consider their exclusion to have a material effect on the completeness of the universe; however, management will explore cost effective means to include them if possible.

260 employees excluded from the RMS Universe for the quarter ended June 30, 2017

The auditors were provided evidence documenting the fact that the methodology is in accordance with an approved Public Assistance Cost Allocation Plan, and that a clear intention to make appropriate quarter adjustments after subsequent analysis is completed had been discussed with and understood and accepted by federal partners. Please reference management's response to finding 2017-010.

Condition B. Fiscal Staff Did Not Calculate Allocation Percentages Correctly for Costs that Benefitted the Entire Department

We concur in part.

Fiscal staff did not reconcile key data sources

Staffing pattern data and payroll queries were not reconciled. Employees were counted based on how they appeared on the system generated staffing pattern. A reconciliation process will be developed by June 30, 2018.

Fiscal staff did not prepare Table 1 to properly reflect the effect of employees placed on temporary work assignments.

The primary program assignment was used to determine the count for people working on temporary assignments and was not split proportionally between the timesheet data relating to time spent on the temporary assignment and their primary assignment. 2 CFR 200 indicates that short term fluctuations between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term. While this specific reference is for budget estimates, it appears to support the federal government's acceptance of an approach that, while not exact, is operationally efficient as long as the result is reasonable.

Remaining conditions

The 6 employees mentioned in the audit findings were counted as dedicated child support employees in Table 1 based on the prior quarter statistics that were used to allocate current quarter costs according to the approved April 1, 2017 cost allocation plan. Counts related to the investigations unit and the offices of general counsel were improperly excluded from Table 1. They will be included going forward based on the proportional benefit to programs based on the tables developed and their related statistics.

Condition C. Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101 using guidance provided by the Tennessee Department of Finance and Administration (F&A). The Department's November 2016 Financial Integrity Act Risk Assessment risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance, risks were assessed on a more programmatic/divisional level.

Auditor's Comment

Condition A – The Family Assistance Random Moment Sampling Universe Did Not Contain All Required Staff

Management did not address the insufficiency of their sampling universe, which is the basis for Condition A. Management's concerns involve the costs of addressing this condition; however, most of the issues in Condition A are the result of fiscal staff performing work that we believe is

not necessary and actually leads to noncompliance with RMS requirements. Specifically, the department's RMS system automatically selects additional individuals for sampling if an individual does not respond timely; therefore, there is no need for fiscal staff to spend time maintaining deactivated listings and removing employees from the universe due to leave, new worker training, and similar issues.

We contacted management, explained why we believed compliance would actually be less costly, and asked why management believes the changes would be costly; however, management would not provide an explanation and simply stated, "Yes, we believe that our response reflects the way we think about that."

New Worker Training

Regarding management's biweekly process for updating the RMS universe, management refers to "the auditor's suggestion of revising this to a daily control." We are not suggesting that the department perform this process daily and have made no recommendation related to the frequency of the RMS universe update. On the contrary, we believe the department should simply use its RMS system as designed and not exclude these employees from the RMS universe.

Other Categories

Regarding management's determination that "The aggregate total of employees noted for the other categories approximates 2% of the RMS universe," management appears to have omitted the Leave, Resigned, or Retired category from management's calculations. After adding this category, the aggregate total of employees for the categories other than New Worker Training and Eligibility Assistants is roughly 6.6% of the RMS universe.

Finding Number	2017-012
CFDA Number	10.559, 10.560, 10.561, 84.126, 84.177, 93.558, 93.563, 93.569, 93.667, 93.778, and 96.001
Program Name	Child Nutrition Cluster State Administrative Expenses for Child Nutrition Supplemental Nutrition Assistance Program Cluster Rehabilitation Services - Vocational Rehabilitation Grants to States Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind Temporary Assistance for Needy Families Cluster Child Support Enforcement Community Services Block Grant Social Services Block Grant Medicaid Cluster Disability Insurance/Supplemental Security Income Cluster
Federal Agency	Department of Agriculture Department of Education Department of Health and Human Services Social Security Administration
State Agency	Department of Human Services
Federal Award Identification Number	201717N109945, 201616N253345, 201717N253345, 201616IS251445, 201717IS251445, 8044 H126A160063, 8044 H126A170063, H177B160064, H177B170064, G1502TNTANF, G1602TNTANF, 1604TNCSES, 1704TNCSES, G16B1TNCOSR, G1501TNSOSR, G1601TNSOSR, 05-1605TN5ADM, 05-1705TN5ADM, 8826 04-16-04TNDI00, and 8826 04-17-04TNDI00
Federal Award Year	2015 through 2017
Finding Type	Significant Deficiency (10.559, 10.561, 84.126, 93.558, 93.563, and 93.778) Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	

CFDA	Federal Award Identification Number	Amount
10.559	201717N109945	\$27
10.560	201616N253345	\$1
10.560	201717N253345	\$2,262
10.561	201616IS251445	\$1
10.561	201717IS251445	\$183,668
84.126	8044 H126A160063	\$1
84.126	8044 H126A170063	\$72,854
84.177	H177B160064	\$1
84.177	H177B170064	\$5,603
93.558	G1502TNTANF	\$31,480

93.558	G1602TNTANF	\$1
93.563	1604TNCSES	\$1
93.563	1704TNCSES	\$17,247
93.569	G16B1TNCOSR	\$251
93.667	G1501TNSOSR	\$1
93.667	G1601TNSOSR	\$28,878
93.778	05-1605TN5ADM	\$1
93.778	05-1705TN5ADM	\$6,004
96.001	8826 04-16-04TNDI00	\$1
96.001	8826 04-17-04TNDI00	\$87,165

Fiscal staff within the Department of Human Services charged unallowable costs to federal programs during the cost allocation process, including charging costs disallowed by a federal grantor back to federal grant awards, resulting in known federal and state questioned costs of \$435,448, and \$308,152, respectively

Background

Because the Department of Human Services administers various public assistance programs, federal regulations require the state to submit a cost allocation plan that outlines the procedures used to identify, measure, and allocate costs to all programs administered by the department. Fiscal staff within the Department of Finance and Administration create and submit the cost allocation plan on behalf of the Department of Human Services, as well as allocate costs to federal grant awards in accordance with the cost allocation plan.

In accordance with federal regulations, fiscal staff allocate administrative costs that cannot be directly charged to a specific federal program to all benefitting federal programs based on the cost allocation plan. During the audit period, July 1, 2016, through June 30, 2017, two cost allocation plans were effective for the department. The first plan was effective July 1, 2016, through March 31, 2017. The second was effective April 1, 2017. A total of \$381,213,289 of the department's expenditures during our audit period was subject to allocation under the cost allocation plan. (Federal regulations exclude from cost allocation plans expenditures for financial assistance, medical vendor payments, food stamps, and payments for services and goods provided directly to program recipients.)

According to Title 45, *Code of Federal Regulations*, Part 95, Section 507(a), a cost allocation plan for a state agency must describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the state agency.

Each quarter, fiscal staff prepare cost allocation tables. Generally, each table covers a specific activity that department staff perform for programs, identifies one or more federal programs to which costs for the activity should be charged, and identifies the percentage of costs associated with the specific activity that should be charged to each federal program.

Fiscal staff then use the cost allocation tables' percentages to prepare cost allocation spreadsheets that identify the amount of expenditures that fiscal staff should allocate to the federal programs administered by the department.

Finally, fiscal staff enter cost allocation entries into the department's accounting system based on the cost allocation calculations documented in the spreadsheets.

Cost Pools

Fiscal staff¹⁵ allocate expenditures included in cost pools to various federal programs. A cost pool is essentially a group of expenditures that fiscal staff allocate to various state and federal programs using a specific allocation methodology during the cost allocation process. To ensure that no unallowable costs are allocated to federal programs during the cost allocation process, all unallowable costs must be removed from cost pools prior to allocating the costs to federal awards.

Audit Procedures

To determine whether expenditures included in cost pools were allowable, we performed a cursory review of expenditures that were included in cost pools and subsequently allocated to federal programs for the audit period, July 1, 2016, through June 30, 2017, and tested unusual transactions we identified. We then selected a sample of 32 expenditure transactions from the cost pools identified in fiscal staff's cost allocation schedules for the audit period, July 1, 2016, through June 30, 2017. Because fiscal staff allocated expenditures in three separate groups—salaries and wages, benefits, and all other expenditure categories (non-payroll expenditures)—we stratified our sample based on these three groups, which resulted in testing 13 non-payroll expenditures. The table below identifies the dollar amount of the non-payroll expenditures in the population by program after the costs were allocated to various federal programs.

Table 1
Non-payroll Expenditures Charged to Cost Pools and Allocated to Federal Programs

Program	Total Expenditures
Child and Adult Care Food Program (CACFP)	\$297,575
Summer Food Service Program for Children (SFSP)	\$200,056
State Administrative Expenses for Child Nutrition (SAE)	\$548,786
Supplemental Nutrition Assistance Program (SNAP)	\$45,834,926
Supplemental Nutrition Assistance Program (SNAP) Recipient Trafficking Prevention Grants	\$532,434
Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)	\$5,083,089
Independent Living Services for Older Individuals Who are Blind Program (ILOB)	\$264,272
Temporary Assistance for Needy Families (TANF)	\$26,770,025
Child Support Enforcement (CSE)	\$2,784,664
Community Services Block Grant (CSBG)	\$131,554

¹⁵ On April 11, 2016, the Department of Finance and Administration assumed responsibility for performing the Department of Human Services' fiscal functions, including implementation of the cost allocation plan. Therefore, the Department Controller and other fiscal employees referenced in this finding are employees within the Department of Finance and Administration.

Child Care and Development Fund (CCDF)	\$5,340,451
Social Services Block Grant (SSBG)	\$2,347,727
Medical Assistance Program (MAP)	\$5,106,325
Social Security Disability Insurance (SSDI)	\$3,727,881
State Expenditures	\$1,712,438
Grand Total	\$100,682,203

Source: Summarized using cost allocation documentation from fiscal staff.

Based on our testwork, we found that fiscal staff allocated unallowable costs to federal programs, including costs that had already been disallowed by the federal government (Condition A) and unallowable meeting costs (Condition B), and we found that a subrecipient overcharged a federal program for depreciation expense (Condition C) resulting in total known questioned costs of \$743,600.

Condition A. Allocation of Disallowed Costs to Federal Programs

Based on our review of unusual expenditures included in cost pools, we noted that fiscal staff improperly included \$743,572 of previously disallowed Vocational Rehabilitation Grants to States costs in their cost allocation calculations for the period October 2016 through December 2016. The VR costs were disallowed because the Assistant Secretary for Special Education and Rehabilitative Services within the U.S. Department of Education had found that Tennessee spent VR funds in violation of VR program requirements and for goods and services that could not be allocated to the VR program. The \$743,572 represented a settlement payment for the disallowed costs.

Including these costs in the calculations resulted in fiscal staff reallocating the disallowed costs to most of the programs administered by the department, including back to the Vocational Rehabilitation program. We questioned all disallowed costs that the department reallocated to a federal program. After we brought this matter to the attention of fiscal staff, we verified that fiscal staff created an adjustment entry to reverse these disallowed costs during field work on December 14, 2017, after our audit scope. See Table 2 below for more information.

Table 2
Disallowed Costs Reallocated to Federal Programs

Program	Federal Expenditures	State Matching Expenditures	Total Expenditures
Child Care and Development Block Grant	\$0	\$57,828	\$57,828
Community Services Block Grant	\$251	\$0	\$251
Child Support Enforcement	\$17,247	\$8,885	\$26,132
Independent Living Services for Older Individuals Who Are Blind	\$5,603	\$623	\$6,226
Medical Assistance Program	\$6,004	\$6,004	\$12,008
State Administrative Expenses for Child Nutrition	\$2,262	\$0	\$2,262

Program	Federal Expenditures	State Matching Expenditures	Total Expenditures
Summer Food Service Program	\$14	\$0	\$14
Supplemental Nutrition Assistance Program	\$183,668	\$183,668	\$367,336
Social Services Block Grant	\$28,878	\$0	\$28,878
Social Security Disability Insurance	\$87,165	\$0	\$87,165
Temporary Assistance for Needy Families	\$31,480	\$31,480	\$62,960
Vocational Rehabilitation	\$72,854	\$19,658	\$92,512
Totals	\$435,426	\$308,146	\$743,572

Source: Summarized using accounting records from Edison, the state's accounting system, and cost allocation documentation from fiscal staff.

Condition B. Allocation of Unallowable Meeting Costs to Federal Programs

Based on our sample testwork, fiscal staff allocated unallowable costs to various federal programs for 1 of 13 non-payroll expenditures tested (8%). Based on review of the supporting documentation for the transaction, the expenditure was a portion of a payment to reimburse an employee for meeting supplies, including decorations, candy, gum, and beverages. The description of the reimbursement request was "Materials – TDA [Tennessee DHS Accountability Process] Blow-Out," and per discussion with department staff, these meetings occurred biweekly during the audit period, but are no longer occurring. We concluded that the expenditures were unallowable, because the costs did not appear to be necessary and reasonable for the administration of federal awards, as required by federal regulations.

Condition C. Unallowable Depreciation Expense

In our *Single Audit Report* for 2016, we published a repeat finding (Finding 2016-068) because a subrecipient improperly used federal funds received from various state agencies to pay for the acquisition of its central office building. Although federal regulations prohibit the use of federal funds to acquire real property, these regulations permit non-federal entities to use federal funds to pay for building depreciation. The subrecipient used federal funds from the Summer Food Service Program received through the department to pay for building depreciation that was not calculated in accordance with Generally Accepted Accounting Principles (GAAP). Building depreciation in accordance with GAAP is calculated based on the cost of the building. Based on our review of the subrecipient's valuation of depreciation expense for the central office building, an appraised value in excess of the cost of the building was used to calculate depreciation.

Condition D. Risk Assessment

Given the problems identified during our fieldwork, we also reviewed the Department of Human Services' November 2016 Financial Integrity Act Risk Assessment and determined that top management assessed the risk that "Costs charged to a federal program are not allowable under program regulations" as having a remote likelihood and small impact. Given the unallowable costs identified in this finding and others during the current audit, such as 2017-015, 2017-033, and 2017-037, we concluded that management should have assessed the likelihood as reasonably

possible, assessed the impact as large, and included a control activity to mitigate the risk in the department's annual risk assessment.

Criteria

Regarding unallowable costs, 2 CFR 200.441 states,

Costs resulting from non-Federal entity violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the Federal award, or with prior written approval of the Federal awarding agency.

In addition, 2 CFR 200.403 states,

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

Finally, 2 CFR 200.436(c) states,

Depreciation is computed applying the following rules. The computation of depreciation must be based on the **acquisition cost** [emphasis added] of the assets involved . . .

Cause

Regarding the disallowed Vocational Rehabilitation costs allocated to various programs, we noted that costs charged to the disallowed cost accounting code appeared to be rare, and fiscal staff did not appear to have a process in place to consistently filter out the disallowed code. Regarding the employee reimbursement for unallowable meeting costs, we noted that fiscal staff did not appear to have established a method for classifying unallowable costs for employee reimbursements so they could be quickly identified and excluded from cost allocation pools during the cost allocation process. The Fiscal Director for the subrecipient stated that he had used the "Appraisal Cost" approach to calculating depreciation; he was not aware that this was not in conformity with GAAP.

Effect

Charging unallowable costs to federal programs increases the risk that the federal government will disallow the costs and seek recovery of the funds. Additionally, federal regulations address actions that may be imposed by federal agencies in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in Section 200.207, "Specific conditions":

(1) Requiring payments as reimbursements rather than advance payments;

- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

Furthermore, 2 CFR 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Questioned Costs and Other Required Reporting

Questioned Costs

We questioned \$435,448 in federal expenditures charged to federal awards, as well as \$308,152 in state matching expenditures, for a total of \$743,600 in questioned costs. See Tables 2 and 3 above for more details.

This finding, in conjunction with findings 2017-010 and 2017-013 (which also included federal questioned costs for the federal compliance requirement Allowable Costs/Cost Principles), results in total known federal questioned costs exceeding \$25,000 for a type of compliance requirement for a federal program.

Concerning questioned costs, 2 CFR 200.516(a)(3) requires us to report known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program.

Additionally, 2 CFR 200.516(a)(4) requires us to report known questioned costs that are greater than \$25,000 for a federal program which is not audited as a major program.

According to 2 CFR 200.84,

Questioned cost means a cost that is questioned by the auditor because of an audit finding:

- (a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) Where the costs, at the time of the audit, are not supported by adequate documentation; or
- (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Other Required Reporting

In order to fulfill our reporting responsibilities under 2 CFR 200.516, we are also required to include the following information in this finding. See Table 3 for a summary of the errors identified in Condition B above.

Table 3
Summary of Sample Testwork Errors

Program	Population Total	Dollar Amount of Sample Items Tested	Federal Questioned Costs in Sample	State Questioned Costs in Sample	Total Dollar Amount of Error in Sample
SFSP	\$200,056	\$1	\$0	\$0	\$0
SAE	\$548,786	3	1	0	1
SNAP	\$45,834,926	511	1	1	2
VR	\$5,083,089	117	1	1	2
ILOB	\$264,272	7	1	0	1
TANF	\$26,770,025	86	1	1	2
CSE	\$2,784,664	41	1	1	2
CSBG	\$131,554	1	0	0	0
CCDF	\$5,340,451	72	0	1	1
SSBG	\$2,347,727	225	1	0	1
MAP	\$5,106,325	138	1	1	2
SSDI	\$3,727,881	104	1	0	1
Grand Total	\$98,139,756	\$1,306	\$9	\$6	\$15

Regarding Condition C above, we questioned \$13 in federal costs charged to the Summer Food Service Program due to unallowable depreciation expense.

Even though the errors noted for Conditions B and C are small dollar errors, when Condition B's errors are projected to the population and both conditions are combined with known questioned costs described in other findings (see Questioned Cost sections), the questioned costs for the errors far exceed \$25,000 for each federal program identified in Conditions B and C. Title 2, *Code of Federal Regulations* (CFR), Section 200.516(a)(3), requires us to report known questioned costs when likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program.

Recommendation

The Department Controller should ensure that employees are trained regarding unallowable costs and perform procedures to identify unallowable costs during the cost allocation process. The Department Controller should also establish a mechanism for classifying or otherwise tracking unallowable employee reimbursements in accounting records so that the unallowable costs can be quickly identified and excluded from cost allocation pools. The Commissioner of the Department of Human Services should take the necessary steps to ensure that subrecipients are aware of the allowable uses of grant funds and that subrecipients' expenditures are properly reviewed.

The Commissioner should assess all significant risks with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements, assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls, and take action if deficiencies occur.

Management's Comment

Condition A

We concur that disallowed costs related to the Vocational Rehabilitation Program were improperly included in expenditures that were cost allocated to multiple federal programs. The department corrected this issue by reversing the impact the improper allocation had on the federal programs. In December 2017, management implemented controls over the cost allocation process to ensure disallowed costs are excluded from the cost allocation process based on the general ledger account associated with this type of transaction.

Condition B

We concur that unallowable meeting costs were charged to federal programs. The department will prepare and post a correcting journal entry to correct funding related to these expenditures by March 31, 2018. While individual travel claims are initially approved by the employee's direct supervisor, fiscal will evaluate its current role in the process and strengthen related controls by June 30, 2018.

Condition C

We do not concur.

The subrecipient noted in condition C does not owe the department any federal funds regarding the building as of June 28, 2017. The department recouped all unallowed costs that were determined questionable in acquiring the building, in the amount of \$56,824.50. In fact, the department provided the state auditors and state audit management with a copy of the check and supporting documents to demonstrate that the subrecipient repaid the unallowed amounts to resolve the prior Single Audit finding.

The state auditors stated that “Regarding Condition C above, we questioned \$13 in federal costs charged to the Summer Food Service Program due to unallowable depreciation expense.” While depreciation is an accounting transaction to reduce a property cost, there is no actual cash for depreciation paid to the subrecipient for the state auditors to question as of June 28, 2017.

Condition D. Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101 using guidance provided by the Tennessee Department of Finance and Administration (F&A). The Department’s November 2016 Financial Integrity Act Risk Assessment risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance, risks were assessed on a more programmatic/divisional level.

Auditor’s Comment

Condition C:

This condition is not about management’s resolution of a prior audit finding related to \$56,824 of unallowable building costs but rather depreciation expense for the related building. Depreciation is recorded as an expense even though it is not a cash transaction. The subrecipient’s records show that a portion of the depreciation expense for the building *was* incorrectly allocated to the Summer Food Service Program and thus questioned.

Finding Number	2017-013
CFDA Number	10.598, 84.126, 93.464, 93.558, 93.563, 93.575, 93.596, 93.667, and 93.778
Program Name	Supplemental Nutrition Assistance Program (SNAP) Recipient Trafficking Prevention Grants Rehabilitation Services - Vocational Rehabilitation Grants to States ACL Assistive Technology Temporary Assistance for Needy Families Cluster Child Support Enforcement Child Care and Development Fund Cluster Social Services Block Grant Medicaid Cluster
Federal Agency	Department of Agriculture Department of Education Department of Health and Human Services
State Agency	Department of Human Services
Federal Award Identification Number	2015S810621, 8044 H126A160063, 8044 H126A170063, 1701TNSGAT, G1502TNTANF, G1602TNTANF, 1604TNCSES, 1704TNCSES, G1601TNCCDF, G1501TNSOSR, G1601TNSOSR, 05-1605TN5ADM, and 05-1705TN5ADM
Federal Award Year	2015 through 2017
Finding Type	Significant Deficiency (84.126, 93.558, 93.563, 93.575, 93.596, and 93.778) Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	2016-014
Pass-Through Entity	N/A
Questioned Costs	

	Federal Award	
CFDA	Identification Number	Amount
10.598	2015S810621	\$521,215
84.126	8044 H126A160063	\$14,542
84.126	8044 H126A170063	\$33,078
93.464	1701TNSGAT	\$4,439
93.558	G1502TNTANF	\$149,105
93.558	G1602TNTANF	\$53,620
93.563	1604TNCSES	\$16,183
93.563	1704TNCSES	\$56,931
93.575	G1601TNCCDF	\$358
93.667	G1501TNSOSR	\$9,581
93.667	G1601TNSOSR	(\$4,288)
93.778	05-1605TN5ADM	\$8,846
93.778	05-1705TN5ADM	\$6,257

As noted in the prior two audits, fiscal staff for the Department of Human Services did not comply with federal requirements related to cost allocation plans, resulting in federal questioned costs of \$869,867

Background

Because the Department of Human Services administers various public assistance programs, federal regulations require the state to submit a cost allocation plan that outlines the procedures used to identify, measure, and allocate costs to all programs administered by the department. Fiscal staff within the Department of Finance and Administration create and submit the cost allocation plan on behalf of the Department of Human Services, as well as allocate costs to federal grant awards in accordance with the cost allocation plan.

In accordance with federal regulations, fiscal staff allocate administrative costs that cannot be directly charged to a specific federal program to all benefitting federal programs based on the cost allocation plan. During the audit period, July 1, 2016, through June 30, 2017, two cost allocation plans were effective for the department. The first plan was effective July 1, 2016, through March 31, 2017. The second was effective April 1, 2017. A total of \$381,213,289 of the department's expenditures during our audit period was subject to allocation under the cost allocation plan. (Federal regulations exclude from cost allocation plans expenditures for financial assistance, medical vendor payments, food stamps, and payments for services and goods provided directly to program recipients.)

According to Title 45, *Code of Federal Regulations* (CFR), Part 95, Section 507(a), a cost allocation plan for a state agency must describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the state agency.

Fiscal staff use activity codes in Edison, the state's accounting system, to track expenditures for the department's programs and activities. For each activity code, management generally includes in the cost allocation plan a brief description of the activity or program; identifies whether the costs for the activity are allocated to all programs, multiple programs, or one program; and identifies the basis that staff use to allocate costs for the activity.

Each quarter, fiscal staff prepare cost allocation tables. Generally, each table covers a specific activity that department staff perform for programs, identifies one or more federal programs to which costs for the activity should be charged, and identifies the percentage of costs associated with the specific activity that should be charged to each federal program.

Fiscal staff then use the cost allocation tables' percentages to prepare cost allocation spreadsheets that identify the amount of expenditures that fiscal staff should allocate to the federal programs administered by the department.

Finally, fiscal staff enter cost allocation entries into the department's accounting system based on the cost allocation calculations documented in the spreadsheets.

In the prior audit, we found that fiscal management did not amend the cost allocation plan to include new activity codes and allocated expenditures using methodologies that were inconsistent with the approved cost allocation plan. Department management concurred in part with the prior

audit finding and stated, “The Department is currently in the process of revising the cost allocation plan . . . to take effect on April 1, 2017,” and “A cost allocation manager position was created in December 2016 to oversee the Department’s cost allocation processes. . . . The position is also responsible for ensuring the cost allocation plan is updated when required.”

The Department Controller¹⁶ submitted an amended cost allocation plan, effective April 1, 2017, and created a new accounting manager position to oversee the department’s cost allocation processes which significantly reduced the amount of costs allocated improperly during the last quarter of the audit period. Despite these efforts, during the current audit, we found that fiscal staff still allocated expenditures using methodologies that were inconsistent with the department’s approved cost allocation plan. In addition, we found that the department’s amended cost allocation plan did not include all required information. As a result of the errors identified during the current audit, we questioned a net¹⁷ total of \$869,867 in federal costs and \$328,323 in state matching costs.

Summary of Conditions

We tested fiscal staff’s cost allocation processes for the periods October 1, 2016, to December 31, 2016, and April 1, 2017, to June 30, 2017. Based on testwork performed, the Department Controller did not ensure that the cost allocation plan adhered to federal regulations. Specifically, we noted that the Department Controller

- did not ensure that the amended cost allocation plan included all federally required information (see Condition A);
- did not ensure fiscal staff used allocation methodologies that were consistent with the approved cost allocation plan (see Condition B); and
- did not amend the cost allocation plan prior to changing allocation methodologies (see Condition C).

Condition A. The Department’s Amended Public Assistance Cost Allocation Plan Did Not Include All Federally Required Information

Federal regulations require state agencies to include specific information in any public assistance cost allocation plan submitted for approval. Specifically, 45 CFR 95.507 identifies the information the state is required to include within the plan. As part of our audit procedures, we reviewed the department’s amended *Public Assistance Cost Allocation Plan*, effective April 1, 2017, for compliance with 45 CFR 95.507 and determined that the Department Controller did not ensure that the amended cost allocation plan complied with federal regulations.

The Plan Did Not Include an Estimated Cost Impact Analysis

¹⁶ On April 11, 2016, the Department of Finance and Administration assumed responsibility for performing the Department of Human Services’ fiscal functions, including preparing and implementing cost allocation plans. Therefore, the Department Controller and other fiscal employees referenced in this finding are employees within the Department of Finance and Administration.

¹⁷ Due to the nature of the cost allocation process, errors generally result in overcharging certain federal programs and undercharging others. After netting overcharges against any undercharges for the same federal program, we questioned the net amount by which each federal program was overcharged.

The department's cost allocation plan is required to include the estimated cost impact resulting from the proposed changes to a previously approved plan. This estimated cost impact analysis should compare costs allocated using the proposed allocation methodology to costs allocated using the currently approved allocation methodology. Per federal regulations, if it is impractical to obtain the data needed to perform the analysis, "an alternative approach should then be negotiated with the Director, DCA [U.S. Department of Health and Human Services' Division of Cost Allocation], prior to submission of the cost allocation plan."

Based on our review, the Department Controller did not ensure the cost allocation plan included an estimated cost impact analysis, as required by federal regulations. We were also provided no indication that the Department Controller negotiated an alternative approach with the federal government prior to submitting the plan. Instead, the plan simply stated, "We do not anticipate that this PACAP will have any significant effect on DHS' [the Department of Human Services] claims for FFP [federal financial participation]."

Fiscal staff provided us an estimated cost impact analysis after the plan was submitted to the DCA for approval. This analysis was only for the period January 2017 through March 2017, and only for a small section of the department. Contrary to management's comments, the cost impact analysis indicated that the amended plan would have a significant impact on almost all federal programs included in the analysis. For example, under the amended plan, January 2017 through March 2017's allocated costs increased 277% for the Social Security Disability Insurance program and decreased 69% for the Child Support Enforcement program. See the table below for a summary of our results.

Table 1
Cost Impact Analysis for Amended Cost Allocation Plan

Program	Allocations Under Old Plan	Allocations Under New Plan	Difference	Percentage of Change
Child Care and Development Block Grant	\$740,525	\$1,002,497	\$261,972	35%
Child Support Enforcement	1,385,010	435,893	(949,117)	(69%)
Community Services Block Grant	48,190	4,143	(44,047)	(91%)
Medical Assistance Program	1,177,531	222,757	(954,774)	(81%)
Social Security Disability Insurance	384,878	1,451,764	1,066,886	277%
Social Services Block Grant	278,011	487,459	209,448	75%
State Administrative Expenses for Child Nutrition	473,239	39,557	(433,682)	(92%)
Supplemental Nutrition Assistance Program	6,290,414	6,333,225	42,811	1%
Temporary Assistance for Needy Families	932,015	1,033,482	101,467	11%
Vocational Rehabilitation	1,033,451	1,732,485	699,034	68%

Due to the significant differences noted, as well as the lack of any additional analyses provided by fiscal management, we concluded that management's comment stating that it anticipated no

significant effect on DHS's claims for FFP was unsupported. In addition, although we requested the supporting data behind the impact analysis management provided, management only provided the summary spreadsheet of the results and did not provide supporting data for the calculations. As a result, we could not review the underlying calculations to analyze the specific causes of the differences and determine whether the differences were the result of inequitable cost allocation practices. We also could not trace the amounts in the analysis to the department's cost allocation spreadsheets for the time period.

Finally, we concluded that the department did not appear to have established adequate controls over cost allocation, due to several weaknesses in the impact analysis, such as the following:

- Management included only one section of the department in the analysis even though the cost allocation plan included revisions that could impact other areas of the department differently. The departmental section included in the analysis made up \$12,743,264 of the \$96,419,509 in total expenditures subject to the cost allocation plan for the period January through March 2017.
- Management included only one quarter in the analysis even though a significant change in the amended cost allocation plan was based on an inaccurate assumption that overcharges to programs in one quarter would be reversed in the next quarter. See Finding 2017-010. A multi-period analysis would have allowed management to test the validity of this assumption.
- There was no evidence that management performed follow-up procedures for the significant variances in Table 1 above. Significant variances could be the result of inequitable allocation methods (meaning the plan would be in violation of federal cost principles) or errors in the impact analysis.
- The amount of expenditures included in the impact analysis did not agree with the department's cost allocation schedules for the period; therefore, it was not clear that the data used to prepare the analysis was reliable.

Criteria for Condition A

Regarding estimated costs, 45 CFR 95.507(b)(5) states that the cost allocation plan shall include

The estimated cost impact resulting from the proposed changes to a previously approved plan. These estimated costs are required solely to permit an evaluation of the procedures used for identifying, measuring, and allocating costs. Therefore, approval of the cost allocation plan shall not constitute approval of these estimated costs for use in calculating claims for FFP. Where it is impractical to obtain this data, an alternative approach should then be negotiated with the Director, DCA, prior to submission of the cost allocation plan.

Cause for Condition A

When we asked the Department Controller why the analysis was excluded from the cost allocation plan, he stated that the regulations are “. . . clear that the analysis itself is not something that is approved as part of the cost allocation plan and is an estimate . . .” While the regulation quoted

above does state that approval of the plan does not constitute approval of the costs in the estimated impact analysis, the regulation requires the estimated impact to be included.

Condition B. Fiscal Staff Used Cost Allocation Methods That Were Inconsistent With the Plan

For our audit period of July 1, 2016, through June 30, 2017, to determine if the department followed its approved cost allocation plan when charging costs to federal grants, we compared the Edison activity codes that fiscal staff used to charge expenditure costs to grants with all combinations of activity codes included in the department's cost allocation plan. For the period July 1, 2016, through March 31, 2017, the cost allocation plan included 378 activity codes. For the period April 1, 2017, through June 30, 2017, the cost allocation plan did not contain a listing of activity codes, but fiscal staff provided us with a listing of activity codes used during the period and information regarding how those codes' costs were allocated. This listing included 136 unique codes. We specifically wanted to determine whether the department included all activities in the cost allocation plan and allocated costs according to the plan. Testwork was performed to determine this for both cost allocation plans effective during the year.

For the period July 1, 2016, through March 31, 2017, the cost allocation plan details how costs will be allocated by providing activity codes and cost allocation methods for each activity code. While each activity code in the plan is associated with no more than one underlying activity, there are many instances where one activity is associated with multiple activity codes. (For example, DHS may have submitted only one activity code for the Vocational Rehabilitation program in its plan, but staff actually used multiple activity codes for the program to provide for a greater level of detail in accounting records.) For the period of April 1, 2017, through June 30, 2017, the listing provided by fiscal staff provided this information.

As a result, in order to determine whether costs for the activity codes were allocated in accordance with the approved cost allocation plan, we first determined whether each activity code had a related activity description included in the plan.

If the activity description was included in the plan, we then determined whether fiscal staff used the allocation method described in the plan for that description.

Based on our review, we found that the Department Controller did not ensure that the department's cost allocation plan included all activity codes or that costs were allocated to programs according to the methodologies in the approved cost allocation plan.

July 1, 2016, Through March 31, 2017: All Activity Codes Were Not Included in the Plan and Costs Were Not Always Allocated in Accordance With the Plan

Codes not included but allocation methodologies were consistent with methodologies for included activities

For the period July 1, 2016, through March 31, 2017, the Department Controller did not ensure the cost allocation plan included 182 activity codes the department used in the state's accounting system, Edison, to allocate costs. Expenditures charged to these 182 activity codes totaled \$86,091,223. See Table 2 for the total expenditures charged to each federal program.

Table 2
Expenditures (by Program) Charged to Activity Codes Not Included in the Approved Cost Allocation Plan, July 1, 2016, Through March 31, 2017

Program	Federal Expenditures	Non-Federal Expenditures	Total Expenditures
Assistive Technology	\$148,765	\$ -	\$148,765
Child and Adult Care Food Program	15,451,228	-	15,451,228
Child Care and Development Block Grant	191,323	409,840	601,163
Community Services Block Grant	3,629	-	3,629
Child Support Enforcement	1,033,056	544,485	1,577,541
Child Support Enforcement Research	22,655	-	22,655
Independent Living Services for Older Individuals Who Are Blind	936,865	93,318	1,030,183
Independent Living State Grants	28,792	3,199	31,991
Medical Assistance Program	995,529	1,075,768	2,071,297
Maternal and Child Health Services Block Grant	16,708	16,707	33,415
State Administrative Expenses for Child Nutrition	30,403	-	30,403
Summer Food Service Program	8,636,177	-	8,636,177
Supplemental Nutrition Assistance Program	8,828,069	6,057,165	14,885,234
SNAP Recipient Trafficking Prevention Grants	521,215	-	521,215
Social Services Block Grant	141,561	-	141,561
Social Security Disability Insurance	235,911	-	235,911
Temporary Assistance for Needy Families	7,427,276	3,706,260	11,133,536
Vocational Rehabilitation	20,520,115	5,289,442	25,809,557
Vocational Rehabilitation Unit In-Service Training	2,074	231	2,305
State Only Activities*	-	3,723,457	3,723,457
Totals	\$65,171,351	\$20,919,872	\$86,091,223

Source: Summarized using accounting records from Edison, the state's accounting system.

* "State Activities" refers to expenditures funded using state funds that were not recorded in the accounting system as matching expenditures for federal programs or expenditures used to meet level of effort requirements for federal programs.

For 172 of these 182 activity codes, we found that even though fiscal staff had not included an activity code in the cost allocation plan (either in the original submission or through amendments), fiscal staff allocated costs associated with the 172 activity codes in the same manner as (or similarly to) other similar program activities which had been included and approved in the plan. Because we found these allocations methods consistent with the plan, we did not question costs even though the activity codes were not technically approved in the plan.

Codes not included and allocation methodologies were inconsistent with methodologies for included activities

Although we found that 172 of 182 activity codes for the period of July 1, 2016, through March 31, 2017, were allocated consistently with the approved cost allocation plan, we found that the department's fiscal staff allocated expenditures for the remaining 10 activity codes using methodologies that were inconsistent with any of the approved allocation methodologies identified in the cost allocation plan for similar activities. Specifically, we noted the following:

- a. For one activity, the Medical Evaluation Unit, the cost allocation plan required costs to be treated as direct charges to the Medicaid Cluster; however, we found that all \$433,158 in expenditures for this activity were charged to TANF. These costs are included in Table 3 below.
- b. For one activity, the Tennessee Technology Access Project Director, the cost allocation plan required the department to charge costs to federal programs as direct costs, with supporting documentation demonstrating the proportion of benefits provided to federal programs (such as timesheets). Fiscal staff allocated \$8,877 split between the Assistive Technology and Vocational Rehabilitation grants using a predetermined percentage, rather than allocating costs based on a timesheet or some other supporting documentation. Since the department did not use a valid methodology to allocate these costs, we questioned the costs. These costs are included in Table 3 below.
- c. For the remaining eight activity codes, totaling \$2,075,935 in expenditures, the approved cost allocation plan required fiscal staff to treat the costs as indirect costs. Specifically, fiscal staff were required to allocate the activities' costs to all programs administered by the department based on the number of each program's full-time equivalent staff or by the results of random moment time sampling systems. Instead of allocating the costs to *all* programs using these bases, we found that fiscal staff allocated costs for the eight activity codes to three or fewer programs, depending on the activity code. We calculated the correct allocation amounts and compared our calculations to fiscal staff's allocations. We questioned the differences. These amounts are included in Table 3 below.

Table 3
Differences (by Program) for Ten Activity Codes Not Charged in Accordance With
the Cost Allocation Plan for the Period July 1, 2016, Through March 31, 2017

Program	Federal Expenditures	State Expenditures	Total Expenditures
Programs Overcharged			
Assistive Technology	\$4,439	\$ -	\$4,439
Child Care and Development Block Grant	-	58,020	58,020
Child Support Enforcement	73,089	37,653	110,742
Medical Assistance Program	15,086	15,086	30,172
SNAP Trafficking Prevention Program	521,215	-	521,215
Social Services Block Grant	5,265	-	5,265
Temporary Assistance for Needy Families	202,677	198,952	401,630
Vocational Rehabilitation	47,499	12,978	60,476
Total	\$869,270	\$322,689	\$1,191,959

Programs Undercharged			
Child and Adult Care Food Program	(38)	-	(38)
Community Service Block Grant	(604)	-	(604)
Independent Living for Older Persons Who Are Blind	(11,300)	(1,256)	(12,556)
Social Security Disability Insurance	(156,975)	-	(156,975)
State Administrative Expenses for Child Nutrition	(4,722)	-	(4,722)
Summer Food Service Program	(11)	-	(11)
Supplemental Nutrition Assistance Program	(287,509)	(287,509)	(575,018)
Total	(461,159)	(288,765)	(749,924)

April 1, 2017, Through June 30, 2017: Costs Were Not Allocated in Accordance With the Plan

We found that 6 activity codes for the period of April 1, 2017, through June 30, 2017, were not allocated consistently with the approved cost allocation plan. Specifically, the approved cost allocation plan required fiscal staff to allocate the activities' costs to all programs administered by the department based on the number of each program's filled full- and part-time positions at the end of the prior quarter. Instead of allocating the costs to all programs, we found that fiscal staff charged the costs for the six activity codes to one or more programs, but not all programs. Since the activities were excluded from the plan and charged to programs in a manner inconsistent with the cost allocation plan, we questioned the costs allocated to these activity codes. See Table 4 below.

Table 4
Expenditures (by Program) Charged to Activity Codes Inconsistent With the Cost Allocation Plan, April 1, 2017, Through June 30, 2017

Program	Federal Expenditures	State Expenditures	Total Expenditures
Child Care and Development Block Grant	\$358	\$5,523	\$5,881
Child Support Enforcement	25	13	38
Independent Living Services for Older Individuals Who Are Blind	1	-	1
Medical Assistance Program	17	17	34
Supplemental Nutrition Assistance Program	281	281	562
Social Services Block Grant	28	-	28
Social Security Disability Insurance	125	-	125
Temporary Assistance for Needy Families	48	48	96
Vocational Rehabilitation	121	33	154
Totals	\$1,004	\$5,915	\$6,919

Source: Summarized using accounting records from Edison, the state's accounting system.

Criteria for Condition B

According to 45 CFR 95.507(b)(4), the state's cost allocation plan must include

the procedures used to identify, measure, and allocate all costs to each benefiting program and activity (including activities subject to different rates of FFP [federal financial participation—the federal government's share of expenditures made by a state agency for public agency programs]).

In addition, 45 CFR 95.509 requires the state to promptly amend the cost allocation plan and submit the amended plan to the U.S. Department of Health and Human Services if

changes occur which make the allocation basis or procedures in the approval [*sic*] cost allocation plan invalid.

According to 45 CFR 95.519,

If costs under a Public Assistance program are not claimed in accordance with the approved cost allocation plan (except as otherwise provided in §95.517), or if the State failed to submit an amended cost allocation plan as required by §95.509, the costs improperly claimed will be disallowed.

Finally, 2 CFR 200 (and 45 CFR 75), Appendix VI, Section C, states,

State public assistance agencies will develop, document and implement . . . public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the state public assistance agency.

According to the amended cost allocation plan's approval letter provided to the department by the U.S. Department of Health and Human Services, approval of the plan is based on information provided by the state and is void if the information is later found to be materially incomplete or inaccurate.

Cause for Condition B

Fiscal staff made changes to the cost allocation methodologies used but did not revise the cost allocation plan to reflect these changes until the revision of the cost allocation plan effective April 1, 2017. After the cost allocation plan was amended, fiscal staff removed activity codes that were no longer used from their cost allocation workbooks. Small amounts of expenditures were still charged to these activity codes and therefore were not properly allocated in accordance with the new plan.

Condition C. Fiscal Staff Did Not Amend the Cost Allocation Plan Prior to Changing Allocation Methodologies

Based on our testwork, fiscal staff did not amend the cost allocation plan prior to revising cost allocation methodologies, which is not in accordance with federal requirements.

Position Counts Cost Allocation Basis

According to the amended cost allocation plan, effective April 1, 2017, departmental divisions whose costs are allocated using the position counts basis must be allocated using counts of full- and part-time positions at the end of the prior quarter. Based on our review of fiscal staff's cost allocation tables, for costs incurred April 1, 2017, through June 30, 2017, all cost allocation tables using this basis were prepared using average filled position counts for the quarter January 2017 through March 2017, rather than filled positions as of March 31, 2017. As noted in Finding 2017-010, we questioned costs due to fiscal staff using January 2017 through March 2017 information to allocate the department's April 2017 through June 2017 costs; thus, the only additional issue noted here is that fiscal staff were required to use position counts as of the end of the prior quarter, but fiscal staff used average filled position counts instead. We did not question costs related to this matter, because the information needed to calculate questioned costs was not readily available; however, we noted that using average filled position counts for a quarter would provide a more accurate determination of the proportional benefits programs received throughout the quarter. Prior to using the revised method, however, federal regulations required the Department Controller to submit an amendment to the department's approved cost allocation plan.

Assistant Commissioner of Community and Social Services

According to the Cost Allocation Plan effective for the period July 2014 through March 2017, the Assistant Commissioner of Community and Social Services and the Assistant Commissioner's staff should be allocated using Table 13. This table is made using position counts for staff working on the Child Care and Development Fund, Community Services Block Grant, Adult Protective Services, and the State Administrative Expenses for Child Nutrition (SAE) programs. Beginning October 2016, the department reorganized management's responsibilities, and this position lost purview over the SAE program. The department created Table 18 to more accurately allocate this Assistant Commissioner's costs. Even though this is a more accurate allocation basis, the fiscal staff did not amend the cost allocation plan before this reorganization occurred. The department ultimately updated the cost allocation plan which included these changes and obtained approval from the federal agency effective April 2017. Although fiscal staff did not claim costs in accordance with its approved cost allocation plan for October 2016 through March 2017, we did not question costs due to the failure to claim costs in accordance with the cost allocation plan, because charging costs to the SAE program in accordance with the plan would have been a violation of federal requirements. This is because SAE did not receive any benefit from the Assistant Commissioner's Office's activities during this period.

Cause for Condition C

Fiscal staff were not aware that the cost allocation plan needed to be amended before new methodologies could be placed into practice. For the positions count basis, fiscal staff continued to use the previous methodology, not realizing that the amended cost allocation plan no longer permitted using average position counts to create cost allocation tables.

Criteria for Condition C

Concerning amending the cost allocation plan, 45 CFR 95.509(a) states that the state shall promptly amend the cost allocation plan and submit the amended plan for approval if any of the following events occur:

- (1) The procedures shown in the existing cost allocation plan become outdated because of organizational changes, changes in Federal law or regulations, or significant changes in program levels, affecting the validity of the approved cost allocation procedures.
- (2) A material defect is discovered in the cost allocation plan by the Director, DCA [U.S. Department of Health and Human Services' Division of Cost Allocation] or the State.
- (3) The State plan for public assistance programs is amended so as to affect the allocation of costs.
- (4) Other changes occur which make the allocation basis or procedures in the approval cost allocation plan invalid.

According to 45 CFR 95.517(a) "A State must claim FFP [federal financial participation] for costs associated with a program only in accordance with its approved cost allocation plan." This requirement is effectively extended to all programs administered by state public assistance agencies by Section C, Appendix VI, of 2 CFR 200 (formerly Section C of OMB A-87, Attachment D), which states,

State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the state public assistance agency.

Condition D: Risk Assessment

Given the problems identified during our fieldwork, we also reviewed the Department of Human Services' November 2016 Financial Integrity Act Risk Assessment and determined that top management assessed the risk that "Costs charged to a federal program are not allowable under program regulations" as having a remote likelihood and small impact; however, management did not identify any mitigating controls related to the issue. Given the unallowable costs and cost principles issues identified in this finding and others during the current audit, such as 2017-015, 2017-033, and 2017-037, we concluded that management should have assessed the likelihood as reasonably possible, assessed the impact as large, and included a control activity to mitigate the risk in the department's annual risk assessment.

Effect for All Conditions

Failure to allocate costs in accordance with the cost allocation plan and federal requirements increases the risk that fiscal staff will not assign an appropriate share of costs to programs and that federal grantors will disallow costs charged to federal programs.

Additionally, federal regulations address actions that federal agencies may impose in cases of noncompliance. As noted in 2 CFR 200.338, “If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions,” including, as described in Section 200.207, “Specific conditions”:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

Furthermore, Section 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Questioned Costs

We questioned a total of \$1,198,190 due to the net amount of overcharges to federal programs, consisting of federal questioned costs of \$869,867 and \$328,323 in questioned costs related to state matching funds for federal grant awards. See Tables 3 and 4 above for details regarding all overcharges and undercharges.

This finding, in conjunction with findings 2017-010, 2017-012, 2017-014, 2017-015, 2017-037, and 2017-040 (which also included federal questioned costs for the federal compliance requirement Allowable Costs/Cost Principles), results in total known federal questioned costs exceeding \$25,000 for a type of compliance requirement for two federal programs. This finding, in conjunction with findings 2017-012, 2017-014, and 2017-015, results in total known federal questioned costs exceeding \$25,000 for a program which is not audited as a major program.

Regarding questioned costs, 2 CFR 200.516(a)(3) requires us to report known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program. Additionally, 2 CFR 200.516(a)(4) requires us to report known questioned costs that are greater than \$25,000 for a federal program which is not audited as a major program.

According to 2 CFR 200.84,

Questioned cost means a cost that is questioned by the auditor because of an audit finding:

- (a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) Where the costs, at the time of the audit, are not supported by adequate documentation; or
- (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation

The Department Controller should establish adequate internal controls over the cost allocation plan amendment process, including addressing each of the deficiencies identified above. The Department Controller should also ensure that the Department of Human Services' cost allocation plan contains all required information, fiscal staff's accounting practices for cost allocation are consistent with the approved cost allocation plan, and that the cost allocation plan is amended prior to fiscal staff implementing any new cost allocation methodology.

The Commissioner of the Department of Human Services should assess all significant risks with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements, assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur in part.

Condition A. The Department's Amended Public Assistance Cost Allocation Plan Did Not Include All Federally Required Information

We do not concur.

The cost impact statement was not included in the original transmission of the cost allocation plan; however, it was provided to our federal partners during the negotiation phase of the process. The statement in the cost allocation plan was based on overall effect to federal programs as opposed to analysis of each individual program since the document itself is all encompassing. As the citation in the finding indicates, the cost impact statement is an estimate and the approval of the plan does not constitute an approval of the estimate.

Condition B. Failure to Use Cost Allocation Methods Consistent With the Plan

We concur in part.

The department concurs that not all codes were included in the 2014 cost allocation plan. This is one of the reasons the cost allocation plan was amended April 1, 2017. The updated plan reduces the complexities and risk for error.

In regard to the 10 omitted codes, where the captured and properly allocable costs were allocated using methodologies not specifically prescribed by the cost allocation plan, an important consideration is that while the 10 activity codes noted in the finding may not have been charged in accordance with (or consistent with) the approved plan, the costs were in fact properly charged to the benefiting objectives. Specifically,

- a.) The Medical Evaluation Unit previously processed cases for Temporary Assistance for Needy Families (TANF) as well as Medicaid. For state fiscal year 2017, the unit only handled TANF cases; therefore, costs were charged to TANF, the benefiting program.
- b.) The Tennessee Technology Access Project Director's costs were initially (by speedchart) recorded using a predefined percentage. The director kept a timesheet outside of the system so that fiscal staff could reallocate her time based on direct charges. Journal entries to charge the director's time were made throughout the audit period and covered the period July 1, 2016, through April 16, 2017, at which time Edison functionality was added so that the director could keep her time in the system.
- c.) For the remaining 8 activity codes, the allocation methodologies used to charge the benefiting programs are shown in the table below:

Dept	Program	Unit	Allocation Basis	Program
3450103200		OLPD Child Support (1)	Direct	100% Child Support
3450103300		OLPD Family Assistance (1)	RMS	100% Family Assistance (Table FA-2)
3450103400		OLPD Child Care (1)	Total Costs	100% Child Care (Table 8)
3450103500		OLPD Adult Protective Services (1)	Direct	100% APS
3450103600		OLPD Rehab Services (1)	Direct	100% VR
3450103600	701000	OLPD Rehab Services (1)	Direct	100% VR
3450103700		OLPD DDS (1)	Direct	100% DDS
3450105100	320001	SNAP Trafficking (2)	Direct	100% SNAP Trafficking Program

- (1) While the cost allocation plan indicates that OLPD costs would be treated as indirect costs, costs were allocated as direct costs to the benefiting objectives for 4 of the 6 Department

IDs (2 lines above have the same department ID), which is believed to be more accurate. OLPD staff in each area work solely on the benefiting objectives for which they were charged. For OLPD staff benefiting Family Assistance and Child Care, the costs were allocated using the same methodology that is used to allocate other staff in those areas of responsibility.

(2) The SNAP trafficking costs were allocated as direct SNAP trafficking charges.

In regard to the 6 activity codes for the period April 1, 2017, through June 30, 2017, these charges occurred during the accounting adjustment periods to close the state's books (after June 30, 2017). These charges were allocated in a manner closely mirroring allocated charges based on Table 1. Several programs the department administers are small in relation to the others (less than 1% to be charged based on Table 1), that they cannot be included in the established speed chart based allocation process. The system will not accept a line item in the speed chart for less than 1%. Management believes the alternative allocation approach utilized in this particular situation resulted in an equitable allocation. The costs presented in Table 4 appear to be all costs charged via the speed chart and not the immaterial difference between the speed chart allocation percentages and Table 1.

Condition C. Fiscal Staff Did Not Amend the Cost Allocation Plan Prior to Changing Allocation Methodologies

We concur.

The plan was not amended prior to revising cost allocation methodologies; however, as noted by the state auditors, the methodologies resulted in the equitable distribution of costs to the proper benefitting programs. A revised cost allocation plan was submitted on April 1, 2017, which resolved the issues noted in Condition C.

Condition D. Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101, using guidance provided by the Tennessee Department of Finance and Administration (F&A). For the Department's November 2016 Financial Integrity Act Risk Assessment, risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance, risks were assessed on a more programmatic/divisional level.

Auditor's Comment

Condition A. The Department's Amended Public Assistance Cost Allocation Plan Did Not Include All Federally Required Information

Federal regulations required the estimated impact to be included in the plan, and management acknowledges that "The cost impact statement was not included in the original transmission of the cost allocation plan"; therefore, it is not clear why management has not concurred with Condition A. If the department was unable to obtain the necessary data to prepare the estimate, federal regulations require the department to negotiate an alternative approach "prior to submission of the

plan.” There is no provision for submitting the cost allocation plan first without the required estimated cost impact.

Finding Number	2017-014
CFDA Number	10.558, 10.560, 10.561, 84.126, 84.177, 93.558, 93.563, 93.569, 93.575, 93.667, 93.778, and 96.001
Program Name	Child and Adult Care Food Program State Administrative Expenses for Child Nutrition Supplemental Nutrition Assistance Program Cluster Rehabilitation Services - Vocational Rehabilitation Grants to States Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind Temporary Assistance for Needy Families Cluster Child Support Enforcement Community Services Block Grant Child Care and Development Fund Cluster Social Services Block Grant Medicaid Cluster Disability Insurance/Supplemental Security Income Cluster
Federal Agency	Department of Agriculture Department of Education Department of Health and Human Services Social Security Administration
State Agency	Department of Human Services
Federal Award Identification Number	201616N109945, 201616N253345, 201717N253345, 201616IS251445, 201717IS251445, 8044 H126A160063, 8044 H126A170063, H177B160064, H177B170064, G1402TNTANF, G1502TNTANF, G1602TNTANF, 1604TNCSES, 1704TNCSES, G15B1TNCOSR, G16B1TNCOSR, G1701TNCCDF, G1501TNSOSR, G1601TNSOSR, 05-1605TN5ADM, 05-1705TN5ADM, 8826 04-16-04TNDI00, and 8826 04-17-04TNDI00
Federal Award Year	2014 through 2017
Finding Type	Significant Deficiency (10.558, 10.561, 84.126, 93.558, 93.563, and 93.575) Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	2016-015
Pass-Through Entity	N/A
Questioned Costs	

	Federal Award Identification Number	Amount
CFDA		
10.558	201616N109945	\$4,765
10.560	201616N253345	\$12,615
10.560	201717N253345	\$9,881
10.561	201616IS251445	\$111,565
10.561	201717IS251445	\$158,424
84.126	8044 H126A160063	\$44,738
84.126	8044 H126A170063	\$62,849

84.177	H177B160064	\$1,701
84.177	H177B170064	\$2,568
93.558	G1402TNTANF	\$4,933
93.558	G1502TNTANF	\$3,895
93.558	G1602TNTANF	\$57,358
93.563	1604TNCSES	\$100,308
93.563	1704TNCSES	\$132,192
93.569	G15B1TNCOSR	\$6,875
93.569	G16B1TNCOSR	\$4,670
93.575	G1701TNCCDF	\$13,492
93.667	G1501TNSOSR	\$11,993
93.667	G1601TNSOSR	\$757,956
96.001	8826 04-16-04TNDI00	\$16,522
96.001	8826 04-17-04TNDI00	\$21,699

As noted in the prior two audits, fiscal staff for the Department of Human Services did not allocate costs in accordance with the department's approved cost allocation plan, resulting in federal questioned costs of \$1,540,999

Background

Because the Department of Human Services (the department) administers various public assistance programs, federal regulations require the state to submit a cost allocation plan that outlines the procedures used to identify, measure, and allocate costs to all programs administered by the department. Fiscal staff within the Department of Finance and Administration create and submit the cost allocation plan on behalf of the Department of Human Services, as well as allocate costs to federal grant awards in accordance with the cost allocation plan.

In accordance with federal regulations, fiscal staff allocate administrative costs that cannot be directly charged to a specific federal program to all benefitting federal programs based on the cost allocation plan. During the audit period, July 1, 2016, through June 30, 2017, two cost allocation plans were effective for the department. The first plan was effective July 1, 2016, through March 31, 2017. The second was effective April 1, 2017. A total of \$381,213,289 of the department's expenditures during our audit period was subject to allocation under the cost allocation plan. (Federal regulations exclude from cost allocation plans expenditures for financial assistance, medical vendor payments, food stamps, and payments for services and goods provided directly to program recipients.)

According to Title 45, *Code of Federal Regulations*, Part 95, Section 507(a), a cost allocation plan for a state agency must describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the state agency.

Each quarter, fiscal staff prepare cost allocation tables. Generally, each table covers a specific activity that department staff perform for programs, identifies one or more federal programs to which costs for the activity should be charged, and identifies the percentage of costs associated with the specific activity that should be charged to each federal program.

Fiscal staff then use the cost allocation tables' percentages to prepare cost allocation spreadsheets that identify the amount of expenditures that fiscal staff should allocate to the federal programs administered by the department.

Finally, fiscal staff enter cost allocation entries into the department's accounting system based on the cost allocation calculations documented in the spreadsheets.

In the prior audit, we found that fiscal management did not prepare cost allocation tables correctly, did not perform cost allocation entries, and used the incorrect cost allocation tables to allocate costs. Department management concurred in part with the prior audit finding and stated, "The Department is currently in the process of revising the cost allocation plan to take effect on April 1, 2017," and "A cost allocation manager position was created in December 2016 to oversee the Department's cost allocation processes. . . . The position is also responsible for ensuring the cost allocation plan is updated when required."

The Department Controller¹⁸ submitted an amended cost allocation plan, effective April 1, 2017, and created a new accounting manager position to oversee the department's cost allocation processes, which significantly reduced the amount of costs allocated improperly during the last quarter of the audit period. Despite these efforts, during the current audit, we found that fiscal staff still did not prepare all cost allocation tables correctly, did not detect errors in cost allocation workbooks, used incorrect allocation tables, and did not always perform cost allocation entries. As a result of the errors identified during the current audit, we questioned a net¹⁹ total of \$1,540,999 in federal costs.

Summary of Conditions

We tested fiscal staff's cost allocation processes for the periods October 1, 2016, to December 31, 2016, and April 1, 2017, to June 30, 2017. Based on our testwork, we found that the Department Controller did not ensure fiscal staff allocated costs to federal awards in accordance with the cost allocation plan. Specifically, we noted that fiscal staff

- prepared three cost allocation tables incorrectly (see Condition A),
- did not detect errors in cost allocation workbooks for four areas (see Condition B), and
- used incorrect cost allocation tables to allocate costs for one area (see Condition C).

¹⁸ On April 11, 2016, the Department of Finance and Administration assumed responsibility for performing the Department of Human Services' fiscal functions, including preparing and implementing cost allocation plans. Therefore, the Department Controller and other fiscal employees referenced in this finding are employees within the Department of Finance and Administration.

¹⁹ Due to the nature of the cost allocation process, errors generally result in overcharging certain federal programs and undercharging others. After netting overcharges against any undercharges for the same federal program, we questioned the net amount by which each federal program was overcharged.

Condition and Cause

Condition A. Fiscal Staff Prepared Three Cost Allocation Tables Incorrectly

Based on our testwork, fiscal staff prepared cost allocation tables CR-1, 9A-2, and ACS-3 incorrectly.

Table CR-1

Per the cost allocation plan effective from July 1, 2016, through March 31, 2017, fiscal staff created Table CR-1 to allocate all rent and office expenses related to the Citizen's Plaza State Office Building. The plan stated that these costs would be allocated based on square footage. The plan also stated that occupancy reports obtained from facility records would be used as the data to support the square footage allocation methodology. However, instead of using occupancy reports to identify the amount of square footage associated with each program, fiscal staff created Table CR-1 based on a count of full-time personnel assigned to each federal program.

Since fiscal staff did not prepare Table CR-1 based on square footage for the period July 1, 2016, through March 31, 2017, as required by the applicable plan, we questioned all costs allocated via Table CR-1 during the period. This resulted in \$674,737 in federal questioned costs and \$499,460 in questioned costs related to state matching funds. These questioned costs are included in **Table 1** below.

In accordance with the amended cost allocation plan, effective April 1, 2017, fiscal staff no longer use this table. Instead, effective April 1, 2017, fiscal management began allocating rent and office expenses to all programs based on full- and part-time position counts in accordance with the amended cost allocation plan. Because the costs are no longer required to be allocated based on square footage, we do not anticipate that this problem will reoccur.

Table 9A-2

Per the cost allocation plan effective from July 1, 2016, through March 31, 2017, fiscal staff created Table 9A-2 to allocate all expenses related to the Tech Support section. The plan stated that Tech Support costs would be allocated based on device counts (the number of devices assigned to department staff). The plan also stated that the department would use its inventory records to support the device count allocation methodology. We found that fiscal staff did not create Table 9A-2 using inventory records or any other information related to the number of devices. Instead of counting the number of devices associated with staff assigned to each program, fiscal staff created Table 9A-2 based on the number of full time personnel assigned to each program.

Since fiscal staff did not prepare Table 9A-2 based on device counts for the period July 1, 2016, through March 31, 2017, as required by the applicable plan, we questioned all costs allocated via Table 9A-2 during the period. This resulted in \$165,010 in federal questioned costs and \$136,511 in questioned costs related to state matching funds. These questioned costs are included in **Table 1** below.

In accordance with the amended cost allocation plan, effective April 1, 2017, fiscal staff no longer use this table. Instead, effective April 1, 2017, fiscal management began allocating Tech Support

costs to all programs based on full- and part-time position counts in accordance with the amended cost allocation plan. Because the costs are no longer required to be allocated based on device counts, we do not anticipate that this problem will reoccur.

Table ACS-3

In accordance with both cost allocation plans effective during the audit period, fiscal staff created Table ACS-3 to allocate all costs associated with the department's Adult Protective Services (APS) division. According to the plans, APS' costs are allocated based on random moment sampling time studies. These studies involve randomly selecting APS employees to answer telephone surveys periodically throughout their workday to determine what program they are working on. The surveys allow the employees to choose between the Medical Assistance Program (Medicaid), the Social Services Block Grant (SSBG), or non-program related general administrative tasks. Since costs associated with administrative tasks cannot be allocated directly to one program, they should be split between Medicaid and SSBG proportionately.

Instead, fiscal staff assigned all costs related to administrative activities solely to SSBG. This means that for the period of July 1, 2016, through June 30, 2017, fiscal staff were charging the SSBG program costs that should have been allocated to Medicaid.²⁰ During this period, fiscal staff allocated \$9,672,324 of expenditures through Table ACS-3. We recalculated Table ACS-3 to allocate administrative costs to both SSBG and Medicaid for the two quarters selected in our testwork—October 2016 through December 2016, and April 2017 through June 2017. For these two quarters, this error resulted in federal questioned costs of \$148,060 for the SSBG program, while Medicaid was undercharged the same. These questioned costs are included in **Table 1** below.

Table 1
Combined Questioned Costs for Condition A

Program	Federal Expenditures	State Expenditures	Total Expenditures
Amount Overcharged			
Child and Adult Care Food Program	\$ 4,765	\$ -	\$ 4,765
Child Care and Development Block Grant	-	112,409	112,409
Child Support Enforcement	232,045	119,538	351,583
Community Services Block Grant	11,545	-	11,545
Independent Living Services for Older Individuals Who Are Blind	4,269	474	4,743
Social Security Disability Insurance	38,221	-	38,221
Social Services Block Grant	178,502	-	178,502
State Administrative Expenses for Child Nutrition	35,988	-	35,988
Supplemental Nutrition Assistance Program	283,977	283,977	567,954

²⁰ Although requested, fiscal staff did not provide us any program-specific regulations for Medicaid that indicated that these administrative costs were prohibited from being charged to Medicaid.

Temporary Assistance for Needy Families	69,099	69,099	138,198
Vocational Rehabilitation	107,580	28,658	136,238
Total	\$965,991	\$614,155	\$1,580,146
Amount Undercharged			
Medical Assistance Program	\$(52,215)	\$(52,215)	\$(104,430)
Total	\$(52,215)	\$(52,215)	\$(104,430)

Cause for Condition A

For Tables 9A-2 and CR-1, we concluded that the issues were primarily caused by the Department Controller and fiscal staff choosing not to change their cost allocation methodologies for the above areas until the cost allocation plan was amended. The Department Controller had started updating the cost allocation plan during our fieldwork for the prior Single Audit, and it was amended shortly after we released the prior audit report, which remedied these issues going forward. Additionally, for Table ACS-3, fiscal staff did not realize that, unless prohibited by program-specific federal regulations, administrative tasks that benefit multiple programs should be allocated to each program, not just SSBG.

Condition B. Fiscal Staff Did Not Detect Errors in Cost Allocation Workbooks for Four Areas

Appeals and Hearings

Based on our testwork, we found that the department allocated all Child and Adult Food Program (CACFP) costs incurred by the Appeals and Hearings division to the Child Care and Development Fund (CCDF) program due to a spreadsheet error. This issue was present during the period of July 1, 2016, through June 30, 2017. After we brought this matter to the attention of fiscal management, management addressed the matter promptly by recalculating allocation results for the division, correcting the erroneous workbook, and entering a correcting journal entry in the department's accounting records to resolve the error.

Because the department's controls were not sufficient to identify and correct the error and because management did not correct the error until after the audit period, we questioned costs related to the overcharges to CCDF and undercharges to CACFP. In total, CCDF was overcharged by \$13,492, and CACFP was undercharged by an equal amount. The questioned costs are included in **Table 2** below.

Adult Protective Services – Tables 1 and 4

Based on our review of cost allocation workbooks, we found that the department allocated costs to the Adult Protective Services (APS) group incorrectly when using Tables 1 and 4.²¹ In some instances, a portion of costs allocated to an activity via a cost allocation table must be reallocated using another cost allocation table. For example, if Table 1 includes a row that charges 10% of

²¹ Table 1 is used to allocate indirect costs that benefit all programs administered by the department. Table 4 is used to allocate direct costs associated with the Office of General Counsel field staff.

Table 1 costs to APS, and the APS table includes a row that charges 60% to SSBG, then \$1,000 charged to Table 1 will ultimately result in charging \$60 to SSBG (\$1,000 x 10% x 60%).

When fiscal staff allocated costs using Tables 1 and 4, which both included a row for APS, fiscal staff allocated all APS costs to the Social Services Block Grant (SSBG), instead of reallocating the costs to both SSBG and the Medical Assistance Program (Medicaid) using the appropriate cost allocation table.²² This problem occurred throughout the audit period, July 1, 2016, through June 30, 2017. After we brought this matter to the attention of fiscal management, management addressed the matter promptly by recalculating allocation results for the division and entering a correcting journal entry in the department's accounting records to resolve the error.

Because the department's controls were not sufficient to identify and correct the error and because management did not correct the error until after the audit period, we questioned costs related to the overcharges to SSBG and undercharges to Medicaid. In total, SSBG was overcharged by \$536,406, and Medicaid was undercharged by the same amount. The questioned costs are included in **Table 2** below.

Adult Protective Services – Non-salary Expenses

Based on our review of cost allocation workbooks fiscal staff used to allocate costs for the APS division, we found that fiscal staff allocated all APS non-salary expenses for August 2016 and September 2016 to SSBG instead of allocating the costs to both SSBG and Medicaid based on the results of random moment sampling, as required by the plan. We noted that an error within the cost allocation spreadsheets for these two months caused all expenses to be charged to SSBG, rather than to both programs.

Because the department's controls were not sufficient to identify and correct the error, we questioned costs related to the overcharges to SSBG and undercharges to Medicaid. In total, the SSBG program was overcharged by \$54,510 of federal expenses, and Medicaid was undercharged by the same amount. The questioned costs are included in **Table 2** below.

Table 2
Combined Questioned Costs for Condition B

Program	Federal Expenditures	State Expenditures	Total Expenditures
Amount Overcharged			
Child Care and Development Block Grant	\$ 13,492	\$ -	\$ 13,492
Social Services Block Grant	590,916	-	590,916
Total	\$604,408	\$ -	\$604,408
Amount Undercharged			
Medical Assistance Program (Medicaid)	\$(295,458)	\$(295,458)	\$(590,916)

²² Although requested, fiscal staff did not provide us any program-specific regulations for Medicaid that indicated that these costs were prohibited from being charged to Medicaid.

State Administrative Expenses for Child Nutrition	(13,492)	-	(13,492)
Total	\$(308,950)	\$(295,458)	\$(604,408)

Cause for Condition B

These errors were the result of errors in fiscal staff's cost allocation spreadsheets. Fiscal staff corrected the error related to the Appeals and Hearings division, as well as the error related to APS costs charged solely to SSBG on December 12, 2017. As of the end of our fieldwork, fiscal staff had not corrected the error related to APS' non-salary expenses.

Condition C. Fiscal Staff Used Incorrect Cost Allocation Tables to Allocate Costs for One Area

Based on our testwork, fiscal staff did not use the correct cost allocation table to allocate costs for the Family Assistance Renewal Processing unit. Fiscal staff's practice was to allocate costs for the unit (which primarily performs eligibility processing for the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families Program, and the Medicaid program) using Table FA1-1. In accordance with the department's cost allocation plan, fiscal staff created this table using random moment sampling data. Family Assistance Service Centers, in contrast with eligibility renewal processing units, answer calls and emails pertaining to issues related to the above federal programs and other programs, and the cost allocation plan requires fiscal staff to allocate expenses related to service centers using Table FA-5M. Based on discussion with fiscal staff, department management converted a service center to a renewal processing unit in October 2014. The fiscal staff responsible for creating the cost allocation tables began to include the new renewal processing unit in the random moment time sampling procedures used to prepare FA1-1 cost allocation tables, as appropriate. However, the fiscal staff responsible for allocating costs based on cost allocation tables continued to use Table FA-5M instead of Table FA1-1 to allocate costs for the renewal processing unit for the period of July 1, 2016, through March 31, 2017. For the period of April 1, 2017, through June 30, 2017, fiscal staff began using Table FA1-1 to allocate these costs, as required by the cost allocation plan effective April 1. We questioned the differences caused by the use of Table FA-5M rather than Table FA1-1. See **Table 3** below.

Table 3
Questioned Costs for Condition C

Program	Federal Expenditures	State Expenditures	Total Expenditures
Amount Overcharged			
Child Support Enforcement	\$455	\$235	\$690
Medical Assistance Program (Medicaid)	19,730	19,730	39,460
Social Services Block Grant	531	-	531
Vocational Rehabilitation	7	2	9
Total	\$20,723	\$19,967	\$40,690
Amount Undercharged			
Child Care and Development Block Grant	\$ -	\$(1,061)	\$(1,061)

Supplemental Nutrition Assistance Program	(13,988)	(13,988)	(27,976)
Temporary Assistance for Needy Families	(2,913)	(8,740)	(11,653)
Totals	\$ (16,901)	\$ (23,789)	\$ (40,690)

Cause for Condition C

Although fiscal staff updated the procedures used to create Tables FA-5M and FA1-1 following the conversion of a service center to a renewal processing unit in October 2014, the procedures used to allocate costs based on these tables were not updated until the amended cost allocation plan became effective on April 1, 2017.

Condition D: Risk Assessment

Given the problems identified during our fieldwork, we also reviewed the department's November 2016 Financial Integrity Act Risk Assessment and determined that top management assessed the risk that "Costs charged to a federal program are not allowable under program regulations" as having a remote likelihood and small impact; however, management did not identify any mitigating controls related to the issue. Given the unallowable costs and cost principles issues identified in this finding and in others during the current audit, such as 2017-015, 2017-033, and 2017-037, we concluded that management should have assessed the likelihood as reasonably possible, assessed the impact as large, and included a control activity to mitigate the risk in the department's annual risk assessment.

Criteria for Conditions A Through C

Title 45, *Code of Federal Regulations* (CFR), Part 95, Section 517(a), states, "A State must claim FFP [federal financial participation] for costs associated with a program only in accordance with its approved cost allocation plan." This requirement effectively extends to all programs administered by state public assistance agencies by Section C, Appendix VI, of 2 CFR 200 (formerly Section C of OMB A-87, Attachment D), which states,

State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the state public assistance agency.

2 CFR 200.405(d) states,

Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then . . . the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

45 CFR 95.509(a) states that the State shall promptly amend the cost allocation plan and submit the amended plan for approval if any of the following events occur:

- (1) The procedures shown in the existing cost allocation plan become outdated because of organizational changes, changes in Federal law or regulations, or significant changes in program levels, affecting the validity of the approved cost allocation procedures.
- (2) A material defect is discovered in the cost allocation plan by the Director, DCA [U.S. Department of Health and Human Services' Division of Cost Allocation] or the State.
- (3) The State plan for public assistance programs is amended so as to affect the allocation of costs.
- (4) Other changes occur which make the allocation basis or procedures in the approval cost allocation plan invalid.

45 CFR 95.519 states that if costs under a public assistance program are not claimed in accordance with the approved cost allocation plan or if the State failed to submit an amended cost allocation plan as required by Section 95.509, the costs improperly claimed will be disallowed.

Effect for All Conditions

Failure to allocate costs in accordance with the cost allocation plan and federal requirements increases the risk that fiscal staff will not assign an appropriate share of costs to programs and that federal grantors will disallow costs charged to federal programs.

Additionally, federal regulations address actions that federal agencies may impose in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in Section 200.207, "Specific conditions":

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

Furthermore, Section 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as

described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Questioned Costs

We questioned a total of \$2,131,602 due to the net amount of overcharges to federal programs, consisting of federal questioned costs of \$1,540,999 and \$590,603 in questioned costs related to state matching funds. See **Table 4** for details regarding all overcharges and undercharges.

Table 4
Combined Questioned Costs for All Conditions

Program	Federal Expenditures	State Expenditures	Total Expenditures
Amount Overcharged			
Child and Adult Care Food Program	\$ 4,765	\$ -	\$ 4,765
Child Care and Development Block Grant	13,492	111,348	124,840
Child Support Enforcement	232,500	119,773	352,273
Community Services Block Grant	11,545	-	11,545
Independent Living Services for Older Individuals Who Are Blind	4,269	474	4,743
Social Security Disability Insurance	38,221	-	38,221
Social Services Block Grant	769,949	-	769,949
State Administrative Expenses for Child Nutrition	22,496	-	22,496
Supplemental Nutrition Assistance Program	269,989	269,989	539,978
Temporary Assistance for Needy Families	66,186	60,359	126,545
Vocational Rehabilitation	107,587	28,660	136,247
State Only Activities	-	-	-
Total	\$1,540,999	\$590,603	\$2,131,602

Amount Undercharged			
Medical Assistance Program	\$(327,943)	\$(327,943)	\$(655,886)
Total	\$(327,943)	\$(327,943)	\$(655,886)

As noted above in Condition B, \$549,898 of the questioned costs related to Condition B were resolved after the audit period; therefore, fiscal staff corrected the errors that led to \$549,898 of the questioned costs in **Table 4** above.

This finding, in conjunction with findings 2017-012, 2017-013, 2017-015, 2017-018, 2017-037, and 2017-040, results in total known federal questioned costs exceeding \$25,000 for a federal program which is audited as a major program. This finding, in conjunction with findings 2017-010, 2017-012, and 2017-015, results in total known federal questioned costs exceeding \$25,000 for a federal program which is not audited as a major program.

Concerning questioned costs, 2 CFR 200.516(a)(3) requires us to report known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program. Additionally, 2 CFR 200.516(a)(4) requires us to report known questioned costs that are greater than \$25,000 for a federal program which is not audited as a major program.

According to 2 CFR 200.84,

Questioned cost means a cost that is questioned by the auditor because of an audit finding:

- (a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) Where the costs, at the time of the audit, are not supported by adequate documentation; or
- (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation

The Department Controller should ensure that the Department of Human Services' cost allocation plan is appropriately applied and that calculations in cost allocation spreadsheets are accurate.

The Commissioner of the Department of Human Services should assess all significant risks with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements; assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls; and take action if deficiencies occur.

Management's Comment

Condition A. Fiscal Staff Prepared Three Cost Allocation Tables Incorrectly

We concur in part.

The department concurs that the cost allocation tables for CR-1 and 9A-2 were not prepared in accordance with the cost allocation plan in effect for July 1, 2016, through March 31, 2017. As noted in management's response from prior audit finding 2016-015, the approach utilized resulted in a more equitable distribution of costs than would have occurred had the tables been prepared as described in the previous plan; therefore, the department does not concur with the associated questioned costs. The methodologies utilized for preparation of CR-1 and 9A-2 were incorporated into the approved cost allocation plan that became effective on April 1, 2017. In regards to table ACS-3, a journal entry to correct the error noted will be completed by April 30, 2018.

Condition B. Fiscal Staff Did Not Detect Errors in Cost Allocation Workbooks for Four Areas

We concur.

Errors in cost allocation spreadsheets were not detected and corrected in a timely manner. Fiscal services reorganized into functional areas on October 1, 2017. As part of the reorganization, the cost allocation unit has been staffed with five (5) individuals whose sole responsibility is to oversee the department's cost allocation functions. Additional staff will provide more layers of review to detect and correct any errors in allocation spreadsheets. Two (2) of the three (3) errors noted in the finding have already been corrected. A journal entry to correct the 3rd error noted will be completed by March 31, 2018.

Condition C. Fiscal Staff Used Incorrect Cost Allocation Tables to Allocate Costs for One Area

We concur.

Fiscal staff utilized the wrong table to allocate costs for one area. Errors related to first quarter were corrected on February 14, 2017. Errors related to the 2nd and 3rd quarter will be corrected by March 31, 2018.

Condition D. Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101 using guidance provided by the Tennessee Department of Finance and Administration (F&A). For the Department's November 2016 Financial Integrity Act Risk Assessment, risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance, risks were assessed on a more programmatic/divisional level.

Auditor's Comment

Condition A. Fiscal Staff Prepared Three Cost Allocation Tables Incorrectly

In management's comment, management states that "the approach utilized resulted in a more equitable distribution of costs than would have occurred had the tables been prepared as described in the previous plan."

Because management did not compile the allocation data needed to allocate costs based on square footage and device counts (or if they compiled it, they did not provide the new data to us), it is not clear how management concluded that adhering to the approved cost allocation plan in effect from July 1, 2016, through March 31, 2017, would have resulted in less equitable allocations. Management was required to obtain the necessary data and allocate costs based on square footage and device counts for this time period, and no evidence was provided that indicated that doing so would have resulted in less equitable allocations.

Finding Number	2017-015
CFDA Number	10.558, 10.559, 10.560, 10.561, 84.126, 84.177, 93.464, 93.558, 93.563, 93.569, 93.667, 93.747, 93.778, and 96.001
Program Name	Child and Adult Care Food Program Child Nutrition Cluster State Administrative Expenses for Child Nutrition Supplemental Nutrition Assistance Program Cluster Rehabilitation Services - Vocational Rehabilitation Grants to States Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind ACL Assistive Technology Temporary Assistance for Needy Families Cluster Child Support Enforcement Community Services Block Grant Social Services Block Grant Elder Abuse Prevention Interventions Program Medicaid Cluster Disability Insurance/Supplemental Security Income Cluster
Federal Agency	Department of Agriculture Department of Education Department of Health and Human Services Social Security Administration
State Agency	Department of Human Services
Federal Award Identification Number	201616N109945, 201717N109945, 201616N253345, 201717N253345, 201616IS251445, 201717IS251445, 8044 H126A160063, 8044 H126A170063, H177B160064, H177B170064, 1601TNSGAT, 1701TNSGAT, G1502TNTANF, G1602TNTANF, 1604TNCSES, 1704TNCSES, G15B1TNCOSR, G16B1TNCOSR, G1501TNSOSR, G1601TNSOSR, 90EJSG001001, 05-1505TN5ADM, 05-1605TN5ADM, 05-1705TN5ADM, and 8826 04-17-04TNDI00
Federal Award Year	2015 through 2017
Finding Type	Significant Deficiency (10.558, 10.559, 10.561, 84.126, 93.558, 93.563, and 93.778) Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	2016-016
Pass-Through Entity	N/A
Questioned Costs	

	Federal Award Identification Number	Amount
CFDA		
10.558	201616N109945	\$5,054
10.559	201717N109945	\$674
10.560	201616N253345	\$574
10.560	201717N253345	\$5,798
10.561	201616IS251445	\$38,507

10.561	201717IS251445	\$19,380
84.126	8044 H126A160063	\$2,010
84.126	8044 H126A170063	\$926
84.177	H177B160064	\$155
84.177	H177B170064	\$2,829
93.464	1601TNSGAT	\$6
93.464	1701TNSGAT	\$83
93.558	G1502TNTANF	\$2,469
93.558	G1602TNTANF	\$9,662
93.563	1604TNCSES	\$12,629
93.563	1704TNCSES	\$72,804
93.569	G15B1TNCOSR	\$7
93.569	G16B1TNCOSR	\$70
93.667	G1501TNSOSR	\$15,274
93.667	G1601TNSOSR	\$20,876
93.747	90EJSG001001	\$460
93.778	05-1505TN5ADM	\$574
93.778	05-1605TN5ADM	\$442
93.778	05-1705TN5ADM	\$5,087
96.001	8826 04-17-04TNDI00	\$892

As noted in the prior two audits, fiscal staff for the Department of Human Services did not ensure that personnel costs charged to federal grants were supported by adequate documentation, resulting in federal questioned costs of \$217,242

Background

Federal regulations require the state to submit a cost allocation plan that outlines the procedures used to identify, measure, and allocate all costs to all programs the Department of Human Services (DHS) administers. The Department of Finance and Administration (F&A) creates, submits, and implements the cost allocation plan on DHS' behalf. DHS had two cost allocations plans that were effective during the audit period, July 1, 2016, through June 30, 2017. The first cost allocation plan was effective starting July 1, 2014, and was in effect until April 1, 2017, when the second cost allocation plan became effective.

F&A's method for allocating personnel costs to federal and state programs varies depending on whether the approved cost allocation plan identifies personnel costs as direct or indirect costs. Direct costs are costs that can be identified specifically with a particular final cost objective (a cost objective is a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred). Indirect costs are costs that are incurred for a common or joint purpose benefiting more than one cost objective and that cannot be directly assigned to any specific federal or state programs without undue effort. Generally, the amount of resources needed to be expended to directly assign these indirect costs would be greater than any benefit that would be gained by assigning these costs.

Federal Documentation Requirements

Federal grant awards are subject to “Uniform Administrative Guidance,” Title 2, *Code of Federal Regulations* (CFR), Part 200. Specifically, “Compensation – Personnel Services,” 2 CFR 200.430, establishes standards for documenting employee time and effort when personnel expenditures are charged to federal awards. Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed and that are incorporated into the state’s official records. Most importantly, the records must be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated; encompass both federally assisted and all other activities compensated by the state on an integrated basis; reflect the total activity for which the employee is compensated; and comply with the state’s established accounting policies and practices.

Federal documentation guidelines permit the state to document employee time and effort using either physical or electronic records, such as recording information in online timekeeping systems and electronic spreadsheet documents. Regardless of the medium used, the documentation must identify the activities the employee worked on (such as federal or state programs) and the amount of time the employee worked on each activity.

While most of the federal programs DHS administers were subject to the Uniform Administrative Guidance during the audit period, the Child Care and Development Fund (CCDF) was not. For this federal program, the federal grantor has not established specific federal documentation requirements for personnel costs. Instead, federal regulations require CCDF’s fiscal control and accounting procedures to be sufficient to permit the tracing of funds (in this case funds used for personnel costs) to a level of expenditure adequate to establish that such funds have not been used in violation of program requirements.

Payroll Procedures

Generally, all staff working in a division of DHS have their payroll costs allocated to one or more federal or state programs using the same methodology. For these employees, fiscal staff can allocate costs for all employees in the division at once, rather than track specific individuals’ job assignments and charge programs accordingly.

In contrast, for employees who work on a temporary assignment in another division or who have recently moved from one division to another, fiscal staff perform a process to remove the employees’ payroll costs from the employees’ original divisions and reallocate the costs to the correct divisions. Specifically, fiscal staff periodically send out employee lists to division managers asking them to identify any staff assignment changes for their division. If the managers note any changes, fiscal staff include the applicable employee in the personnel exceptions list. Each quarter, fiscal staff reallocate payroll costs for employees on the personnel exceptions list to the appropriate federal or state programs.

For the personnel exceptions process to work effectively, it is critical that the employee list sent to each division manager is either based on or reconciled to a list of the employees whose payroll costs are actually charged to the manager’s division. For example, the employee list sent to a division manager may correctly indicate that an individual is working on the Vocational

Rehabilitation program, but the accounting system may improperly charge the employee's time to a different federal program. Unless the information in the payroll records and the employee lists is reconciled, fiscal staff cannot detect and correct errors such as this, which would result in improper payroll charges.

Audit Procedures

To determine whether personnel costs were adequately supported and whether fiscal control procedures for personnel costs were sufficient, we selected a sample of 80 personnel cost expenditures, totaling \$10,768, from the population of 2,400,636 personnel cost transactions, totaling \$168,739,446, incurred during the audit period and charged to the federal programs listed in **Table 1**.

Table 1
Personnel Expenditures for Major Programs Under Audit

Program	Total Transactions Count	Total Expenditures
Child and Adult Care Food Program	2,709	\$ 683,685
Child Care and Development Fund	346,304	16,847,938
Child Support Enforcement	159,763	10,339,984
Summer Food Service Program for Children	3,353	119,782
Supplemental Nutrition Assistance Program	828,049	97,594,232
Temporary Assistance for Needy Families	791,572	20,659,732
Vocational Rehabilitation Grants to States	268,886	22,494,093
Grand Total	2,400,636	\$168,739,446

Source: Summarized using information from Edison, the state's accounting system.

In the prior audit, we found that management did not ensure personnel costs were supported by adequate documentation, and we found that fiscal control procedures for CCDF were insufficient. We also found that Child Support Enforcement (CSE) funds were used for unallowable activities. Management concurred in part with the prior-year finding and stated,

The Department is currently in the process of revising the cost allocation plan. The Department expects to submit its first revision to the plan prior to April 1, 2017. In conjunction with the revision of the plan, labor distribution functionality in the general ledger (Edison) will be utilized to provide the ability for employees to report time spent on multiple federal programs within the system rather than using excel timesheets.

In this year's audit, we found that F&A's fiscal staff implemented the corrective actions identified above, which resulted in fewer errors. Although there was an overall reduction in errors, we found that fiscal staff still did not have adequate documentation to support payroll costs charged to federal awards (including errors related to the implementation of the electronic time reporting system). We also found that CSE funds were again used for unallowable activities.

Summary of Conditions

Based on our testwork, we found that the F&A Department Controller did not ensure that charges to federal awards were based on adequate supporting documentation (see Condition A) and did not ensure that charges to the CSE program were for allowable activities (see Condition B), resulting in total questioned costs of \$348,044. Federal questioned costs were \$217,242; the remaining \$130,802 were state matching funds.

Condition A. Personnel Costs Were Not Supported by Adequate Documentation

Original Testwork

Based on our sample testwork, F&A's Department Controller did not ensure that personnel costs charged to federal awards were supported by adequate documentation for 2 of 80 personnel cost expenditures tested (2.5%). The issues were due to charging payroll amounts for an employee to the incorrect department ID²³ in Edison and charging leave costs improperly for an employee on the personnel exceptions list.

Regarding the employee's payroll charged to the incorrect department ID, we anticipated that the personnel exception process would have detected and corrected this issue if the process was designed properly and operating effectively. Upon further review of the personnel exception process, we determined that the control was not designed properly. Specifically, the list of employees sent to division managers for confirmations of employees' assignments was based on a human resources staffing query, rather than a list of employees whose payroll costs were charged to the manager's division. In addition, fiscal staff had not established a process to reconcile an employee list per the payroll data to the list of employees based on human resources data. We used data analysis procedures to reconcile the two data sources and identify an additional \$344,995 in payroll costs charged to the incorrect department ID. See the Expanded Testwork section below.

Regarding improper leave charges, based on our discussion with fiscal staff and our review of records for employees whose time was supported by timesheets, we determined that fiscal staff charged all holiday and leave time to one federal program rather than allocating holiday and leave time across all federal and state programs the employees worked on. Generally, fiscal staff charged each employee's holiday or leave to the employee's main program assignment, even though the monthly timesheet indicated that the employee worked on other federal programs during the month. Specifically, we concluded that all non-working hours were generally charged to the individual's primary work assignment rather than allocated to other federal or state programs. For example, if an employee took two weeks of paid vacation leave, worked one week on CSE and one week on the Temporary Assistance for Needy Families (TANF) program, and CSE was the individual's primary work assignment, fiscal staff would charge three weeks of personnel costs (including all of the paid leave) to CSE and one week of personnel costs to TANF. Based on discussion with fiscal staff, this was fiscal staff's regular accounting practice until staff changed to the new Edison timesheet system beginning in April 2017.

²³ A department ID in Edison, the state's accounting system, is a way to assign expenditures to certain areas or divisions of the department. The department also uses department IDs to determine which methodology or cost allocation table should be used to allocate a cost among the federal programs.

2 CFR 200.431(b) states that leave is “allowable if all of the following criteria are met: . . . The costs are equitably allocated to all related activities, including Federal awards.” We concluded that allocating all leave costs to only one benefitting program when an employee works on multiple programs does not result in a reasonable or equitable allocation of leave costs.

Expanded Testwork

As a result of the errors noted in the original sample testwork related to the personnel exceptions list, we expanded our work to identify additional employees that were charged to the incorrect department ID and to test a sample of payroll costs charged through the personnel exceptions process. In addition, to follow up on the prior audit finding, we reviewed direct personnel costs that were charged to more than one federal award and reviewed fiscal staff’s implementation of the electronic timesheet process established to address prior audit findings.

Testwork for Payroll Costs Charged to the Incorrect Department ID

Because our original testwork suggested that the personnel exceptions process was not identifying staff whose payroll costs were charged to the incorrect department ID (and thus employees’ payroll costs were being charged to the incorrect federal and state programs), we performed a data analysis procedure to identify additional staff charged to the incorrect department ID.

Specifically, we were provided staffing query data (the same type of query information provided to division managers for staff assignment verifications) for January 1, 2017, through March 31, 2017. For each employee in the data, we compared the employee’s department ID per the staffing query data to the employee’s department ID per their payroll costs and identified a list of employees charged to the incorrect department ID by pay period.

We removed the employees from our list if the incorrect and the correct department IDs both charged costs to programs using the same methodology (and thus no program was overcharged due to the error). Finally, we compared our list to fiscal staff’s personnel exceptions list for January 2017 through March 2017 and removed any employees from our list who fiscal staff had already identified.

Our testwork identified a total of 70 staff (including 1 identified during our original testwork) whose payroll costs were charged to the incorrect department ID during the period January 1, 2017, through March 31, 2017, and who were not detected by the payroll exceptions process. The total amount of payroll costs charged to the incorrect department ID for these 70 individuals was \$344,995 during the period January 1, 2017, through March 31, 2017. While we could determine the total amount of payroll costs ultimately charged to various programs, we could not determine the amount of questioned costs for each applicable federal program, as the information needed to calculate the questioned costs associated with each affected program was based on each employee’s unique circumstances and was not readily available.

Sample Testwork for Payroll Costs Charged Through the Personnel Exceptions Process

To determine whether personnel costs charged through the personnel exceptions process were adequately supported and whether fiscal control procedures for personnel costs were sufficient,

we selected a random sample of 25 employees whose payroll costs were allocated through the personnel exceptions process and reviewed supporting documentation for their costs.

Based on our sample testwork, the F&A Department Controller did not ensure that personnel costs charged to federal awards through the payroll exceptions process were supported by adequate documentation for 20 of 25 employees tested (80%). The total amount of payroll costs charged through the personnel exception process during the period July 1, 2016, through June 30, 2017, as well as a summary of the errors identified in our testwork, are exhibited in **Table 2**.

Table 2
Summary Information of Personnel Exception Population and Sample by Program

Program Name	Population Total	Dollar Amount of Sample Items Tested	Dollar Amount of Errors	Error Rate
Assistive Technology	\$ 27,740	\$ 6	\$ 6	100%
Child and Adult Care Food Program	361,615	5,054	5,054	100%
Child Care and Development Fund	289,865	3,242	2,748	85%
Child Support Enforcement	361,340	49,393	45,094	91%
Community Services Block Grant	52,893	16	14	88%
Elder Abuse Prevention Interventions Program	59,519	499	451	90%
Independent Living Services for Older Individuals Who are Blind	957,109	36,935	2,691	7%
Independent Living State Grants	38,572	1,461	*(499)	-34%
Medical Assistance Program	189,671	14,778	11,058	75%
Social Security Disability Insurance	120,696	1,608	892	55%
Social Services Block Grant	148,995	50,178	36,150	72%
State Administrative Expenses for Child Nutrition	197,400	10,673	6,184	58%
Summer Food Service Program for Children	54,680	29,300	674	2%
Supplemental Nutrition Assistance Program	1,983,059	83,760	70,374	84%
Temporary Assistance for Needy Families	470,188	24,237	23,727	98%
Vocational Rehabilitation Grants to States	1,013,522	7,061	3,731	53%
Totals	\$6,326,864	\$318,201	\$208,349	

*This amount is negative due to the program being undercharged in error. We did not question any costs for this item.

The issues noted above were due to various problems, including

- not preparing and maintaining official records documenting employee activity, such as timesheets, certifications, or similar documentation;

- not ensuring that supporting documentation for personnel costs was supported by a system of internal control that provided reasonable assurance that the charges were accurate, allowable, and properly allocated, as required;
- charging costs to a single federal program even though the employees' timesheets indicated that they worked on multiple programs;
- charging costs to multiple federal programs without documentation demonstrating how much time employees spent on each activity;
- not reallocating employees' costs in accordance with the allocation percentages identified in the supporting documentation;
- using indirect cost allocation methodologies that were not approved in DHS' cost allocation plan; and
- calculating allocation percentages incorrectly.

Even though the sample errors for some programs noted in **Table 2** above are small dollar errors, when projected to the population and combined with additional known questioned costs described in this finding, as well as in Findings 2017-010, 2017-012, 2017-013, 2017-014, 2017-018, 2017-027, 2017-031, and 2017-040, the questioned costs for the errors far exceed \$25,000 for each federal program identified in **Table 2**. 2 CFR 200.516(a)(3) requires us to report known questioned costs when likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program. 2 CFR 200.516(a)(4) requires us to report known questioned costs that are greater than \$25,000 for a federal program that is not audited as a major program.

Review of Direct Personnel Costs Charged to More Than One Federal Award

For one employee whose payroll was charged to TANF, the Medical Assistance Program, and the Supplemental Nutrition Assistance Program, we found that fiscal staff did not ensure that \$53,713 in payroll costs related to the Family Assistance Disaster Relief division were supported by personnel activity reports, semi-annual certifications, or other documentation sufficient to support the distribution of personnel costs to federal programs. Instead of allocating these payroll costs to programs based on documentation supporting actual time and effort distributions, fiscal staff allocated these payroll costs based on random moment time sampling, which was not approved in DHS' cost allocation plan. We questioned costs related to this error. See **Table 3** below for more details.

Table 3
Payroll Costs Related to the Family Assistance Disaster Relief Division

Program	Federal Expenditures	State Expenditures	Total Expenditures
Medical Assistance Program	\$ 574	\$ 574	\$ 1,148
Supplemental Nutrition Assistance Program	22,700	22,700	45,400
Temporary Assistance for Needy Families	1,791	5,374	7,165
Totals	\$25,065	\$28,648	\$53,713

Review of Fiscal Staff's Implementation of the Electronic Timesheet Process

Beginning April 2017, in select areas of DHS, fiscal staff implemented a new process that involved employees using Edison, the state's accounting system, to submit electronic timesheets that include sufficient information to support a distribution of costs to various programs. In the prior-year finding, we reported that these timesheets lacked sufficient documentation to support a distribution of costs to multiple programs; however, based on our observations in the current audit, the timesheets now include sufficient information for the staff who transitioned to the new process.

We reviewed the divisions' allocation of charges to federal programs using the new process and noted that, in some cases, employees reported their leave hours as a federal program activity instead of a leave activity. As a result, fiscal staff did not allocate the employees' leave and holiday pay equitably to all federal programs the employee worked on for the applicable pay period. We calculated the correct leave allocations for all employees using Edison task profile timesheets and compared our calculations to the actual amounts fiscal staff allocated. We noted that, during the period April 1, 2017, through June 30, 2017, federal programs were overcharged \$1,121 out of the \$94,326 in leave costs charged to federal programs using the new process. We questioned the overcharges to federal programs. See **Table 4** below for a full list of the differences:

Table 4
Overcharges (Undercharges) by Federal Program Due to Leave Allocation Errors

Federal Program	Federal Expenditures	State Matching Expenditures	Total Expenditures
Amount Overcharged			
Assistive Technology	\$ 83	\$ -	\$ 83
Community Services Block Grant	63	-	63
Elder Abuse Prevention Interventions Program	122	41	163
Independent Living Services for Older Individuals Who Are Blind	562	62	624
State Administrative Expenses for Child Nutrition	188	-	188
Total	\$1,018	\$ 103	\$ 1,121
Amount Undercharged			
Independent Living State Grants	\$(164)	\$ (18)	\$ (182)
Medical Assistance Program	(99)	(99)	(198)
Social Security Disability Insurance	(30)	-	(30)
Social Services Block Grant	(216)	-	(216)
Vocational Rehabilitation	(391)	(104)	(495)
Totals	\$(900)	\$(221)	\$(1,121)

Criteria

According to "Uniform Administrative Guidance," 2 CFR 200.430(i)(1), charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed, and these records must (1) be supported by a system of internal control which provides reasonable

assurance that the charges are accurate, allowable, and properly allocated; and (2) be incorporated into the official records of the non-Federal entity.

Furthermore, 2 CFR 200.430(i)(1)(vii) also states that if an employee works on more than one federal award, charges to federal awards for salaries and wages must be based on records that support the distribution of the employee's salary or wages among specific activities or cost objectives.

Additionally, according to 2 CFR 200.431(b)(2), the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences, such as for annual leave, sick leave, holidays, and other similar benefits, is only allowable if the costs are equitably allocated to all related activities, including federal awards.

45 CFR 95.517(a) states, "A State must claim FFP [federal financial participation] for costs associated with a program only in accordance with its approved cost allocation plan." This requirement effectively extends to all programs administered by state public assistance agencies by Section C, Appendix VI, of 2 CFR 200, which states,

State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the state public assistance agency.

CCDF is not subject to the cost principles in Subpart E of the Uniform Administrative Guidance. Instead, 45 CFR 98.67(c)(2) states that fiscal control and accounting procedures must be sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of CCDF regulations.

Cause

Testwork for Payroll Costs Charged to the Incorrect Department ID

Based on our discussion with fiscal staff, fiscal staff were not aware that information in the staffing query and information in the payroll records needed to be reconciled.

Sample Testwork for Payroll Costs Charged Through the Personnel Exceptions Process

Regarding inadequate documentation related to the personnel exceptions process, we noted that this issue was primarily the result of a lack of standard documentation practices for the process and a reliance on informal spreadsheets. Based on our review of the documentation, fiscal staff appeared to be preparing these informal spreadsheets rather than ensuring that the appropriate staff within DHS—such as the relevant employees or their supervisors—provided the documentation needed to support the payroll charges.

Review of Direct Personnel Costs Charged to More Than One Federal Award

Regarding improper charges related to the Family Assistance Disaster Relief division, for the period of July 2016 to March 2017, fiscal staff continued allocating the payroll costs of employees

in some areas based on predefined percentages or other incorrect bases. This issue was corrected as of April 1, 2017, when DHS implemented a new cost allocation plan.

Review of Fiscal Staff's Implementation of the Electronic Timesheet Process

Regarding incorrect charges for leave related to the new timesheet process, employees did not appear to be adequately trained to ensure they entered their leave correctly, and fiscal staff had not established a process for identifying and correcting these errors.

Questioned Costs

We questioned \$161,571 in federal costs and \$102,111 in state matching funds, for a total of \$263,682 in questioned costs. See **Tables 2** through **4** above for total questioned costs by program.

Condition B. Child Support Enforcement Funds Were Used for Unallowable Activities

F&A's Department Controller did not ensure that charges to the CSE program were for allowable activities. Specifically, fiscal staff charged to the CSE program \$84,350 in costs for general administrative training provided through the Office of Learning and Professional Development (OLPD). The training costs were allocated to various programs as indirect costs; however, general administrative training was not allowable under the CSE program.

Criteria

According to 45 CFR 304.23(d), federal financial participation for CSE is not available for

Education and training programs and educational services for State and county employees and court personnel except direct cost of short-term training provided to IV-D agency staff in accordance with §§304.20(b)(2)(viii) [related to reasonable and essential short-term training associated with the state's program of voluntary paternity establishment services] and 304.21 [related to reasonable and essential short-term training of court and law enforcement staff assigned on a full- or part-time basis to support enforcement functions under certain cooperative agreements].

Cause

DHS' approved cost allocation plans indicated that CSE funds may not be used for general administrative training provided through OLPD; therefore, the fiscal staff responsible for preparing the cost allocation plans were aware of this compliance requirement for CSE. Although the revised cost allocation plan, effective April 1, 2017, stated that "OLPD costs allocable to Child Support will be paid for out of State funds rather than Title IV-D consistent with 45 CFR 304.23(d)," fiscal staff continued to allocate OLPD costs to the CSE program.

Questioned Costs

We questioned \$55,671 of unallowable federal costs charged to the CSE program and \$28,679 in state matching costs, for a total of \$84,350.

Condition C. Risk Assessment

Given the problems identified during our fieldwork, we also reviewed DHS' November 2016 Financial Integrity Act Risk Assessment. We determined that management did not document the mitigating controls associated with the risk that costs charged to a federal program are not allowable under program regulations in the annual risk assessment. Management documented in the annual risk assessment that there was a small impact and a remote (low) likelihood that costs charged to a federal program are not allowable under program regulations. Given the impact and frequency with which we identified noncompliance with the allowable costs/cost principles requirements in the current and prior audits, we concluded that management should have assessed the impact as high and the likelihood as probable (high) and included a control activity to mitigate the risk in the annual risk assessment.

Effect

Condition A

Failure to create and maintain sufficient documentation, and failure to create or follow fiscal controls and accounting procedures for personnel costs charged to federal awards, increases the risk of noncompliance with federal requirements and the possibility that federal agencies will seek to recover disallowed and/or unsupported costs.

Condition B

Failure to ensure that charges to federal awards are for allowable activities increases the risk that fiscal staff will not comply with federal requirements and the possibility that federal agencies will seek to recover disallowed costs.

All Conditions

Additionally, federal regulations address actions that federal agencies may impose in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in Section 200.207, "Specific conditions":

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

Furthermore, Section 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Summary of All Questioned Costs and Other Required Reporting

All Questioned Costs

Condition	Federal Questioned Costs	State Questioned Costs	Total Questioned Costs
Personnel Costs Not Supported by Adequate Documentation (Condition A)	\$161,571	\$102,123*	\$263,694*
CSE Funds Used for Unallowable Activities (Condition B)	\$ 55,671	\$ 28,679	\$ 84,350
Totals	\$217,242	\$130,802	\$348,044

*Includes amounts in the Other Required Reporting section below.

This finding, in conjunction with findings 2017-010, 2017-012, 2017-013, 2017-014, 2017-018, 2017-026, 2017-027, and 2017-029 (which also included federal questioned costs for the allowable costs/cost principles federal compliance requirement), results in total known federal questioned costs exceeding \$25,000 for a type of compliance requirement for five major federal programs. 2 CFR 200.516(a)(3) requires us to report known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program.

This finding, in conjunction with findings 2017-010, 2017-12, 2017-013, and 2017-014, results in total known federal questioned costs exceeding \$25,000 for two federal programs that are not audited as major programs. 2 CFR 200.516(a)(4) requires us to report known questioned costs that are greater than \$25,000 for a federal program that is not audited as a major program.

According to 2 CFR 200.84,

Questioned cost means a cost that is questioned by the auditor because of an audit finding:

- (a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) Where the costs, at the time of the audit, are not supported by adequate documentation; or
- (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Other Required Reporting

In order to fulfill our reporting responsibilities under 2 CFR 200.516, we are also required to include the following information in this finding.

See Table 5 below for a summary of the sample errors identified in the “Original Testwork” section above:

Table 5
Summary of Sample Testwork Errors

Program	Population Total	Dollar Amount of Sample Items Tested	Dollar Amount of Error in Sample	Error Rate in Sample
SNAP	\$97,594,232	\$4,787.54	\$0.46	0.01%
TANF	\$20,659,732	\$1,679.30	\$11.04	0.66%
Grand Total	\$118,253,964	\$6,466.84	\$11.50	

Even though the sample errors noted in Table 5 above are small dollar errors, when projected to the population and combined with the additional known questioned costs described in this finding as well as Findings 2017-10, 2017-12, 2017-013, and 2017-014, the likely questioned costs for the errors far exceed \$25,000 for each federal program identified in Table 2. 2 CFR 200.516(a)(3), requires us to report known questioned costs when likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program.

Recommendation

F&A’s Commissioner should ensure adequate documentation of personnel costs, such as periodic certifications and personnel activity reports, is maintained unless the cognizant federal agency approves a substitute method. The Commissioner should also ensure that staff do not use CSE funds for general training costs and correctly allocate costs based on appropriate supporting documentation.

DHS’ Commissioner should assess all significant risks, with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to

ensure compliance with applicable requirements; assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls; and take action if deficiencies occur.

Management's Comment

Condition A:

We concur in part.

Payroll Costs Charged to the Incorrect Department ID

Based on review of supporting documentation for the 2 errors out of 80 noted, the questioned costs pertaining to these items amounted to \$11.50. While the projected amount would exceed \$25,000 and result in a reportable condition, the expansion of testwork appears broad given that it was largely focused on the time period prior to management's corrective actions that took place on April 1, 2017. Based on review of support for the expanded testwork items, management found no issue with over half of them. For the remaining items, the underlying cause was due to the lack of a reconciliation process between staffing pattern information and payroll information. A process to reconcile these two items will be developed by June 30, 2018.

Payroll Costs Charged Through the Personnel Exceptions Process

Management does not agree with the underlying premise leading to many of the issues noted. Many of the individuals noted as issues were allocated as aggregate allocations of support staff time or other departmental allocation statistics and, therefore, would not require timesheets that identified separate activities. Two timesheets were prepared by employees; however, they failed to sign them. This problem has already been corrected since Edison timesheets require employee submission and supervisor approval. The remaining items noted were a result of an outdated cost allocation plan as well as the underutilization of labor distribution functionality in Edison. These items were addressed with the April 1, 2017, cost allocation plan and related Edison timesheet utilization.

Review of Direct Personnel Costs Charged to More Than One Federal Award

A timesheet is kept for all employees that work for the department. Prior to April 1, 2017, the Edison timesheet was only sufficient documentation for charging programs allocated using statistics outside of Edison or employees working on one federal program. Supporting documentation for employees working on multiple programs was maintained outside of Edison. Revisions to the Edison system that took effect on April 1, 2017, allow all employees to adequately report their time by program in Edison. In this instance, the employee was allocated by a table; therefore, documentation was sufficient to support their time allocation. Management agrees that the allocation was not in accordance with the 2014 plan. The April 1, 2017 plan aligned management's practices for allocating this time with the approved cost allocation plan.

Review of Fiscal Staff's Implementation of the Electronic Timesheet Process

The department agrees that staff charged an immaterial amount of leave time to the incorrect taskprofile IDs. While the errors appear to simply be a learning curve related to the new process

implemented in April 2017, fiscal services has implemented additional controls during the first quarter of state fiscal year 2018. Department IDs that should not have leave recorded in them are reviewed prior to running the department's cost allocations. If any leave is detected in non-leave department IDs, the costs are moved to leave department IDs and then cost allocation is performed.

Condition B:

We do not concur.

Costs charged to child support were for training provided directly to child support employees. Management strongly believes that the administrative training conducted by the department is essential for child support employees to understand how to use state systems and follow state policies during the administration of their duties as child support employees, and is therefore an allowable activity. The approved April 1, 2017 cost allocation plan clearly states that "Costs related to time spent on general administrative training are allocated to all benefiting programs based on filled full and part-time positions (including overlapping appointments) at the end of the prior quarter."

Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101 using guidance provided by the Tennessee Department of Finance and Administration (F&A). For the Department's November 2016 Financial Integrity Act Risk Assessment, risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance, risks were assessed on a more programmatic/divisional level.

Auditor's Comment

Condition A. Personnel Costs Were Not Supported by Adequate Documentation

Payroll Costs Charged to the Incorrect Department ID

Management states that based on its "review of support for the expanded testwork items, management found no issue with over half of them." Management sent us an email indicating why it believed that many of the issues noted were not an issue; however, management's comments and inquiries in the email indicated that management had not reviewed all of the details provided. We requested that management review the details and then schedule a meeting with us to discuss the items management still believed were not problems, but management did not follow up with us to resolve the items in question.

Payroll Costs Charged Through the Personnel Exceptions Process

Management states, "Many of the individuals noted as issues were allocated as aggregate allocations of support staff time or other departmental allocation statistics and therefore, would not require timesheets that identified separate activities." These issues were not noted due to a lack of timesheets. Instead, we noted issues for these staff for a variety of reasons, including

1. the allocation methodologies were not in accordance with the department's cost allocation plan;
2. fiscal staff did not allocate costs in accordance with the allocation percentages identified in supporting documentation;
3. fiscal staff provided allocation statistics for divisions without evidence that the employees actually worked in those divisions; and
4. internal controls over payroll were inadequate, because employees' activities were documented on spreadsheets with no indication of who prepared them or when they were prepared.

Condition B. Child Support Enforcement Funds Were Used for Unallowable Activities

Although management states, "Costs charged to child support were for training provided directly to child support employees," the questioned costs were indirect costs charged to the Child Support Enforcement program and all other programs administered by the department. This distinction is important, because while direct costs are allowable in certain circumstances, indirect costs associated with training programs are not allowable.

Regarding management's comment that it "strongly believes that the administrative training . . . is essential for child support employees . . . and is therefore an allowable activity," we must use federal criteria to determine the allowability of a cost, not management's belief. As stated in 45 CFR 304.23(d), federal funding is not available for education and training programs and educational services except for the "**direct cost** [emphasis added] of short-term training provided to IV-D agency staff" related to specific program activities. Since the costs we questioned were indirect costs related to general administrative training, the costs were not allowable.

The federal government's approval of a cost allocation plan that is inconsistent with program-specific regulations does not authorize the state to waive said regulations.

Finding Number	2017-028
CFDA Number	84.126
Program Name	Rehabilitation Services - Vocational Rehabilitation Grants to States
Federal Agency	Department of Education
State Agency	Department of Human Services
Federal Award	8044 H126A160063 and 8044 H126A170063
Identification Number	
Federal Award Year	2016 and 2017
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Program Income
Repeat Finding	2016-017
Pass-Through Entity	N/A
Questioned Costs	N/A

As noted in the prior two audits, fiscal staff for the Department of Human Services requested additional federal funds before ensuring all program income and refunds had been spent

Background

The U.S. Department of Education provides Vocational Rehabilitation Grants to help states operate comprehensive Vocational Rehabilitation (VR) programs that help individuals with disabilities gain, maintain, or return to employment. In Tennessee, the Department of Human Services (DHS) administers VR through its Division of Rehabilitation Services. The Department of Finance and Administration (F&A) is responsible for adequate cash management for all of DHS.

As DHS incurs expenditures, F&A fiscal staff periodically request funds, called draw requests, from the federal grantors. Based on the nature of the federal award, meeting federal grant objectives can result in income generated as a direct result of the programs' operations. This generated income is known as program income.

In certain circumstances, DHS may recover funds it has previously spent from the grant. These recoveries of expenditures are identified as refunds to the program. Per Title 34, *Code of Federal Regulations* (CFR), Part 361, Section 63(c)(3)(ii), to the extent available, VR regulations require the state to spend program income and refunds before requesting additional federal funds. F&A generally does not record expenditures of program income in the accounting records to demonstrate that program income has been spent. Instead, F&A generally demonstrates that fiscal staff have spent program income and refunds by reducing the amount of federal funds requested.

For example, assume DHS receives \$100 in program income and then spends \$200 for services A and B. The accounting records would show \$100 in federal funds expenditures for service A, \$100 in federal funds expenditures for service B, and \$100 in program income received as a credit against services A and B. In this example, F&A would bill the federal government \$100 (service A (100) + service B (100) – program income received (100)). This accounting treatment demonstrates that F&A used the \$100 in program income to fund \$100 of services A and B; however, it is important to note that until the program income appears in the billing records as a credit reducing the amount of federal funds requested, there are no accounting records that

demonstrate that the program income has been spent. As a result, if F&A requested \$200 for services A and B in this example, we would conclude that F&A violated regulations requiring program income to be spent before requesting additional federal funds, because the accounting system would not identify a disbursement of the \$100 in program income.

In the prior audit, we found that fiscal staff did not ensure that program income and refunds had been spent before requesting additional federal funds, and the Fiscal Directors and Accountants did not ensure that Child Support Enforcement (CSE) expenditures were net of all applicable credits²⁷ and program income.

Department management concurred with the prior-year finding and stated, “The Department revised the process for approving cash receipts in the cash receipting system (iNovah) in December 2015. Cash receipt batches are now approved daily” and “The Department has taken several corrective action steps since the errors occurred.”

Based on our current testwork, we found that fiscal staff had ensured CSE expenditures were net of all applicable credits; however, we found that fiscal staff still did not ensure that program income and refunds had been spent before requesting federal funds.

Condition - Program Income and Refund Cash Receipts Were Not Disbursed Timely

We reviewed all 347 VR program income and refund cash receipts, totaling \$3,176,639, that fiscal staff received and recorded in Edison revenue accounts during the period July 1, 2016, through June 30, 2017.

For each transaction, we identified

- the date the department received the program income or refund;
- the next federal funds request date after the program income or refund was received; and
- the date the program income or refund was spent.

We contacted the federal grantor, the Rehabilitation Services Administration (RSA) within the U.S. Department of Education, for additional guidance related to compliance with the requirement to spend program income and refunds before requesting additional federal funds. We explained fiscal staff’s accounting process for program income and refunds, including reasonable delays between receiving and using program income that we believe are unavoidable in an environment with adequate internal controls. The RSA official noted, as an example, that he did not expect fiscal staff to delay requesting federal funds to meet payroll solely because fiscal staff received program income moments before planning to request the federal funds.

Based on this conversation, and after considering various factors related to the timing of processing program income and refunds, such as holidays, staff sick leave, and the average time it takes to

²⁷ Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce costs that are allocated to federal awards, including refunds and program income required to be used to reduce federal expenditures.

process transactions, we did not consider program income and refunds to be available per 34 CFR 361.63(c)(3)(ii) until one week after receipt. Therefore, we noted no problems unless program income and refunds had been on hand for at least a week and fiscal staff requested additional federal funds without first spending the program income or refund.

We noted that for 31 of the 347 receipts of program income and refunds tested (9%), totaling \$55,023, F&A's Fiscal Directors and Accountants could not demonstrate that the program income and refunds had been spent before requesting additional federal funds. Per the accounting records, staff spent 25 receipts of program income and refunds, totaling \$54,877, from 1 to 23 days (average of 6 days) after the next request of federal funds. The remaining 6 items, totaling \$146, were still on hand and had not been spent by the end of the audit period, June 30, 2017. See **Table 1** below for more details.

Table 1
Vocational Rehabilitation Program Income Received

Days Late	Amount of Program Income	Number of Program Income Transactions
1	\$17,439	12
8	11,582	9
14	6,406	2
17	14,289	1
23	5,161	1
Not Disbursed	146	6
Totals	\$55,023	31

Risk Assessment

Given the problems identified during our fieldwork, we also reviewed DHS' November 2016 Financial Integrity Act Risk Assessment and determined that top management assessed the risk that program income is not spent before additional federal cash draws as having a remote likelihood and small impact; however, management did not identify any mitigating controls related to the issue and stated that controls are operating effectively. Given the frequency with which we noted that program income was not spent before fiscal staff made additional federal cash draws in this audit and in prior audits, we concluded that management should have assessed the likelihood as reasonably possible (medium).

Criteria

34 CFR 361.63(c)(3)(ii) states,

Notwithstanding 2 CFR 200.305(a) and to the extent that program income funds are available, a State must disburse those funds (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional funds from the Department.

Cause

Based on discussion with the F&A Department Controller, this issue was primarily the result of decentralized accounting processes. Specifically, staff in one city were responsible for depositing program income; however, they did not perform the remaining accounting duties required to disburse the program income. Instead, the staff would mail (rather than fax or email) the documentation to fiscal staff in a nearby city, who would then perform the accounting duties required to disburse the program income. It appears that the delay inherent in these coordination activities, along with mail delivery times, may have caused most of the issues noted. The cause is not clear, however, because according to the Accountant and Fiscal Director, the Accountant did not rely on the mailed documentation to approve deposits in the financial management system during the audit period. Instead, the Accountant relied on the controls in place at the decentralized location and only performed a perfunctory review when approving deposits. According to the Department Controller, beginning in December 2017, the depositing and accounting functions are now centralized in one city, which should expedite disbursing VR program income in the future.

Effect

Failure to spend refunds and program income prior to requesting additional federal funds results in transfers of funds between the federal government and the state in violation of federal regulations. In addition, the state may earn interest (to which it is not entitled) on federal funds drawn prior to the appropriate offset of program income or refund expenditures. Additionally, federal regulations address actions that federal agencies may impose in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in Section 200.207, "Specific conditions":

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

Section 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Recommendation

The Commissioners of DHS and F&A should ensure that VR program income and refunds are spent prior to drawing additional federal funds. This should include verifying that staff deposit VR program income and refunds timely and identify receipts as VR program income and refunds in the accounting records timely. The Department Controller should ensure that fiscal staff take reasonable efforts to identify unidentified deposits timely and that staff document the nature and timing of these efforts.

The Commissioner of DHS should assess all significant risks, with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements; assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls; and take action if deficiencies occur.

Management's Comment

We concur in part.

All of the items noted in the finding were items that were deposited when received in accordance with the Department of Finance and Administration's Policy 25; however, the transactions were not identified as program income until after they were deposited. It should be noted that 21 of the 31 transactions were a result of two deposits. Once identified with adequate support, they were immediately recorded as program income and the corresponding offset to federal expenditures was completed. The clearing account in which the funds were recorded upon deposit must be reconciled and certified on a monthly basis ensuring that unidentified deposits are resolved in a timely manner.

The department recognized that the decentralized business process resulting in these deposits originally being recorded as unidentified receipts had become outdated and, accordingly, on December 1, 2017, cash receipting was centralized.

Auditor's Comment

Based on review of the support received by DHS staff, the staff had indicated on the documentation (such as the receipts) that the transactions were program income at the time of deposit.

Finding Number	2017-029
CFDA Number	84.126
Program Name	Rehabilitation Services - Vocational Rehabilitation Grants to States
Federal Agency	Department of Education
State Agency	Department of Human Services
Federal Award	8044 H126A160063 and 8044 H126A170063
Identification Number	
Federal Award Year	2016 through 2017
Finding Type	Significant Deficiency – Matching, Level of Effort, Earmarking Material Weakness – Reporting Noncompliance
Compliance Requirement	Matching, Level of Effort, Earmarking Reporting
Repeat Finding	2016-039 2016-042
Pass-Through Entity	N/A
Questioned Costs	N/A

For the third year, fiscal staff for the Department of Human Services did not comply with financial reporting requirements for the Vocational Rehabilitation Grants to States program, and fiscal staff did not comply with maintenance of effort requirements

Background

The U.S. Department of Education's Rehabilitation Services Administration (RSA) provides Vocational Rehabilitation Grants to assist states in operating comprehensive vocational rehabilitation programs to help individuals with disabilities gain, maintain, or return to employment. In Tennessee, Vocational Rehabilitation is administered by the Department of Human Services (the department or DHS) through its Division of Rehabilitation Services. The Department of Finance and Administration (fiscal staff) is responsible for performing all fiscal-related duties on behalf of the department, including the submission of financial reports to RSA. As part of the grant's requirements, the state matches the federal funds by using state and other non-federal funds, such as funds from local governments and donations, to pay 21.3% of all Vocational Rehabilitation expenditures. Fiscal staff draw down federal Vocational Rehabilitation funds using the U.S. Department of Education's G5 grants management system.

The department is required to file a Federal Financial Report, the SF-425 report, semi-annually for each federal fiscal year's Vocational Rehabilitation grant. The semi-annual reporting periods are April 1 through September 30 and October 1 through March 31. Reports are generally due to RSA 45 days after the close of the reporting period.

Once it receives the SF-425 reports, RSA reviews the department's reports and makes the following determinations:

- whether the department is permitted to carry over Vocational Rehabilitation funds into the next federal fiscal year;

- if the department must return any unobligated federal program income to RSA; and
- if the department complied with various compliance requirements.

General Reporting Requirements

Obligations

RSA requires grantees (in this case, the department) to track and report the amounts and funding sources of obligations.²⁸ In addition, the department must track these obligations by obligation date and in terms of their status as unliquidated or liquidated.²⁹

Program Income

In addition, RSA's instructions require the department to report the amount of program income expended in accordance with the federally prescribed alternative methodology. To ensure the expenditures of program income are included on the proper SF-425 report, the department must match expenditures of program income to the federal fiscal year (FFY) in which that program income was received. The process of matching the expenditures of program income to the year in which the income was received is necessary to record expenditures of program income on the correct SF-425 report.

RSA requires the department to complete a separate SF-425 report for each federal Vocational Rehabilitation grant award until each award's period of performance ends;³⁰ therefore, if the department carries over federal Vocational Rehabilitation funds into the subsequent federal fiscal year, the department must submit two SF-425 reports for each reporting period in the subsequent federal fiscal year.

During the 2015 single audit, we identified several critical deficiencies in the preparation of DHS' Vocational Rehabilitation SF-425 Federal Financial reports. Specifically, we found that department management did not ensure that the department's financial management systems were sufficient to permit the preparation of the SF-425 reports and that fiscal staff did not ensure that the reports were complete and accurate. In accordance with federal regulations, the department entered into a Corrective Action Plan with RSA during the prior audit period to correct the SF-425 reporting deficiencies. As part of the Corrective Action Plan, the department completed or revised SF-425 reports for the 2014-2017 grant awards during the current audit period.

To determine whether the department properly reported required financial information in its SF-425 reports during the current audit period, we tested the semi-annual SF-425 reports for the period ended September 30, 2016, for the FFY 2016 grant award and the report for the period ended

²⁸ Obligations are the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

²⁹ For reports prepared on an accrued expenditure basis, federal regulations require obligations to be classified as unliquidated when the corresponding expenditure for the obligation has not yet been recorded.

³⁰ Period of performance means the time during which the non-federal entity may incur new obligations to carry out the work authorized under the federal award.

March 31, 2017, for the FFY 2017 grant award. During the current audit, we found that the department had made improvements to the reporting processes, including

- creating a reporting policy.
- correcting accounting records,
- modifying accounting systems to track required information, and
- improving review and control processes.

Despite these steps to resolve these matters during the current audit period, we found that department management still did not ensure that the required SF-425 reports were accurately prepared during the audit period, July 1, 2016, through June 30, 2017.

Condition

Portions of the SF-425 Reports Were Incomplete or Inaccurate

- (A) The Accountant incorrectly calculated the federal share of expenditures for line 10e of both reports. Federal expenditures were overstated by \$530,827 and \$74,115 in the FFY 2016 and FFY 2017 reports, respectively, due to fiscal staff improperly including federal expenditures arising from obligations incurred in prior federal fiscal years. Per RSA's period of performance guidance, if a contract is signed in FFY 2015, for example, the expenditures associated with the contract should be reported on the FFY 2015 report, even if the services provided under the contract are performed in FFY 2016 and beyond.

The Accountant also improperly excluded pending expenditure adjustments totaling negative \$95,934 from federal expenditures and instead reported these items as adjustments to federal unliquidated obligations. In addition, the Accountant improperly included a proposed adjusting journal entry that had not been recorded in the accounting records at the time the report was prepared that increased federal expenditures by \$243,399. The accounting records did not indicate that this transaction occurred during the reporting period. For both reports, the Accountant also understated federal expenditures (and overstated program income expended) due to reducing federal expenditures for unexpended program income. Since the program income was on hand and had not yet been used to reduce federal funds requests at the end of the reporting period, the reported federal expenditures should not have been reduced by the amount of program income on hand.

Finally, in the September 30, 2016, report, we identified a duplicate transaction totaling \$20,907 during our testwork procedures. This transaction was charged to the program twice, but a reversing entry corrected the error after the report was submitted.

Table 1
Federal Share of Expenditures Calculated Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	10e	Federal Share of Expenditures	\$40,241,238	\$39,364,747	\$876,491
2017	3/31/2017	10e	Federal Share of Expenditures	\$20,183,064	\$20,103,259	\$79,805

(B) The Accountant incorrectly calculated the federal share of unliquidated obligations for line 10f of both reports tested. For both reports, the Accountant relied on a Procurement Report extracted from the state's accounting system to determine the remaining amount of outstanding purchase orders. Based on that report, the Accountant improperly included a purchase order for a contract that is not associated with the Vocational Rehabilitation Grants to States (VR) program as well as two purchase orders that did not obligate 2016 grant award funds. In addition, while the reported numbers agreed with the Procurement Report data, the data did not always agree with the accounting records. The data was included in the calculation for line 10f in the amount of \$5,791,025 for the September 30, 2016, report tested and \$1,472,851 for the March 31, 2017, report tested. We requested an explanation of the difference from fiscal staff but did not receive a response. Because we could not determine the accurate amount to report, we prepared the State Audit Calculations below assuming that the procurement data was correct.

For the September 30, 2016, report tested, the Accountant also included an expenditure adjustment that was not booked until December of 2016, incorrectly estimated amounts of obligations, included at least \$150,000 in duplicate obligations, and incorrectly included pending expenditure adjustments as obligations instead of expenditures.

In the 2016 report we tested, the Accountant included \$281,679 in estimated unliquidated obligations; however, the Accountant did not include any estimated unliquidated obligations in the 2017 report. While the reporting instructions do not explicitly state whether estimates should be included, we concluded that, if performed consistently, it was reasonable to estimate the amounts of obligations associated with utilities and similar services where the department knows the service has been provided to the department as of the reporting date (and therefore constitutes a valid obligation), but the department is not aware of the amount of the obligation. We attempted to determine the potential estimate for unliquidated obligations for 2017 to ensure the Accountant was consistently reporting unliquidated obligations; however, we could not perform the calculations because the information was not readily available.

For the March 31, 2017, report tested, the Accountant improperly reduced the amount of unliquidated obligations reported by \$297,872 in program income received after the end of the reporting period.

Table 2
Federal Share of Unliquidated Obligations Calculated Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	10f	Federal Share of Unliquidated Obligations	\$6,145,906	\$5,607,169	\$538,737
2017	3/30/2017	10f	Federal Share of Unliquidated Obligations	\$1,740,134	\$2,038,006	(\$297,872)

(C) The Accountant incorrectly calculated the recipient share of expenditures for line 10j. Because these figures are calculated simultaneously as the federal share of expenditures and unliquidated obligations described in Sections A and B above, the reasons for the discrepancies in these figures are the same as described in Sections A and B.

Table 3
Recipient Share of Expenditures Calculated Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	10j	Recipient Share of Expenditures	\$13,054,271	\$12,742,808	\$311,463
2017	3/30/2017	10j	Recipient Share of Expenditures	\$5,730,568	\$5,755,311	(\$24,743)

(D) The Accountant entered the incorrect dates in field 11c for Indirect Costs "Period From" and 11d for Indirect Costs "Period To." According to the report instructions, these fields should reference the period during which the approved Cost Allocation Plan is active, but the Accountant entered the reporting period instead.

Table 4
Dates for Indirect Costs Entered Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	11c	Indirect Costs "Period From"	October 1, 2015	July 1, 2014	N/A
2016	9/30/2016	11c	Indirect Costs "Period To"	September 30, 2016	Blank	N/A
2017	3/31/2017	11c	Indirect Costs "Period From"	October 1, 2016	July 1, 2014	N/A

(E) The Accountant calculated the Indirect Cost Base and Federal Share of Indirect Costs incorrectly for lines 10d and 10f on both reports tested. The department's reporting methodology involved reporting all grant transactions that were not classified to a particular department ID as indirect costs. This methodology inaccurately reports some direct costs as indirect costs and excludes some indirect costs.

Table 5
Indirect Cost Base and Federal Share of Indirect Costs Calculated Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	11d	Indirect Cost Base	\$7,541,463	\$6,087,802	\$1,453,661
2016	9/30/2016	11f	Federal Share of Indirect Cost	\$6,029,510	\$4,885,505	\$1,144,005
2017	3/31/2017	11d	Indirect Cost Base	\$2,812,095	\$2,537,753	\$274,342
2017	3/31/2017	11f	Federal Share of Indirect Cost	\$2,203,460	\$1,987,549	\$215,911

(F) The Accountant incorrectly reported program income received for line 10l of the FFY 2017 March 31, 2017, report. The Accountant incorrectly excluded one journal entry, resulting in an understatement of \$28,544.

Table 6
Program Income Received Reported Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2017	3/31/2017	10l	Total Federal Program Income Earned	\$990,959	\$1,019,503	(\$28,544)

(G) The Accountant incorrectly reported program income expended for line 10n on both reports. The FFY 2016 report overstated the amount of program income expended by the end of the reporting period by \$14,575, and the FFY 2017 report understated the amount of program income expended by \$5,691.

Table 7
Program Income Expended Reported Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	10n	Program Income Expended in Accordance with the Addition Alternative	\$3,722,001	\$3,707,426	\$14,575
2017	3/31/2017	10n	Program Income Expended in Accordance with the Addition Alternative	\$990,959	\$996,650	(\$5,691)

(H) The Accountant incorrectly reported the recipient share of unliquidated obligations in line 12d on both reports. Because these figures were determined simultaneously with the federal share of unliquidated obligations reported on line 10f, the reasons for these discrepancies are the same as in section B above.

Table 8
Recipient Share of Unliquidated Obligations Reported Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	12d	Recipient Share of Unliquidated Obligations	\$1,593,254	\$1,464,050	\$129,204
2017	3/30/2017	12d	Recipient Share of Unliquidated Obligations	\$137,206	\$161,949	(\$24,743)

(I) The Accountant incorrectly reported Federal Program Income Transferred to the Independent Living Services for Older Individuals who are Blind Program in line 12f of the 2016 report tested. The Accountant improperly included a journal to transfer those funds that had not occurred as of the report date.

Table 9
Federal Program Income Transferred Reported Incorrectly

FFY of Grant Award	End of Reporting Period	Line	Line Description	Department Reported	State Audit Calculations	Difference
2016	9/30/2016	12f	Federal Program Income Transferred to Independent Living Services for Older Individuals who are Blind Program	\$1,225,378	\$981,979	\$243,399

Controls Over the Reporting Process Were Inadequate

During the performance of our testwork, we noted that the controls over the reporting process were inadequate to ensure that the department properly reported accurate information related to certain lines of the submitted SF-425 reports. Specifically, the Accountant referenced line 10n, Program income expended in accordance with the addition alternative, directly from line 10l, Total Federal program income earned, without any evidence that the department verified that the program income was actually expended at the end of the reporting period. Similarly, line 10e, Federal share of expenditures, was reduced by program income received instead of by the amount of program income used to reduce the federal draw. Likewise, some misstatements were related to allowable transfers that the department intended to make to other programs, but that had not been performed at the end of the reporting period. When reports are submitted, all financial activity included in the reports should be based on underlying accounting records that demonstrate that the activity occurred during the reporting period, rather than expectations about financial activity that may occur in the future. Additionally, the department did not have procedures in place to ensure that obligations and expenditures were only included in calculations once and not double-counted due to the items being included in multiple information sources.

Finally, we noted that the department's reporting methodology related to the construction of facilities for community rehabilitation program purposes (construction projects) was not adequate. A separate agency within the state, the State Building Commission, manages these projects and bills the Department of Human Services for the federal share of the projects. While fiscal staff included the federal share of expenditures for these projects in SF-425 reports, staff did not use the related underlying obligation dates to ensure the expenditures were reported on the correct grant year's report. In addition, the reporting process did not involve reviewing the State Building Commission's records to identify and accurately report other types of financial activity related to construction projects. As a result, financial activity related to construction projects was excluded from federal and non-federal unliquidated obligations and the non-federal share of expenditures for construction projects (line 12a). We also found that, instead of using the State Building Commission's records to identify the amount of non-federal matching expenditures to report on line 10j (related to construction projects), the department simply calculated the non-federal share based on an assumption that the federal share of expenditures was matched at a 21.3% rate. Calculating non-federal expenditures based on an assumption that the state matched federal expenditures at a predefined rate (instead of basing it on a review of expenditure records)

represents a significant control deficiency, especially given the potential size of construction projects.

To determine whether the department had complied with the reporting compliance objectives, we reviewed the State Building Commission's records and determined for ourselves that the state provided the appropriate matching funds for the construction projects identified. By relying on an assumption of a predefined matching rate instead of the State Building Commission's records, the Accountant understated the non-federal expenditures related to construction projects in line 10j of the department's reports. For example, we noted that line 12a of the FFY 2015 SF-425 report submitted during our audit period was understated by \$929,668. RSA relies on information reported to determine compliance with the matching requirement and to determine the amount of federal funds allowed to be obligated in the following year (carryover year). Underreporting non-federal expenditures ultimately understates the amount of federal funds the state can obligate in the carryover year.

Inadequate Controls and Noncompliance Related to Maintenance of Effort Requirements

The department is required to spend at least as much in non-federal expenditures as it spent two years prior. For instance, the department should have expended as much in non-federal expenditures in 2016 as it did in 2014. If the department does not meet that requirement, regulations require RSA to reduce the subsequent grant award by the deficit.

Based on discussion with the Department Controller, the controls for meeting the maintenance of effort requirement are the same as the controls over SF-425 reporting. Therefore, the internal control deficiencies related to reporting noted above are also internal control deficiencies over maintenance of effort.

We found that the maintenance of effort requirement for FFY 2016 was not met, and that RSA was unable to reduce the 2017 grant by the appropriate deficit because the SF-425 report for the FFY 2016 grant award was inaccurate. Specifically, based on the procedures performed, we determined that RSA should have reduced the FFY 2017 award by a total of \$2,672,786 due to insufficient maintenance of effort expenditures. However, at the time of the audit, we could not identify evidence that demonstrated that RSA reduced the 2017 grant award due to the deficit in 2016 non-federal expenditures based on the department's submission of 2016 and 2014 SF-425 reports. This was likely due to the department not submitting a final SF-425 report for the 2014 award until the current audit period. In addition, RSA could not have reduced the 2017 award by the appropriate amount based on the 2016 and 2014 SF-425 reports fiscal staff submitted, because the 2016 SF-425 report was inaccurate, as described above. These inaccuracies would have led RSA to reduce the award by \$2,361,323, which is \$311,463 less than the required amount.

Risk Assessment

We reviewed DHS's November 2016 Financial Integrity Act Risk Assessment and determined that management addressed the risks associated with reporting inaccurate information on federal reports. However, the impact of the risk was assessed as high and the likelihood was assessed as remote, so no mitigating controls were described. Given the frequency with which we have identified reporting inaccuracies in the current audit and prior audits, we concluded that

management should have assessed the likelihood as probable (high) and included a control activity to mitigate the risk in the department's annual risk assessment.

Criteria

According to Policy Directive 15-05 for line 10e. Federal Share of Expenditures,

For reports prepared on an accrual basis, grantees should report Federal fund expenditures as the sum of cash disbursements for direct charges for goods and services, the amount of indirect expenses incurred, the amount of payments made to contractors/vendors, and the increase or decrease in the amounts owed by the recipient for goods received and services performed by employees, contractors/vendors, and other payees.

According to Policy Directive 15-05 for line 10f. Federal Share of Unliquidated Obligations,

Enter the Federal portion of unliquidated obligations incurred by the grantee. Unliquidated obligations include direct and indirect expenses for goods and services incurred by the grantee, but not yet paid or charged to the VR grant award, including amounts due to contractors/vendors. When submitting a final SF-425 report, this line should be zero.

According to Policy Directive 15-05 for line 10j. Recipient Share of Expenditures,

Enter the total amount of non-Federal VR expenditures incurred for the reporting period. This amount must include the grantee's non-Federal share of actual cash disbursements or outlays (less any rebates, refunds, or other credits), including payments to contractors, the grantee's non-Federal share of unliquidated obligations (reported separately on line 12d – Remarks), and the Non-Federal Share of Expenditures for the Establishment or Construction of Facilities for Community Rehabilitation Program (CRP) Purposes as reported on line 12a.

According to Policy Directive 15-05 for line 10l. Total Federal Program Income Earned,

Enter the total amount of Federal program income (program income) earned and received by the grantee as of the end of the reporting period. Program income is considered earned in the fiscal year in which the funds are received by the grantee (34 CFR [*Code of Federal Regulations*] 361.63 and 2 CFR 200.80). Therefore, the amount reported on line 10l should not change after the grantee submits its fourth quarter SF-425 report.

According to Policy Directive 15-05 for line 10n. Program Income Expended in Accordance with the Addition Alternative,

For those grantees using the addition alternative, enter the amount of program income that was used to supplement the Federal share of the total program costs. The amount reported on line 10n represents actual disbursements (i.e., outlays of program income by the grantee). The outlay of program income funds must meet

the same standards of allowability, reasonableness and allocability (2 CFR 200.403, 200.404 and 200.405) that are applicable to Federal funds (Section 108 of the Rehabilitation Act and 34 CFR 361.63(c)(3); and 2 CFR 200.307(e)(2), 200.401, and 200.408).

According to Policy Directive 15-05 for line 11c. Period From/To for Indirect Costs,

Enter the beginning and ending effective dates for the approved indirect cost rate(s) or CAP.

According to Policy Directive 15-05 for line 11d-f. Base for Indirect Costs,

d. Base: Enter the amount of the base against which the approved indirect cost rate(s) was applied. The base includes allowable expenditures to which the approved indirect cost rate may be applied. For CAPs, enter the total amount of the CAP costs (include both non-Federal and Federal).

e. Amount Charged: Amount Charged (11b multiplied by 11d equals 11e): Data entry is not required for this field. This data element is calculated automatically.

f. Federal Share: Enter the Federal share of the amount in 11e.

According to Policy Directive 15-05 for line 12a. Non-Federal Share of Expenditures for the Establishment or Construction of Facilities for Community Rehabilitation Program Purposes,

Enter the non-Federal share of expenditures, also included in the total amount of non-Federal expenditures reported on line 10j, incurred for the establishment or construction of facilities for CRP purposes (34 CFR 361.62(b)). Only include those costs for activities that would meet the definition of “establishment of a facility for a community rehabilitation program” at 34 CFR 361.5(b)(18) and “construction of a community rehabilitation program” at 34 CFR 361.5(b)(12).

According to Policy Directive 15-05 for line 12d. *Recipient Share of Unliquidated Obligations*,

Enter that portion of unpaid obligations to be paid with non-Federal funds meeting the requirements in 34 CFR 361.60(b). This amount is also included in the amount reported on line 10j.

According to Policy Directive 15-05 for line 12f. Federal Program Income (VR SSA Payments Only) Transferred to the Independent Living Services for Older Individuals who are Blind (OIB) Program,

Enter the amount of SSA payments received by the VR program and transferred to the OIB program (Section 108 of the Rehabilitation Act and 34 CFR 361.63(c)(2)

According to Title 29, *United States Code*, Section 731(a)(2)(B),

The amount otherwise payable to a State for a fiscal year under this section shall be reduced by the amount by which expenditures from non-Federal sources under the State plan under this subchapter for any previous fiscal year are less than the total of such expenditures for the second fiscal year preceding that previous fiscal year.

Based on review of Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 303(a), the department must

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to question seven of RSA's "Period of Performance FAQs," dated March 31, 2017,

All expenditures incurred against an obligation must be tracked and reported by the States in terms of when the obligation was incurred, not when the liquidation occurs. For example, if a State enters into a contract in FFY 2016 for the provision of services under the VR program, thereby constituting an obligation for purposes of 34 CFR 76.707 for FFY 2016, but many of the invoices submitted by the contractor for payment will be submitted to the State agency during FFY 2017, the State VR agency must report those expenditures (i.e., liquidation of the obligations) on its SF-425s for FFY 2016, not FFY 2017 when the payments were made.

According to 2 CFR 200.403,

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

Defining reasonable costs, 2 CFR 200.404 states,

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Cause

The Vocational Rehabilitation reporting requirements are complex and differ from requirements for other federal programs, and the state has historically not prepared the reports properly. In the 2015 single audit, we noted that the department entered into a Corrective Action Plan with RSA in part to resolve the serious reporting deficiencies and noncompliance. During the prior audit, we were unable to test any reports, because RSA and DHS mutually agreed that DHS would not submit SF-425 reports until the Corrective Action Plan was fully implemented. It appears that at least some of the issues noted were the result of the department's eagerness to fully report transactions, which resulted in reporting transactions that occurred after the reporting cutoff date

and inadvertently reporting duplicate transactions when the same transactions appeared in different information sources. Other issues were the result of misunderstanding the complex reporting requirements. The 2016 report that we tested was the first report that the department submitted for the Corrective Action Plan, and we noted significant improvement between that report and later reports.

Effect

In 2015, the Rehabilitation Services Administration identified the department's Vocational Rehabilitation program as high risk, for reasons including deficiencies in reporting and financial management. RSA also prescribed special conditions to the department's Vocational Rehabilitation program, including temporarily halting funding and requiring the state to complete a Corrective Action Plan with RSA. In addition to the risk of further funding disruptions, without accurate financial reporting, neither the state nor the federal awarding agency can make appropriate programmatic decisions based on the contents of reports.

Additionally, federal regulations address actions that may be imposed by federal agencies in cases of noncompliance. As noted in 2 CFR 200.338, "If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions," including, as described in section 200.207, "Specific conditions":

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

Furthermore, 2 CFR 200.338 also states,

If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions [as described above], the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.

- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Recommendation

The Department Controller should ensure that the Fiscal Director and Accountant are adequately trained with respect to reporting requirements for Vocational Rehabilitation, including RSA's instructions for report preparation, Vocational Rehabilitation regulations, uniform administrative guidance, and the terms and conditions of the grant award. The Department Controller should ensure that the internal controls for reporting for Vocational Rehabilitation are revised to provide for complete, accurate report submissions. This should include requiring fiscal staff to review records, including billing records related to program income and records related to construction projects, to ensure that all relevant financial activity is included in reports and has actually occurred. If there is no evidence demonstrating the transaction occurred during the reporting period, the transaction should not be included in a report.

The Department Controller should establish a documented process for calculating maintenance of effort thresholds based on actual expenditures and should ensure that DHS staff notify the U.S. Department of Education when the state's Vocational Rehabilitation Grants to States grant award should be reduced due to a maintenance of effort deficit.

The Commissioner of the Department of Human Services should assess all significant risks with sufficient attention to the impact and likelihood of the risk. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner, who should implement effective controls to ensure compliance with applicable requirements, assign employees to be responsible for ongoing monitoring of the risks and any mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur in part.

Management concurs that controls over the general reporting process need to be strengthened, and is in the process of making the revisions needed to result in what it believes will be complete and accurate report submissions. Management also concurs that portions of the SF-425 reports reviewed by the auditors were incomplete or inaccurate, but does not entirely agree with the auditors premise and the resultant dollars amounts detailed in items (A) through (F) of the finding. For example,

- Management agrees that errors were made in the calculation of and reporting of indirect costs, and will be refining the methodology used for reporting indirect costs for the report date ending September 30, 2018.

- Management agrees that journal entries should be made in a timelier manner so that they are posted by the time a report is filed and will be implementing controls to ensure this happens. It is important to note that the journals underlying the auditor-noted problem were in fact reclassifying expenditures and revenues that occurred prior to the report end date (September 30th or March 31st).
- Management also agrees that it needs to work more closely with its partnering state agencies to ensure that the appropriate information is obtained for capital projects and that obligations are made to the correct year.
- Management will add a calculation to the reporting template to formally indicate its consideration of the MOE requirement. The SF-425 is the mechanism in which management provides MOE information to RSA; therefore, a separate notification mechanism is not required. Additionally, Title 34 of the *Code of Federal Regulations* (CFR), Part 361, Section 62 (a), clearly states that the Secretary of Education is responsible for reducing the amount of the federal award. The department does not have any responsibility or authority in this regard.
- In relation to the duplicate billing and resulting questioned costs of \$20,907, a journal entry was made in June 2017 to correct the duplicate billing. Therefore, the final SF-425 report for federal fiscal year 16 and the accounting records have been corrected.
- Management does not entirely agree with the premise and amounts included in items (A) through (F) pertaining to obligations and program income as detailed below.

Obligations

A significant amount of the dollars identified as incorrectly included in the report as obligations stemmed from multiyear contracts. The department enters into multiyear contracts in accordance with Central Procurement Office (CPO) standards for the state in order to realize discounts for goods and services. The contract summary sheets on these contracts clearly identify to which state year (and federal year indirectly) these costs will be obligated. Title 34 of the *Code of Federal Regulations* (CFR), Part 76, Section 707(c) states that an obligation is made “on the date on which the State or subgrantee makes a binding written commitment to obtain the services.” The auditor’s interpretation of this criteria is that the entire multiyear contract (5 years and longer in this case), should be obligated to the award year in which the contract was signed, which is problematic. The regulation is silent on whether the terms of the contract or the supporting documentation can stipulate to which year the obligation will be assigned. Additionally, the grant award only has a two-year period of performance and that is only if certain conditions are met to extend the initial one-year period of performance. Contract costs incurred after year 2 would then have to be charged to state dollars. Lastly, the auditor’s interpretation does not appear to consider the provisions of 2 CFR 200 which requires a state to follow the same policies and procedures it uses for procurements from its non-federal funds. Management contacted the Central Procurement Office within the Department of General Services to gain clarity on those policies and procedures as they pertain to multiyear contracts. Correspondence from CPO stated, “As general best

practices and procedures of CPO, agencies have purview to allocate and obligate their funding for a contract, even if it is a multi-year contract. It would be unduly burdensome and impractical to expect agencies at the time of the effective date to know how much of the funding they need for year five of a project and also to be unable to change distribution of funds from year to year.” It should be noted that the department budgets out and obligates the entire 5-year contract for each year and obligates those funds accordingly.

Program Income

Program income variances noted by the auditor appear to be due to a misunderstanding of the system controls in place. Many of the discrepancies noted are instances in which program income was received during the reporting periods, but the cash was not settled until after the reporting period. For example, \$100 was received on September 30, 2016; however, the cash impact was not settled until October 2, 2016. These are two separate considerations. One pertains to reporting and one pertains to cash management. See finding 2017-028 for management’s response to cash management. When program income is received, the general ledger (Edison) automatically applies the income to expenses already incurred. In the event that enough expenses have not been incurred to cover the income received, a payable to the federal government is also recorded. Therefore, reporting program income as expended when received is an accurate reflection of the events that occurred, regardless of whether the cash is settled at a later date.

Risk Assessment

The department completes its annual risk assessment as required under *Tennessee Code Annotated*, Section 9-18-101 using guidance provided by the Tennessee Department of Finance and Administration (F&A). For the Department’s November 2016 Financial Integrity Act Risk Assessment, risks of non-compliance were assessed by compliance type requirement for the Department as a whole. For the December 2017 Financial Integrity Act Risk Assessment, based on revised F&A guidance, risks were assessed on a more programmatic/divisional level.

Auditor’s Comment

Obligations

While we recognize the challenges in adhering to the stipulations in 34 CFR 76.707(c), we are required to audit based on the regulations as written. If management wishes to apply numerous obligation dates to one contract, the department should obtain written federal approval of the approach. Additionally, there is no indication that the procurement requirements in 2 CFR 200.317 supersede Vocational Rehabilitation’s period of performance requirements.

Program Income

In February 2018, subsequent to our audit fieldwork, we met with fiscal management to discuss the automated process to record and track the receipt and use of program income. After fiscal management provided a description of the automatic accounting entries, as well as, additional supporting documentation, we were able to confirm that most program income was expended by the end of the respective reporting periods. We, however, were unable to verify that all program income was expended as reported, because the automatic process for expending program income

had not occurred for all program income receipts. Because the process appears to incur some delays, we could not conclude that program income was always expended as soon as received, as described by management.



**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Transit Alliance of Middle Tennessee Phone: 615-743-3051

Contact Person & Title: Jessica Dauphin, Associate Director
Mailing Address: 211 Commerce Street, Suite 100, Nashville, TN 37201
Federal Identification # (if applicable): 27-1568117
Email Address: jessica.dauphin@thetransitalliance.org

Number of Active Participants in Organization: 4,000-6,000

Does this organization charge fees to participants? Yes _____ No ☒
If Yes, please itemize the structure utilized (use a separate sheet if necessary):

If No, please explain: We provide free educational programs to all residents in the 10-county Middle Tennessee region.

Please provide the approximate number of clients served by your program on a yearly basis
1.9 million residents of Middle Tennessee region

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: Funding by the Williamson County Commission supports the Transit Citizen Leadership Academy; a 6-week, 30-hour leadership academy.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):
n/a

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.
Each year we make a good faith effort to collect donations from private sources including corporations and individuals. Last year, we collected \$84,279.00 from private sources.

**Non-Profit Organization Request for
City of Franklin - Page Two**



Organization: Transit Alliance of Middle Tennessee

EXPENDITURES:	Actual	Projected	Requested
*budget attached	2017-18	Expended	2019-20
		2018-19	
Total			

REVENUES:	Actual	Projected	Requested
*See attached budget	2017-18	Expended	2019-20
		2018-19	
Williamson County Government	\$5,000	\$5,000	\$5,000
City of Franklin Government	\$5,000	\$5,000	\$5,000
Town of Thompson's Station	\$500	\$500	\$500
City of Spring Hil	\$1,500	\$1,500	\$1,500
Total			

**Non-Profit Organization Request for
City of Franklin - Page Three**



Organization: Transit Alliance of Middle Tennessee

Personnel & Salary Information

PERSONNEL:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Jo Ann Graves, President & CEO	\$75,000	\$75,000	\$82,000
Jessica Dauphin, Associate Director	\$50,000	\$50,000	\$54,600
Total	\$125,000	\$125,000	\$136,600

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



City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Transit Alliance of Middle Tennessee Date: March 8, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

Plan, manage, and complete 3 Transit Citizen Leadership Academies to educate regional residents and build support for regional transit.

Work with other regional agencies like RTA and/or GNRC to facilitate community engagement as needed.

Work with elected officials to support/promote transit supportive policies.

Continue to engage TCLA Alumni and other supporters through e-newsletters, social media, blogs, etc.

Continue to promote other transit organizations in the region, like TMA Group.

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

n/a



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

1. Specifically what services did your agency provide last year for which you are requesting funding this year? What were the objectives and results? (Include description capacity, intensity and duration of services.)
Last year, due to our involvement in the Nashville Referendum, there were two Transit Leadership Academies. We added 52 new Alumni, 4 are Williamson County residents and one a writer for Williamson Source. Seats are limited and we strive to ensure regional representation in these 6-week, 30-hour academies.
2. Are there procedures in place for measuring the results achieved by your agency?
If so, provide detailed data.
We administer a class survey during the last class of each academy. Participants are asked to rate the value of the TCLA. We recently created an alumni survey to gather further data on their work post-TCLA.
3. Does your agency receive any external quality review or accreditation? If so, provide a copy of certificate or license and please explain.
n/a
4. What percent of your local agency budget is your allocation request from the City of Franklin?
3.0%
5. What other fundraising activities does your agency engage in during the year?
We appeal to our contributors, both public and private, to continue their partnership with us.
We participate in the Big Payback led by The Community Foundation and run a #GivingTuesday campaign.
6. Do you charge any fees for your services?
No.



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

Transit Alliance of Middle Tennessee

Name of Nonprofit Organization

211 Commerce Street, Suite 100	Nashville	Davidson	TN	37201
Street Address	City	County	State	Zip

**Annual Financial Report of Cash Receipts, Disbursements, and Balances
For the Fiscal Year from 1/1/2018 through 12/31/2018**

Report Required by Title 5, Chapter 9, Part 1,
And Title 6, Chapter 54, Part 1, *Tennessee Code Annotated*

Receipts

Federal Grants	\$ _____	
State Grants	_____	
Financial Assistance from Local Governments	<u>121,579.63</u>	
Donations and Gifts from Citizens	<u>84,279.46</u>	
Membership Dues	_____	
Fees/Charges for Services	_____	
Fundraising Events	_____	
Sale of Assets	_____	
Loans-Borrowed Funds	_____	
Investment Income	_____	
Other Receipts	_____	
Total Receipts		\$ <u>205,859.09</u> (A)

Disbursements

Grants and Other Assistance Paid to Other Organizations and Individuals	\$ <u>60,222.45</u>
Salaries and Wages	<u>51,025.77</u>
Employee Benefits	<u>2,750.00</u>
Payroll Taxes	<u>5,040.98</u>
Fees for Services (non-employee)	<u>101,605.84</u>
Advertising and Promotion	_____
Office Expenses	<u>2,515.85</u>
Leases/Rentals	_____
Maintenance and Repairs	_____
Supplies	_____
Travel	_____

Utilities	_____	
Insurance	<u>363.00</u>	
Conferences, Conventions and Meetings	<u>3,750.31</u>	
Interest	_____	
Purchase of Capital Assets – Vehicles and Equipment	_____	
Purchase of capital Assets – Property and Buildings	_____	
Loan Payments	_____	
Other (Programs, bank fees, taxes/licenses, & depreciation)	<u>15,666.92</u>	
Total Disbursements		\$ <u>242,941.12</u> (B)
Cash Receipts Less Disbursements for the fiscal Year (A-B=C)		\$ <u>(37,082.03)</u> (C)
Cash Balance - at the beginning of the fiscal year		\$ <u>260,029.94</u> (D)
Cash Balance - at the end of the fiscal year (C+D=E)		\$ <u>222,947.91</u> (E)
Details of Cash Balance - at the end of the fiscal year		
Cash on Hand	\$ _____	
Cash in Bank – Checking	<u>222,947.91</u>	
Cash in Bank – Savings Accounts	_____	
Cash in Bank – Certificates of Deposits	_____	
Other Cash	_____	
Total Cash - at the end of the fiscal year		\$ <u>222,947.91</u> (E)

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

Funding supports regional educational efforts and programs like the Transit Citizen Leadership Academy—a popular and well-respected six-week leadership course on transit.

I certify that this report accurately presents the cash receipts, disbursements, and balances of the Transit Alliance of Middle Tennessee for the fiscal year noted above.
Name of Nonprofit Organization

Person Preparing Report Jessica Dauphin _____
Printed Name Signature

Phone Number (615) 743-3051 Email Address Jessica.dauphin@thetransitalliance.org Date 03/08/19



Transit Alliance Proposed 2019 Budget

Wages/Benefits	\$	58,000.00
Parking		
Employee	\$	3,000.00
Validations	\$	450.00
Supplies	\$	1,650.00
Printing	\$	1,650.00
Postage	\$	250.00
Meals/Entertainment	\$	2,000.00
Conferences	\$	3,750.00
Professional Fees	\$	101,500.00
TCLA	\$	30,000.00
In Area Expenses	\$	750.00
Database Tools/Subscriptions	\$	1,200.00
Miscellaneous	\$	<u>2,000.00</u>
TOTAL	\$	206,200.00

TRANSIT ALLIANCE

OF MIDDLE TENNESSEE

Transit Alliance Projected Revenue 2019

Private Sector--*examples below* \$ 115,000.00

Market Street Enterprises
Bank of Tennessee
Belmont University
Bradley Arant Boult Cummings
Core Civic
Drees Homes
Fifth Third Bank
Greater Nashville Realtors
HDR
Ingram Industries, Inc.
Kimley Horn and Associates
Lifepoint Health
Memorial Foundation
Pinnacle Financial Partners
Ragan Smith
Regions Bank
Renasant Bank
Rogers Group
Tennessee Bank & Trust
Tennessee Titans Foundation
Wilson Bank & Trust
WSP

Public Sector--*examples below* \$ 40,000.00

Rutherford County
City of Murfreesboro
Williamson County
City of Franklin
City of Clarksville
Wilson County
City of Lebanon

Contracts \$ 50,000.00

Individuals \$ 1,200.00

TOTAL \$ 206,200.00

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

DEPARTMENT OF THE TREASURY

Date: **MAY 23 2011**

TRANSIT ALLIANCE OF MIDDLE
TENNESSEE INC
511 UNION STREET STE 1850
NASHVILLE, TN 37219

Employer Identification Number:
27-1568117
DLN:
401033060
Contact Person:
JACOB A MCDONALD ID# 31649
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
November 2, 2009
Contribution Deductibility:
Yes
Addendum Applies:
No

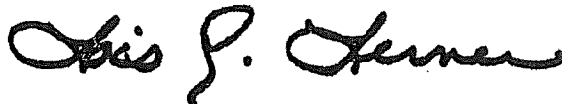
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)



March 12, 2019

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

Received
MAR 15 11
Finance

Dear Ms. Tallent,

Enclosed please find Waves' request for funding for FY 19-20 in the amount of \$22,913.

Thank you for the long-standing partnership that we have from the City of Franklin.

Sincerely,

Lance Jordan
Executive Director

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed): Waves serves children from 0-3 years of age who are experiencing delays in development; adults 21 years old and above with intellectual and developmental disabilities. The only other similar service is the Tennessee Vocational Training Center which provides services to individuals with a wide range

of disabilities. A private organization, Brightstone, provides day services to a limited number of adults with intellectual disabilities who are able to pay a monthly tuition.

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources. Waves has hosted an annual fundraising breakfast as well as a Dueling Pianos fundraiser for several years. Waves also added another fundraising event in the summer of 2017. Through these events, we request sponsorship of local businesses and contributions or ticket sales from the community.

We also participate in Belk Charity Sale events, The Big Payback, and an end of year mailing campaign to solicit donations. Waves has also achieved a 100% giving board of directors for the past five years.

List any equipment owned by this organization funded, in whole or in part, by Williamson County. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary). Waves leases our two day program centers from Williamson County at a discounted rate. One facility is located at 2714 Fairview Blvd. in Fairview and the other is located at 1405B Brookwood Ave. in Franklin. Copies of the two lease agreements are attached. These locations are used for our center-based adult day services where adults with disabilities come to receive support in the acquisition, retention, or improvement in daily living, social, communication, self-help, and other adaptive skills.

**Non-Profit Organizattion Request for
City of Franklin Funds**

Organization: WAVES INC.

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

EXPENDITURES	Actual 2017-18	Expended 2018-19	Requested 2019-20
Employee Salaries	\$2,263,766.00	\$1,559,637.00	\$2,446,082.00
Employee Benefits	\$116,800.00	\$88,745.00	\$126,206.67
Payroll Taxes	\$300,945.00	\$168,514.00	\$325,182.08
Service Fees	\$77,105.00	\$39,178.00	\$94,650.36
Office Expenses	\$70,306.00	\$51,425.00	\$92,990.10
Information Technology	\$80,308.00	\$34,841.00	\$77,019.18
Occupancy	\$183,135.00	\$117,447.00	\$200,365.20
Travel & Entertainment	\$149,437.00	\$78,577.00	\$160,180.02
Interest	\$3,672.00	\$1,346.00	\$2,276.00
Depreciation & Amortization	\$57,897.00	\$22,353.00	\$50,292.38
Insurance			
All other expenses	\$1,439.00		
TOTAL BUDGET	\$3,304,810	\$2,162,063	\$3,575,244
Revenues: (include any Fund Raising events)	2017-18	Recived in 2018-19	2019-20
City of Franklin	\$22,913	\$5,000	\$22,913
United Way	\$86,000.00	\$46,666.67	\$88,000.00
Other Government Grants	\$45,464	\$28,551	\$45,464
All Other Contributions	\$216,519.00	\$34,876.00	\$164,992.00
2. Program Services	\$2,705,584.00	\$1,887,644.00	\$3,112,101.00
Investment Income (Dividends & Interest)	\$159.00		
Special Events	\$61,658.00	\$60,430.00	\$115,990.60
All other revenue	\$19,177.00	\$14,385.00	\$24,660.00
Total Revenues:	\$3,157,474	\$2,077,553	\$3,574,121

Agency Salary Data

(MUST include Agency Director/President, CEO, COO, CFO [all executives and upper management]
plus Williamson County-specific staff only)

NOTE: All salary information will remain confidential

Agency Name: **Waves, Inc.**

Program:

(Salaries only - do not include benefits)

Title or Position	PT or FT	(Current) TOTAL Salary 2018 or '18/'19	(Projected) TOTAL Salary 2019 or '19/'20
Executive Director	FT	\$76,442.43	\$75,000.12
Adult Services Director	FT	\$56,983.42	\$54,000.18
Business Manager	FT	\$52,000.00	\$52,000.00
Early Learning Program Manager	FT	\$48,860.00	\$47,840.00
Human Resources Manager	FT	\$49,172.87	\$50,000.08
Development & Community Relations Manager	FT	\$41,999.95	\$42,000.14
Program Managers + QA (5 positions)	FT	\$174,000.00	\$180,000.60
Accountant	FT	\$35,750.10	\$36,500.10
Consultant	PT	\$4,399.00	\$4,399.00
Human Resources Assistant	FT	\$31,200.00	\$31,200.00
Early Interventionists (5 positions)	FT	\$160,624.75	\$178,880.00
Early Interventionists (2 positions)	PT	\$31,894.67	\$51,272.00
Support Coordinators (3 positions)	FT	\$66,959.01	\$87,360.00

Recycling Drivers (2 positions)	FT	\$60,892.02	\$56,160.00
Material Handlers (2 positions, adding 1 position in January)	PT	\$26,082.35	\$33,402.00
House Managers and Day Supervisors (9 positions)	FT	\$249,500.51	\$239,440.24
Direct Support Professionals and Coaches (41 positions)	FT	\$811,651.38	\$852,800.00
Route Drivers (3 positions)	PT	\$15,860.00	\$15,860.00
Case Managers ECF and Franklin Day and Semi-Independent (6 positions)	FT	\$92,560.00	\$92,560.00
DSPs PT and PT subs (16 positions)	PT	\$241,913.32	\$265,408.00
		\$2,328,745.78	\$2,446,082.46

ADDENDUM D
EXTENSION TO THE LEASE AGREEMENT BETWEEN WILLIAMSON
COUNTY, TENNESSEE AND WAVES INCORPORATED

THIS ADDENDUM is made by and between WILLIAMSON COUNTY, TENNESSEE ("Owner"), a county governmental entity of the State of Tennessee, and WAVES INCORPORATED, a nonprofit entity ("Tenant"), and is executed as evidenced by the undersigned and made a part of the original Lease Agreement, executed. In the event of any conflict between this Addendum and the original Lease Agreement, exhibits, or any other previously executed addenda, this Addendum shall control.

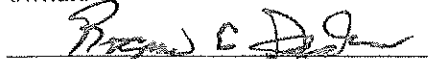
- WHEREAS,** Tenant is currently leasing Office B ("Leased Premises") in a Williamson County owned building located at 1405 Brackwood Avenue, Franklin, Tennessee ("Facility"); and
- WHEREAS,** the original Lease Agreement provides that the original Lease Agreement may be extended for one (1) year terms upon written agreement; and
- WHEREAS,** the parties have agreed to extend the original Lease Agreement for the same rental rate as defined in the original Lease Agreement; and
- WHEREAS,** the parties agree to continue to be bound by all the remaining provisions of the original Lease Agreement that do not conflict with this Addendum.

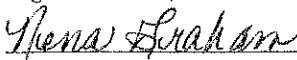
NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

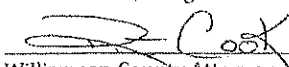
1. By execution of this Addendum the parties agree to extend the original Lease Agreement for an additional one (1) year term to continue in time without a break in the term. The term of the original Lease Agreement shall continue without a break on and through the 1st day of July, 2018, and end on 11:59 pm on 30th day of June, 2019 unless otherwise terminated as provided in the original Lease Agreement. The original Lease Agreement may not be extended for any additional terms. The original Lease Agreement including all extensions shall not extend beyond June 30, 2019.
2. No animals are permitted in the Facility except for service animals that are specifically trained to perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability.
3. Tenant shall maintain the Leased Premises in full compliance with all applicable federal, state or municipal laws, ordinances, rules, and regulations currently in existence or hereafter enacted or rendered governing accessibility for the disabled or handicapped, including, but not limited to, any applicable provisions of The Americans With Disabilities Act, and all regulations and guidelines promulgated under any all of the foregoing, as the same may be amended from time to time.
4. This Addendum shall not affect the remaining provisions of the original Lease Agreement and all provisions which do not conflict with this Addendum shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized representatives on this the 12 day of June, 2018.

OWNER:

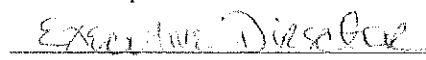

Rogers Anderson, Williamson County Mayor


Nena Graham, Budget Director


Williamson County Attorney

TENANT:


Waves Incorporated


Title

ADDENDUM D
EXTENSION TO THE LEASE AGREEMENT BETWEEN WILLIAMSON
COUNTY AND WAVES INCORPORATED

THIS ADDENDUM is made by and between WILLIAMSON COUNTY, TENNESSEE ("Owner"), a county governmental entity of the State of Tennessee, and WAVES INCORPORATED, a nonprofit organization ("Tenant"), and is executed as evidenced by the undersigned and made a part of the original Lease Agreement, executed. In the event of any conflict between this Addendum and the original Lease Agreement, exhibits, or any other previously executed addenda, this Addendum shall control.

- WHEREAS,** Tenant is currently leasing Suite 213 ("Leased Premises") in a Williamson County owned building located at 2714 Fairview Boulevard, Fairview, Tennessee ("Facility"); and
- WHEREAS,** the original Lease Agreement provides that the original Lease Agreement may be extended for one (1) year term upon written agreement; and
- WHEREAS,** the parties have agreed to extend the original Lease Agreement for the same rental rate as defined in the original Lease Agreement; and
- WHEREAS,** the parties agree to continue to be bound by all the remaining provisions of the original Lease Agreement that do not conflict with this Addendum.

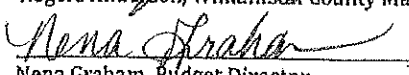
NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

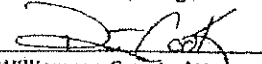
1. By execution of this Addendum the parties agree to extend the original Lease Agreement for an additional one (1) year term to continue in time without a break in the term. The term of the original Lease Agreement shall continue without a break on and through the 1st day of July, 2018, and end at 11:59 pm on the 30th day of June, 2019 unless otherwise terminated as provided in the original Lease Agreement. The parties have exhausted the ability to extend the original Lease Agreement. In no event shall the original Lease Agreement exceed five (5) years. The original Lease Agreement including all extensions shall not extend beyond June 30, 2019.
2. No animals are permitted in the Facility except for service animals that are specifically trained to perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability.
3. Tenant shall maintain the Leased Premises in full compliance with all applicable federal, state or municipal laws, ordinances, rules, and regulations currently in existence or hereafter enacted or rendered governing accessibility for the disabled or handicapped, including, but not limited to, any applicable provisions of The Americans With Disabilities Act, and all regulations and guidelines promulgated under any all of the foregoing, as the same may be amended from time to time.
4. This Addendum shall not affect the remaining provisions of the original Lease Agreement and all provisions which do not conflict with this Addendum shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized representatives on this the ____ day of _____, 2018.

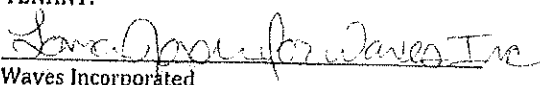
OWNER:


 Rogers Anderson, Williamson County Mayor *if*


 Nena Graham, Budget Director


 Williamson County Attorney

TENANT:


 Waves Incorporated


 Executive Director
 Title

City of Franklin
APPLICATION ADDENDUM

For the funding year July 1, 2019 through June 30, 2020

Name of Agency: **Waves, Inc.**

Date: March 12, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-2020.

The funds will be used to support the operation of one component of Waves, the Franklin Adult Day Program. This program for adults with intellectual and developmental disabilities has been operating in Williamson County for 46 years. The program is housed in space located at 1405B Brookwood Avenue and is leased from Williamson County government.

The cost for operating this program unit is \$465,867. The requested funding from the City of Franklin is 4.9% of the direct cost. The City's investment is met with funding from the state Department of Intellectual and Developmental Disabilities; United Way of Williamson County; Williamson County Government; private pay fees; and contributions.

Funding is also received from the TennCare Choices Waiver which is managed through MCO's, Amerigroup, United Health Care and Blue Care Network.

Funding received from the City of Franklin will continue Waves efforts to provide meaningful daily activities for 30 adults that will empower them to progress toward their potential. Such support allows them to participate in, and contribute to, family and community life. Having a safe place for their family member to receive care, training, and socialization allows their family members to work.

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

Waves has interaction with the following City of Franklin departments:

- Fire Marshal's office for annual building inspections
- Codes Administration for any changes in facilities
- City Parks for recreation activities as well as volunteer work
- Member- Live Green Business Partnership
- Solid Waste Department for collection of trash in four residences managed by Waves
- Use of the Community Room at the Police Department

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

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

The primary services provided by the Franklin Adult Day Services Program are meaningful daily activities and participation in community life; vocational training; recreation therapy; advocacy; social services; transportation; monitoring of health conditions such as diabetes, high blood pressure and seizures; public education about intellectual and developmental disabilities; and referral and information services.

Waves Franklin Adult Day Program provided training and therapeutic recreation activities to 29 adults with intellectual disabilities ranging from 22 to 76 years in age. 10 of the 29 participants also have physical disabilities which require use of wheelchairs and/or assistive devices.

The objective of the Adult Day Program is to support the acquisition, retention, or improvement in daily living, social, communication, self-help, and other adaptive skills. Most services are provided by a Direct Support Professional to a small group of three to six people and are individualized to the greatest extent possible. Some individuals who have significant physical disabilities require one on one staff support. In addition to the training provided in Waves sites, learning activities take place in community settings, such as a local church or community center. "Life Skills" classes structured on themes related to safety and health, basic academic skills, and life activities such as money handling and using the trolley. Waves' staff coordinate opportunities for physical activities such as walking club and swimming class at the Williamson County Recreation Center and attendance at special events such as Belcourt Theater events and the Williamson County Fair.

Individuals are encouraged to consider community-based employment or are linked to volunteer opportunities. Examples of volunteer opportunities that occur on a regular basis are: packaging lunches for Meals on Wheels; assisting with delivery of meals; cleaning trails at Edwin Warner Park. Other volunteer sites are Bowie Nature Park. Volunteer activities that occur on a periodic basis are assisting with mailings for nonprofit organizations and churches and collecting donations of food or other supplies for other local organizations such as GraceWorks.

One example of employment services is Waves office recycling pick up service. Three men are employed as Materials Processors. They, along with the Driver/Coordinator, picked up recyclable office materials from over 100 business locations in Franklin and Brentwood.

The Adult Day Program is open Monday - Friday from 8:00 AM to 4:00 PM on a year-round basis. Round trip transportation is provided to most participants.

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

Monthly progress reports on annual Individual Support Plans are the central measure of results. Other measures include a quarterly analysis of trends regarding falls, medication variances, and incidents, such as hospitalizations.

We send out satisfaction surveys to our service recipients and their families annually. In our 2018 survey, 91% of the service recipients who returned the surveys felt that their daily life had improved through Waves' services.

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

The agency receives an annual program evaluation by representatives from the Tennessee Division of Intellectual and Developmental Disabilities. The most recent survey score was 44 out of 54. The 2018 Amerigroup Community Care Audit, which included 20 standards, reflected a score of 100% compliance. The United Health and Blue Care also passed at 100%.

Program facilities are licensed by a separate division of the same state department. A copy of the current licenses for the Franklin Adult Service Program is attached.

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

The allocation request of \$22,913 for our Franklin Adult Day Services program is 4.9% of Waves local operating budget.

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

Waves' annual fundraising breakfast was held on March, 5, 2019. Our newest fundraiser, Lip Sync Battle, will be held in the fall. Waves participates in the Big Payback event every year. Waves sends an end-of-year appeal letter in November. Waves also submitted and received grants from the First Tennessee Foundation and the Community Foundation. We also receive grants for vehicles from the Tennessee Department of Transportation.

Waves consistently seeks funding for individuals through the Tennessee Department of Intellectual and Developmental Disabilities and the Department of Education. Funding is also achieved through the TennCare Choices Program and the TennCare Employment and Community First Program.

Funding request are also submitted from Williamson County Government and United Way of Williamson County.

Application for additional funding is made as additional information is received about state, local, or foundation grants that are appropriate for Waves' mission.

6. Do you charge any fees for your services?

Historically, fees were not charged for participation in the Adult Services Program as most individuals desiring services were eligible for sponsorship through the state Medicaid Waiver program, but for the last several years there has been an extremely long state waiting list of individuals needing services through the Medicaid Waiver program. TennCare has expanded the Choices program to provide funding for individuals with intellectual disabilities who need day employment or community services. Services are available for people who can pay privately. Fees for services are \$12 to \$20 per hour based on the amount of support needed.

2018

Financial Statements

WAVES, INC.

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

JUNE 30, 2018

(With Independent Auditor's Report Thereon)

WAVES, INC.
FINANCIAL STATEMENTS
JUNE 30, 2018

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WAVES, INC.
ROSTER OF BOARD OF DIRECTORS
JUNE 30, 2018

Dan Horecka, President

Mike Terrell, Vice President

George Zubulake, Secretary

Tom Stearns, Honorary Board Chair

Ashley Perkins, Immediate Past
President

Robert Blair - Member

Brad Smith, Treasurer

Shauna Billingsley - Member

Frank Duvall - Member

Meagan Pratt - Member

Jared King - Member

M.T. "Tom" Taylor - Member

Jim Gilchrist - Member

Christy Webb - Member

Don Merlo - Member



PATTERSON, HARDEE & BALLENTINE, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Waves, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Waves, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waves, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, certain accounts were adjusted to properly reflect beginning balances. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Tennessee Comptroller of the Treasury, as per the Auditing and Accounting for Local Governmental Units and Other Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 December 19, 2018, on our consideration of Waves, Inc.'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 Waves, Inc.'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 Waves, Inc.'s internal control over financial reporting and compliance.

Patterson Handley & Ballentine

December 19, 2018

WAVES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 316,563	
Cash held on behalf of others	20,439	
Accounts receivable - state agencies	296,870	
Accounts receivable - other	101,494	
Prepaid expenses	32,269	
Total current assets		\$ 767,635

Property and equipment:

Land and Building	412,778	
Vehicles	474,398	
Furniture and equipment	54,834	
Less: accumulated depreciation	(659,450)	
Net property and equipment		282,560

Total Assets		<u>\$ 1,050,195</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 4,437	
Cash held on behalf of others	20,439	
Unearned revenue	10,000	
Other payables	152,685	
Current portion of long-term debt	24,191	
Total current liabilities		\$ 211,752

Long-term debt		<u>58,713</u>
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Total Liabilities		270,465
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Net Assets:

Temporarily restricted	86,968	
Unrestricted	692,762	
Total net assets		<u>779,730</u>

Total Liabilities and Net Assets		<u>\$ 1,050,195</u>
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WAVES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenue:				
Gross special event revenue	\$ 77,918	\$ -	\$ -	\$ 77,918
Less direct costs of special events	(16,261)	-	-	(16,261)
Net special events revenue	61,657	-	-	61,657
Revenues:				
State of Tennessee funding	2,503,758	-	-	2,503,758
Grants	314,282	-	-	314,282
Private pay	25,793	-	-	25,793
TEIS	61,586	-	-	61,586
Room and board	27,119	-	-	27,119
Recycle fees	69,628	-	-	69,628
Contributions	134,551	81,968	-	216,519
In-Kind	26,715	-	-	26,715
Rental income	17,700	-	-	17,700
Interest income	159	-	-	159
Miscellaneous income	19,177	-	-	19,177
Net assets released from restriction	85,000	(85,000)	-	-
Total revenues	3,285,468	(3,032)	-	3,282,436
Total public support and revenue	3,347,125	(3,032)	-	3,344,093
Expenses:				
Program services	2,685,744	-	-	2,685,744
Management and general	555,611	-	-	555,611
Fundraising	63,455	-	-	63,455
Total functional expenses	3,304,810	-	-	3,304,810
Increase in net assets	42,315	(3,032)	-	39,283
Net assets - beginning of year as previously stated	490,958	85,000	-	575,958
Prior Period Adjustment	159,489	5,000	-	164,489
Net Assets - beginning of year as restated	650,447	90,000	-	740,447
Net assets - end of year	\$ 692,762	\$ 86,968	\$ -	\$ 779,730

See accompanying notes to financial statements.

WAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

		Supporting Services		
	Program services	Management and general	Fundraising	Total
Salaries	1,869,877	\$ 347,985	\$ 42,234	\$ 2,260,096
Employee benefits	111,572	8,481	419	120,472
Payroll taxes	261,474	35,361	4,110	300,945
Travel and vehicle expense	142,730	6,653	54	149,437
Supplies	46,196	17,472	6,354	70,022
Professional services	3,665	73,051	389	77,105
Occupancy	144,073	32,040	7,022	183,135
Training	796	643	-	1,439
Informational technology	45,829	31,890	2,589	80,308
Special event	-	-	16,261	16,261
Miscellaneous	-	-	284	284
Interest	2,701	969	-	3,670
Depreciation	56,831	1,066	-	57,897
Total expenses by function	2,685,744	555,611	79,716	3,321,071
Less expenses included with revenues on the statement of activities:				
Direct cost of special events	-	-	(16,261)	(16,261)
Total expenses included in the expense section on the statement of activities	<u>\$ 2,685,744</u>	<u>\$ 555,611</u>	<u>\$ 63,455</u>	<u>\$ 3,304,810</u>

See accompanying notes to financial statements.

WAVES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Cash Flows From Operating Activities:		
Increase in net assets	\$	39,283
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	\$	57,897
Changes in:		
Accounts receivable		88,666
Prepaid expenses		1,997
Accounts payable		(36,234)
Unearned revenue		(1,000)
Other payables		33,158
		<u>144,484</u>
Net cash provided by operating activities		183,767
Cash Flows from Investing Activities:		
Purchases of property and equipment		<u>(23,175)</u>
Net cash used in investing activities		(23,175)
Cash Flows from Financing Activities:		
Payments on installment notes payable		<u>(22,512)</u>
Net cash used in financing activities		(22,512)
Net increase in cash and cash equivalents		138,080
Cash and cash equivalents - beginning of year		<u>178,483</u>
Cash and cash equivalents - end of year	\$	<u><u>316,563</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION:

Interest paid during the year ended June 30, 2018, was \$3,670.

WAVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - Summary of Significant Accounting Policies

Description of Business and Program Services

In these notes, the terms "Organization", "we", "us" or "our" mean Waves, Inc. We are a community organization committed to empowering individuals with intellectual and developmental disabilities to progress toward their full potential. We accomplish this through securing all indicated resources and ensuring their effective use for the individuals we serve. We are further committed to serving as a vehicle for communicating the desires and needs of the persons we serve and to enhance the image of those persons in the community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets not subject to donor-imposed stipulations. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as unrestricted.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations which require the assets to be permanently maintained. Generally, the donors of these assets permit us to use all or part of the income earned and any related investments for general or specific purposes. We had no permanently restricted net assets as of June 30, 2018.

Revenue

We recognize revenue as it is received or promised to us in accordance with generally accepted accounting principles for non-profit organizations.

Revenue Concentration

We receive approximately 75% of our total support and revenue from the Tennessee Department of Finance and Administration - Division of Intellectual Disabilities Services and Bureau of TennCare. In the event of a significant reduction in the level of this support, our programs and activities could be affected.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, we consider all unrestricted cash and investment instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2018, we had no cash equivalents.

Property and Equipment

Property and equipment are stated at cost, or if contributed, at fair market value at the date of the gift. Depreciable assets are being depreciated using the straight-line method over the estimated useful lives of the assets, which range from two to thirty years. Maintenance and repairs are charged to expense as incurred.

WAVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At June 30, 2018, no assets were considered to be impaired.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

We are a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The fair values of assets and liabilities approximate the carrying values due to the short maturities of these instruments and they are all Level 1 in the fair value hierarchy.

The fair values of long-term debt approximate the carrying values, they are estimated based on current rates offered to us, and they are all Level 1 in the fair value hierarchy.

NOTE 2 - Accounts Receivable

We classify accounts receivable into the following categories:

Accounts receivable - state agencies - Amounts represent a request for payment for services rendered under state contracts.

Accounts receivable - other - Amounts represent contracted receivables from various agencies.

Bad debts are recognized using the allowance method based on our evaluation of outstanding accounts. At June 30, 2018, no allowance was considered necessary.

At June 30, 2018, 70% of our accounts receivable were due from state agencies, and 20% was due from the United Way.

WAVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – Other Payables

The following is a summary of other payables at June 30, 2018:

Salaries payable	\$ 70,541
Accrued vacation payable	82,144
	<u>\$ 152,685</u>

NOTE 4 – Temporarily Restricted Net Assets

The following is a summary of temporarily restricted net assets at June 30, 2018:

United Way	\$ 80,000
Hester Scholarship Fund	5,000
Art Supplies	1,968
	<u>\$ 86,968</u>

NOTE 5 – Long-term debt

As of June 30, 2018, installment note payable is as follows:

Note payable to First Tennessee with a maturity of September 21, 2021.	\$ 82,904
Monthly payments of \$2,271 are required based on 60 months amortization with interest at 4.35%.	
Less: current maturities	<u>(24,191)</u>
	<u>\$ 58,713</u>

The following is a list of future maturities:

<u>Year Ending June 30,</u>	
2019	\$ 24,191
2020	25,265
2021	26,386
2022	7,062
	<u>\$ 82,904</u>

NOTE 6 – Leases

We lease various office equipment and real property under lease arrangements classified as operating leases. We have one operating lease for a copier with monthly payments of \$1,050 that expires on November 7, 2019. One lease agreement is for our location in Franklin, Tennessee. We also have a lease agreement for our location in Fairview, Tennessee. The lease agreement for that location is for one dollar a month. We have not recorded any in-kind revenue or expense for the fair market value of this lease due to the amount being undeterminable.

WAVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – Leases (continued)

The following is a schedule of future minimum lease payments under the non-cancellable operating lease (copier) and the lease for our Franklin location as of June 30, 2018:

Year Ending June 30
2019

\$ 51,956

NOTE 7 - Employee Benefit Plan

We have a 401(k) retirement plan through Mutual of America that covers all employees who are regularly scheduled to work 1,000 hours or more per year and have worked for one year. We contribute an amount equal to each participating employee's contribution up to 2% of the employee's compensation for the year. Employees may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The amount contributed by us for the year ended June 30, 2018, was \$3,273.

NOTE 8 - Concentration of Credit Risk

We maintain our cash in bank accounts which, at times, may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk on our cash.

NOTE 9 – Donated Services

The following donated services have been included in revenues and expenses in the financial statements for the year ended June 30, 2018:

Facility rent

\$ 26,715

NOTE 10 - New Pronouncements

In May 2014, FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Update provides guidance about recording contract revenue on an organization's statement of activities. The amendments in this Update are effective for annual periods beginning after December 15, 2018, and for annual periods and interim periods thereafter with early adoption permitted for annual periods beginning after December 15, 2016. We are currently evaluating the impact of adopting this statement.

In February 2016, FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2019, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

In August 2016, FASB issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Update provides guidance about the presentation of financial statements for non-profit organizations. The amendments in this Update are effective for annual periods beginning after December 15, 2017, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

In August 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the Statement of Cash

WAVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – New Pronouncements (continued)

Flows. The amendments will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting this statement.

In November 2016, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the Organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting this guidance on the financial statements.

NOTE 11 - Prior Period Adjustment

A prior period adjustment at the beginning of the fiscal year was made to correct errors in previously reported balances as follows:

Accounts receivable	\$ 190,765
Prepaid expenses	6,266
Fixed assets	(9,014)
Security deposit	(6,265)
Accounts payable	<u>(17,263)</u>
	<u>\$ 164,489</u>

NOTE 12 - Subsequent Events

We have evaluated events subsequent to June 30, 2018. As of December 19, 2018, the date that the financial statements were available to be issued, no other events subsequent to the statement of financial position date are considered necessary to be included in the financial statements for the year ended June 30, 2018.

WAVES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass Through Grantor	Program/Cluster Name	CFDA Number	Contract Number	Passed Thorough to Subrecipients	Expenditures
<u>Federal Awards</u> Pass-through Funding: U.S. Department of Education through the TN Department of Education U.S. Department of Education through the TN Department of Education	Special Education - Grants for Infants and Families	84.181A	UNKNOWN	\$ -	\$ 167,136
	Special Education - Grants for Infants and Families	84.181A	UNKNOWN	-	31,200
Total Program 84.181A				-	\$ 198,336
TOTAL FEDERAL AWARDS				\$ -	\$ 198,336
<u>State Financial Assistance</u> TN Department of Education TN Department of Education	Special Education - Grants for Infants and Families	N/A	UNKNOWN	\$ -	\$ 147,146
	Special Education - Grants for Infants and Families	N/A	UNKNOWN	-	30,386
TOTAL STATE AWARDS				\$ -	\$ 177,532
TOTAL FEDERAL AND STATE AWARDS				\$ -	\$ 375,868

Note 1 - Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards summarized the expenditures of Waves, Inc. under programs of the federal and state government for the year ended June 30, 2018. This schedule is presented using the accrual basis of accounting.

Note 2 - Indirect Cost Rate: Waves, Inc. allocates indirect costs using a method other than the de minimus indirect 10% cost method.

Note 3 - Amounts are reported on the statement of activities as follows:

Grants 314,282
TEIS 61,586
Total 375,868



PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

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

To the Board of Directors of
Waves, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Waves, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waves, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waves, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Waves, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. (2018-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waves, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item (2018-001).

Waves, Inc.'s Response to Findings

Waves, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Waves, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patterson Handley & Bellentine
December 19, 2018

WAVES, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Waves, Inc.
2. One material weakness during the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. See 2018-001.
3. One instance of material noncompliance was disclosed during the audit.

FINDINGS—FINANCIAL STATEMENT AUDIT

2018-001

Criteria:	As a part of financial reporting and controls over financial reporting the Organization should reconcile supporting documentation for DIDD billings to the general ledger on a monthly basis, investigate differences and make adjustments as necessary before sending billings to the State Department.
Condition:	Supporting documentation of daily notes did not agree to the billings sent to the State.
Perspective Information:	The Organization was aware that some supporting documentation was insufficient after review of the FAR audit report.
Cause:	Review of daily notes failed to identify discrepancies between the notes and the billings to the State.
Effect:	We were unable to obtain support for some billings to the State.
Recommendations:	Review and agree daily notes to the billing spreadsheet before sending the billings to the State.
Response:	See Management's Corrective Action Plan



WAVES 2018 MANAGEMENT CORRECTIVE ACTION PLAN

ISSUE	TARGET DATE	PLAN ACTION STEPS	RESPONSIBLE PERSONS	PROGRESS REPORT	DATE
Billing Integrity	11/27/2018	1. Update Billing Policy/Procedure to include required verification of service documentation prior to billing submission.	Sherrie Yokley (Adult Services Director), Krista Martin (Human Resources Director)	Completed (see attached)	
	11/27/2018	2. Provide Service Documentation Check off forms to Program Managers	S. Yokley	Completed 11/27/2018 (see attached)	
	11/27/2018	3. Train Program Managers/ Assistants/Business Department on Updated Billing Procedures	S. Yokley	Completed 11/27/2018	
	11/27/2018	4. Implement new Billing Procedure	Waves Adult Services and Business Department	Completed 11/27/2018	

Respectfully Submitted,

Lance Jordan
Waves Executive Director



Documentation for Billable Services Protocol for Adult Programs

In order to provide the best services for people using our adult CHOICES, Day, Employment, Employment and Community First, Residential, Recycling, and Vocational Rehabilitation programs, Waves bills the corresponding agency for the services delivered to each individual. Each of the services provided must follow the training required through these agencies: Tennessee Department of Intellectual and Developmental Disabilities; TennCare; BlueCare, Amerigroup, United Healthcare; Vocational Rehabilitation; etc.

Billing for services provided requires that the appropriate documentation is written electronically or manually on paper. This documentation includes: attendance records, which specific type of services delivered, what took place during services that were provided, specific records for awake-overnight (AON) employees, required reports for employment, any variable in a person's life that is measurable for charting services (fluid intake, bowel movements, seizures, behaviors, etc.).

Every employee providing direct service supporting individuals in any of Waves Adult Programs should maintain a culture of writing and completing necessary electronic and/or manual (on paper) documentation of these services at the time services are delivered, during the shift. The computer or internet being down (inaccessible) is not an acceptable excuse as hand-written notes are acceptable until they can be transcribed into Waves' electronic system: Therap.

The Quality Assurance Manager will conduct random spot checks in each Waves Adult Program for documentation of billable services. Prior to the Business Department using this documentation for the purposes of processing and submitting bi-weekly billing, Program Managers will review notes and documentation. If any billable documentation for services is found missing, incomplete, or fraudulent, the employees responsible will be subject to disciplinary action according to the severity of the violation. House Managers, Day Program Supervisors, and Case Managers are the first line of reviewing documentation for billable services at each location and/or program. Support Service Coordinators and Program Managers are the second line of reviewing documentation for billable services. Program Managers who sign-off on the billable services are acknowledging that all necessary documentation is completed and has been reviewed. After billing, if it is discovered that there is any incomplete documentation for those billed services, then the Program Manager who signed off will be subject to disciplinary review.

*Monthly Review reports, employment reports, and any other report required by authorities outside the Waves' agency significantly affect the billable services that Waves provides. As such, these reports are required in a timely fashion to comply with Waves' contractual obligations. The responsible employee will be subject to disciplinary review for any reports that are not submitted in a timely fashion.

WAVES, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Financial Statement Findings:

Prior Year Finding Number	Finding Title	Status/ Current Year Finding Number
2017-001	Accounts Receivable Account Not Reconciled	Corrected



N0009101

6266866150615

TENNESSEE DEPARTMENT OF REVENUE

SALES AND USE TAX
CERTIFICATE OF EXEMPTION

WAVES, INC.
ATTN: JOHN HAYS
145 SE PARKWAY STE 100
FRANKLIN TN 37064-3998

RECEIVED
JUN 2 2015

Effective Date: July 1, 2015

Exemption Number: 100172001

Expiration Date: June 30, 2019

125 5TH AVE S
FRANKLIN TN 37064-2627

The Tennessee Department of Revenue has issued a tax-exemption number for the educational, religious, historical, or charitable non-profit organization or institution named above. State law (Tenn. Code Ann. § 67-6-322) gives the Department the authority to allow this organization to make tax-exempt purchases of goods and services that it will use, consume or give away. This authorization for exemption does not extend to sales tax that the organization must collect or pay on its regular sales of goods or taxable services.

This authorization for exemption is limited to sales made directly to the above named organization. This certificate may not be used for sales made to individuals paying with personal checks or personal debit or credit cards, even if the individual is a representative or employee of the above named organization, and he or she will be reimbursed for the purchase. Sellers must refuse to accept the certificate when the sale is made to someone other than the above named organization.

The organization must furnish its suppliers of goods and services with a copy of this certificate. The lower portion of the certificate must be properly completed. The organization must retain the original certificate for copy purposes. The supplier will maintain a file copy as evidence of the exempt sale to the organization. Later purchases made before the expiration date do not require the submission of additional copies.

The organization must notify the Department immediately if it ceases to exist or if its location or mailing address changes.

Richard H. Roberts
Commissioner of Revenue

To Be Completed by the Organization

TO: Supplier's Name _____

Address _____

City _____ State _____ Zip _____

I, Shannon Nehus, as an authorized representative of the organization named above, affirm that the purchases made under this authority will be used and consumed by the organization or will be given away.

Under penalty of perjury, I affirm this to be a true and correct statement.

Print Name of Organization WAVES INC

Print Name of Purchaser _____

Signature of Purchaser _____

Date _____



WILLIAMSON COUNTY GOVERNMENT

February 27, 2019

VIA US MAIL

Ms. Kristine Tallent, Finance Administrator
City of Franklin
103 3rd Avenue South
Franklin, TN 37064

Re: Animal Control Fee – Fiscal Year 2019-2020

Dear Ms. Tallent:

As you may recall, the City of Franklin and Williamson County executed an interlocal agreement for the provision of animal control services. The agreement automatically renews for an additional year unless either party provides 90 days' notice to the other party. In addition, the agreement provides that Williamson County shall recalculate the fee each year based on the costs for the operation portion of the current total fiscal year animal control budget and provide the new fee prior to March 1 of the current year. The recalculation cannot exceed an increase of five percent (5%) from the previous year fee except in years in which a special census was completed.

Based on my calculations, the City of Franklin's contribution for fiscal year 2019-20 is **\$118,674.00**. Please sign this letter acknowledging your receipt and return it to my attention. You may e-mail it to Nena.Graham@williamsoncounty-tn.gov. The payment for animal control services is due any time between July 1, 2019 and June 30, 2020.

If you have any questions, please call me at 615-790-5703.

Sincerely,

Nena Graham
Finance Director

Received: Kristine Tallent (signature)

Printed name: Kristine Tallent

Title: Asst City Adm / CFO

Date: 3/1/19



WILLIAMSON COUNTY
ANIMAL CONTROL - SHARED COSTS WITH CITIES

	Population Totals	Population %	Contribution By Population Total Budget	Current Contribution from Cities
Franklin	70,908	31.5280%	\$ 474,698	\$ 110,354
Williamson County	45,847	20.3851%	\$ 306,925	
Brentwood	43,889	19.5145%	\$ 293,818	\$ 62,876
Spring Hill	40,436	17.9791%	\$ 270,701	\$ 56,852
Fairview	8,002	3.5579%	\$ 53,570	\$ 12,453
Nolensville	11,097	4.9341%	\$ 74,290	\$ 12,351
Thompson's Station	4,726	2.1013%	\$ 31,638	\$ 7,355
	224,905	100.0000%	\$ 1,505,640	\$ 262,241

FY 2018-19 Animal Control Budget

Salaries	\$1,026,497.00	excludes longevity of \$2,700.
Operating	\$479,143.00	
	\$1,505,640.00	

Most All cities have had a special census, those figures were used for this year's contribution.

The operating portion of the budget is approximately 25 % of the total budget.
 Per our agreement, Cities would contribute 25% of the total budget allocated by the percentage of population from the last federal census or special census. The increases would be automatic based on the county budget guidelines.
 For Fiscal year 2018-19, Employees received a 2% pay increase. Based on the agreement, Cities contribution can not exceed 5% in a year unless based on a change in population.
 Based on population changes again this year, the 2019-2020 budgeted figures will exceed the 5% contribution from the previous year. Please use the second column for your cities' budgeted contribution for the 2019-2020 fiscal year.

	Contribution By Population Total Budget	25% of total budget	Current Contribution from Cities	Current Contr. "+5% 2019-20
Franklin	\$ 474,698	\$ 118,674	\$ 110,354	\$ 115,872
Williamson County	\$ 306,925		\$ -	\$ -
Brentwood	\$ 293,818	\$ 73,454	\$ 62,876	\$ 66,020
Spring Hill	\$ 270,701	\$ 67,675	\$ 56,852	\$ 59,695
Fairview	\$ 53,570	\$ 13,392	\$ 12,453	\$ 13,076
Nolensville	\$ 74,290	\$ 18,572	\$ 12,351	\$ 12,969
Thompson's Station	\$ 31,638	\$ 7,910	\$ 7,355	\$ 7,723
Total	\$ 1,505,640	\$ 299,679	\$ 262,241	\$ 275,353

**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-2020 FISCAL YEAR**

ORGANIZATION NAME: Williamson County Health Department
PHONE: (615) 794-1542

CONTACT PERSON & TITLE: Cathy Montgomery, County Health Director
MAILING ADDRESS: 1324 W. Main Street, Franklin, TN 37064
FEDERAL IDENTIFICATION #: 62—6001445
EMAIL ADDRESS: Catherine.montgomery@tn.gov

NUMBER OF ACTIVE PARTICIPANTS IN ORGANIZATION: 43

Does this organization charge fees to participate?

Yes, fees for primary care services are based on family size and income using the Tennessee Department of Health's Sliding Fee Scale (see attached). While there is no charge for children accessing dental services, there is a \$5.00 minimum administration fee for adults.

Please provide the approximate number of clients served by your program on a yearly basis.
16,376 clients were served from January 1 – December 31, 2018

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County citizens, and an estimate of how many are Williamson County citizens.

In 2018, the health department provided a total of 19,598 services – compared to 21,347 services in 2017 – for 12,073 clients in Williamson County (see attachment).

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities.

Mercy Community Healthcare is a federally-qualified health centers that provides primary care for adults and children who are uninsured, underinsured, or on TennCare, the state's Medicaid equivalent. In addition, Mercy offers behavioral health services.

While the health department (HD) provides primary care, the HD also offers extensive family planning services, WIC (Women, Infant & Children), dental services, vital records, and environmental health services. Programs not offered by other agencies – Children's Special Services; Helping Us Grow Successfully (HUGS); car seats; and health education – are also available to city and county residents.

Both Mercy Community Healthcare and the Williamson County Health Department work collaboratively to refer patients to each other when services are not readily available in our clinics. The partnership also includes community outreach and support – including a health fair at St. Phillips Catholic Church – and sharing resource opportunities.

Non-Profit Organization Request for City of Franklin – Page Two
Organization: Williamson County Health Department

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.
The Department of Health is not permitted to solicit funds from private donors.

REVENUES	ACTUAL 2018-2019	REQUESTED 2019-2020
Williamson County Government	\$478,579*	\$505,259
City of Franklin Government	\$21,150	\$21,150
City of Brentwood Government	\$15,000	\$15,000
TOTAL	\$441,814	\$503,853

*Includes salaries for 6 FTEs & 1 PTE.

EXPENDITURES	ACTUAL 2017-2018	PROJECTED EXPENDED 2018-2019
Williamson County Government	\$374,338.60*	\$266,690**
City of Franklin Government	\$21,150	\$21,150
City of Brentwood Government	\$15,000	\$15,000
TOTAL	\$417,012	\$302,840

*Approximately \$76,938.92 of unexpended dollars are allocated to salary line items.

**Expended as of 2/21/2019.

PERSONNEL	ACTUAL 2017-2018	PROJECTED EXPENDED 2018-2019	REQUESTED 2019-2020
City of Franklin Government	\$21,150	\$21,150	\$21,150*
TOTAL	\$21,150	\$21,150	\$21,150

*Funds received by the City of Franklin supplement the county health director’s salary and support outreach activities in Williamson County.

List any equipment owned by this organization funded, in whole or in part, by the City of Franklin. Please indicate what it is used for, how it is maintained, and where it is stored.
The organization does not use or own any equipment purchased by the City of Franklin.

City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2017 through June 30, 2018

Name of Agency: Williamson County Health Department

Date: February 21, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-2020:

Each year, the City of Franklin has subsidized the health department budget by \$21,150 which supplements the county health director's salary (\$19,634) and supports outreach activities (\$1,516) targeting primary prevention of chronic conditions and obesity, tobacco cessation, substance abuse, physical activity, and/or healthy nutrition in Williamson County.

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

Schools

Williamson County Schools

The health department (HD) continues to maintain relationships with the WCS district. In 2018, physicians, nurses, educators and dental teams provided information and data to high schools throughout the county. Presentations provided for schools in Franklin include STD, anti-tobacco and substance abuse.

Tobacco presentations were also provided at St. Matthews Catholic School.

Franklin Special School District

For the past seven (7) years, the health department has partnered with the Franklin Special School District (FSSD) to provide school-based flu vaccinations for students. Health Department nurses, interpreters and care coordinators provided **447 flu vaccinations** in October 2018.

Health educators offer various programs at the elementary, intermediate and middle schools as well as after-school programs affiliated with FSSD. Some programs offered over the past year include:

- Making healthy choices
- Tasty days (fruit & vegetable taste testing)
- Substance abuse presentations
- Field Days
- Physical activity opportunities including obstacle courses, walking clubs and field days
- Garden & cooking clubs

Walk Across Williamson

Both Williamson County and Franklin Special School Districts participate in the planning and implementation of *Walk Across Williamson*. The program is an awareness campaign about the importance of being physically active. Approximately 1,956 students and teachers from FSSD

schools and 1,565 from WC Schools in the city of Franklin logged physical activity minutes during the month of March 2018.

A celebration event to conclude the month-long program included a 5K trail run, 1 mile kid's fun run, and 1 mile walk at Harlinsdale Farm in April 2018 with 1,235 people participating.

Community Partnership & Activities

The Williamson County Health Department continues to collaborate with city and county agencies and community-based organizations to provide education and health services throughout the county including:

- During the months of June and July 2018, the health department completed 708 Certificates of Immunization for new and returning school-aged students. In addition, a total of 341 vaccinations were given to school-aged children ages 5-18 during the same period.
- In a statewide effort to decrease the number of reported Hepatitis A cases for those at high risk, the health department partnered with the WC Jail to provide Hepatitis A vaccinations to inmates and jail employees. Approximately 225 Hepatitis A vaccinations were provided during the month of July.
- Participated in (2) drug take-back events in April 2018 at Walgreens on Murfreesboro Road where **309 pounds** of unused or expired drugs were voluntarily collected.
- Partnered with DUI Court and Juvenile Court to provide Hepatitis C, juuling and STD presentations.
- Hands-on First Aid classes were provided for a Girl Scout Troop at Oak View Elementary School.
- *Friends and Family* CPR classes were provided at the health department, Morning Pointe Assisted Living for community members.
- The health department is engaged in built environment projects throughout the county. During the past year, physical activity circuit stencils were painted on paved walkways at eight (8) schools throughout the county including Pearre Creek and Walnut Grove Elementary Schools.
- The health department partnered with Vanderbilt University Medical Center (VUMC) to conduct a community health needs assessment in Williamson County. Listening sessions, key informant interviews, and surveys were conducted and completed to determine the county's emerging health issues, and which should be prioritized to address.

A Community Health Summit was held on Friday, February 1, 2019 to gather stakeholders, local agency representatives and community members to review data

results, and vote on priorities. Committees will be assembled to identify implementation strategies to address the following priorities:

- Suicide prevention (especially among white males ages 45-54 years)
- Substance use (particularly marijuana use & juuling among middle & high school students)
- Health resources (specifically a centralized location for accessing health-related resources in the community)

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

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

Please see attached PowerPoint with documented services for City of Franklin residents during calendar year 2018.

Below are results of indicators from 2018 compared to results in 2017:

(Numbers are representative of services provided in zip codes 37064, 37067, & 37069)

Program Type	2018 Patient Encounters	2017 Patient Encounters	Percentage (%) Increase or Decrease
AIDS Prevention (testing and/or treatment)	280	262	6% ↑
Birth Certificate / Vital Records	1,193	867	27% ↑
Child Health (includes immunizations, physicals, CSS, & HUGS)	1,937	1,717	11% ↑
Dental	791	755	5% ↑
Family Planning	692	615	11% ↑
Men's Health (includes immunizations)	614	618	1% ↓
STD (testing and/or treatment)	508	409	19% ↑
TB (testing and/or treatment)	494	344	30% ↑
Women's Health (includes immunizations)	1,368	1,401	2% ↓
WIC (includes Nutrition Counseling & Breastfeeding)	2,097	2,118	1% ↓
Other services (includes Voter Registration, TennCare Outreach, & Smoking Cessation Counseling)	2,810	3,077	8% ↓
TOTAL	12,784	12,183	5% ↑

*The health department transitioned to Electronic Medical Records in September 2018. During the transition, patient profiles and appointments were greatly reduced to allow opportunity for nurses and providers to become accustomed to the new system. Health departments across the state – including Williamson – are operating at approximately 50% capacity in primary care which includes family planning, women's health, and men's health. Programs that did not transition to EMR – dental & WIC – are continuing to maintain routine services.

The health department established goals and objectives for 2018 (see Exhibits A and B).

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

Yes. The health department reviews numerous reports provided by state and regional health offices to ensure goals are met and protocols are followed. Reports include, but are not limited to:

- Program services provided monthly (e.g. WIC; women's & men's health; family planning; vital records);
- No-show reports;

- Customer satisfaction results including wait times, referral sources, and overall satisfaction;
- Charges & collections;
- Monthly budget expenditures; and
- Employee satisfaction ratings (annually).

In addition, nursing and fiscal quality improvement (QI) audits are completed bi-annually, and results reviewed by the management team to determine if process improvements are needed.

The health department also stays advised about the health of the general population in Williamson County including adverse trends (e.g. Hepatitis A outbreak). Reports specific to Williamson County are reviewed annually to determine leading causes of morbidity and mortality; leading health risks and behaviors; health rankings; rates (e.g. immunization; teen pregnancies); number of uninsured; population changes; graduation rates; and commuting patterns.

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

Yes, quality improvement audits are completed bi-annually including – but not limited to – review of medical records; facilities review; expired medications and supplies; coding; current licensure and required certifications; safety and security; and mandatory training. In 2018, quality improvement audits were conducted in January and December for both Franklin and Fairview Clinics. There were no significant findings in either clinic.

In addition, a fiscal review was completed in October 2018 by the Tennessee Department of Health's Finance Division. The Franklin Clinic achieved a score of 100% with no findings while the Fairview Clinic achieved 98% with two findings. A corrective action plan was developed to address the findings.

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

Approximately 1% (\$21,150)

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

Not applicable

6. Do you charge any fees for your services?

Yes, fees for primary care services are based on family size and income and, using the 2017 Federal Poverty Guidelines, a sliding fee is determined (see attached). While there is no charge for children accessing dental services, there is a \$5.00 minimum administration fee for adults.

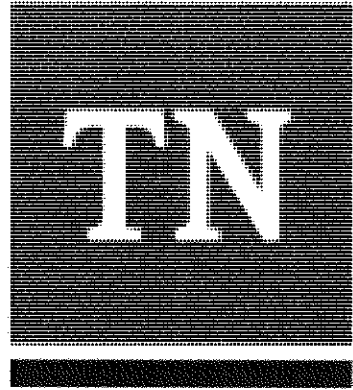
EXHIBITS A and B
STATEMENT OF WORK AND PROGRAM OBJECTIVES
WORK PLAN

2018 Williamson County Health Department Programs & Services: City of Franklin

2018-2019 County Performance Plan

2018-2019 Central Office Audit Report

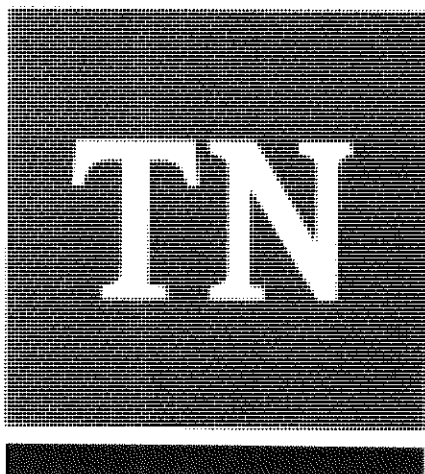
2018-2019 Federal Poverty Guidelines



Department of
Health

Williamson County Health Department Programs & Services

City of Franklin Annual Report
January 1 – December 31, 2018



Franklin Clinic
1324 W. Main Street
Franklin, TN 37064
(615) 794-1542

Fairview Clinic
2629 Fairview Blvd.
Fairview, TN 37062
(615) 799-2389

Overall Health: Williamson County

- Ranked #1 as healthiest county in Tennessee every year since 2010
- Adult smoking rate: 15% (2018)
(less than state rate of 22%)
- Adult obesity decreased from 27% to 24% from 2016 to 2018
- Higher than state rates for excessive drinking
 - 17% (2018)
 - 15% (2017)
 - 13% (2016)
 - 14% (2015)



Tennessee Department of Health

Mission

**Protect, promote,
and improve the
health and
prosperity of
people in
Tennessee**

Vision

A recognized and trusted
leader, partnering and
engaging to accelerate
Tennessee to one of the
nation's ten healthiest
states

Values

Teamwork
Integrity
Mutual Respect
Excellence
Compassion
Servant Leadership

Protect...

Communicable disease

- TB, HIV, AIDS, STDs
- Confidential testing, treatment, and contact follow-up

Cancer screening & referral

Environmental Health

- School, restaurant, swimming pool, and hotel & motel inspections
- Rabies control

Immunizations & vaccinations



Promote...



Physical exams

Family planning & birth control

Dental services

Women, Infant & Children (WIC)

Children's Special Services

- Provides durable medical equipment for children with special needs

Health Education

- STD, tobacco & anti-drug presentations
- CPR classes

Improve...

Helping Us Grow Successfully

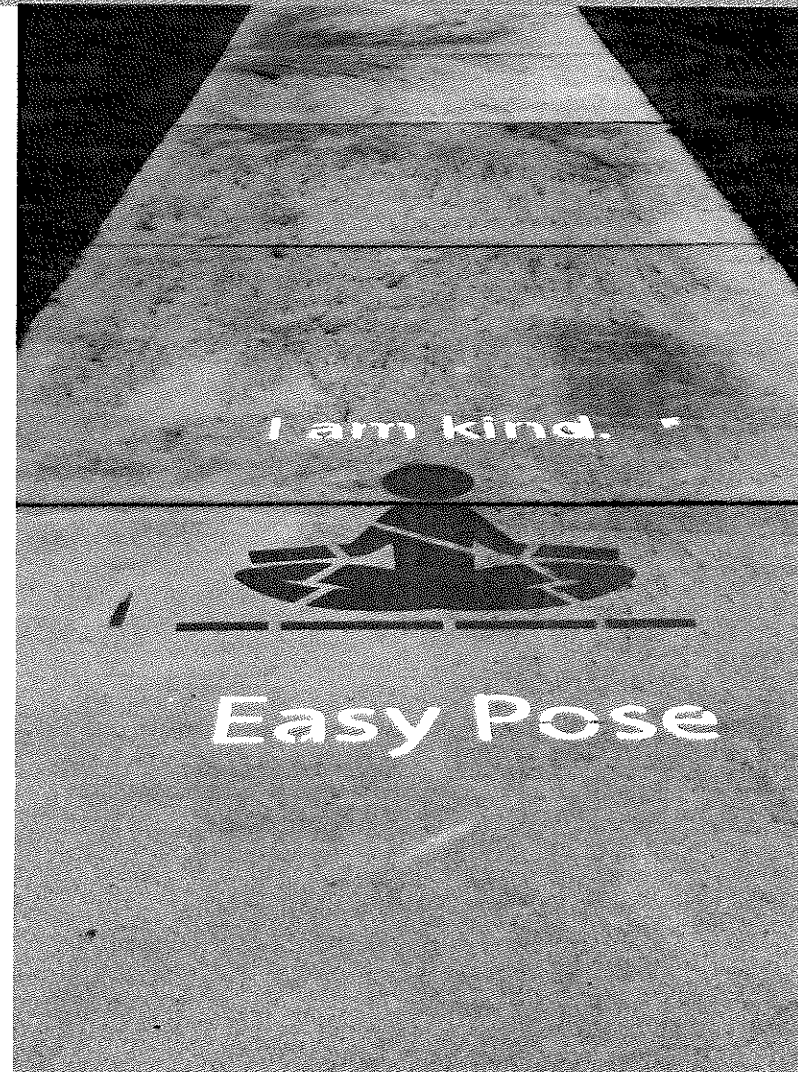
- Home visiting program that promotes healthy stages of development; offers resources for those in need

Carseat Safety Program

- Grant to support FREE carseats for qualifying residents; carseat safety inspection services

Built Environment Projects

Community Health Improvement Planning



Other services



Vital Records

Emergency Preparedness

- Points of Dispensing (PODs)

Community Outreach

- Flu PODs
- Hepatitis A vaccinations in jails

Voter Registration

Presumptive Eligibility

- Assist uninsured pregnant women to access TennCare services for prenatal care

Programs & Services: All Tennessee Residents in 2018

	FRANKLIN CLINIC	FAIRVIEW CLINIC	2018 TOTAL	2017 TOTAL	% CHANGE*
SERVICES PROVIDED IN 2018	22,001	4,455	26,456	27,984	-5%
PATIENTS SERVED IN 2018	13,576	2,800	16,376	17,477	-6%

*The health department transitioned to Electronic Medical Records in September 2018. During the transition, patient profiles and appointments were greatly reduced to allow opportunity for nurses and providers to become accustomed to the new system. Health departments across the state – including Williamson – are operating at approximately 50% capacity in primary care which includes family planning, women’s health, and men’s health. Programs that did not transition to EMR – dental & WIC – are continuing to maintain routine services.

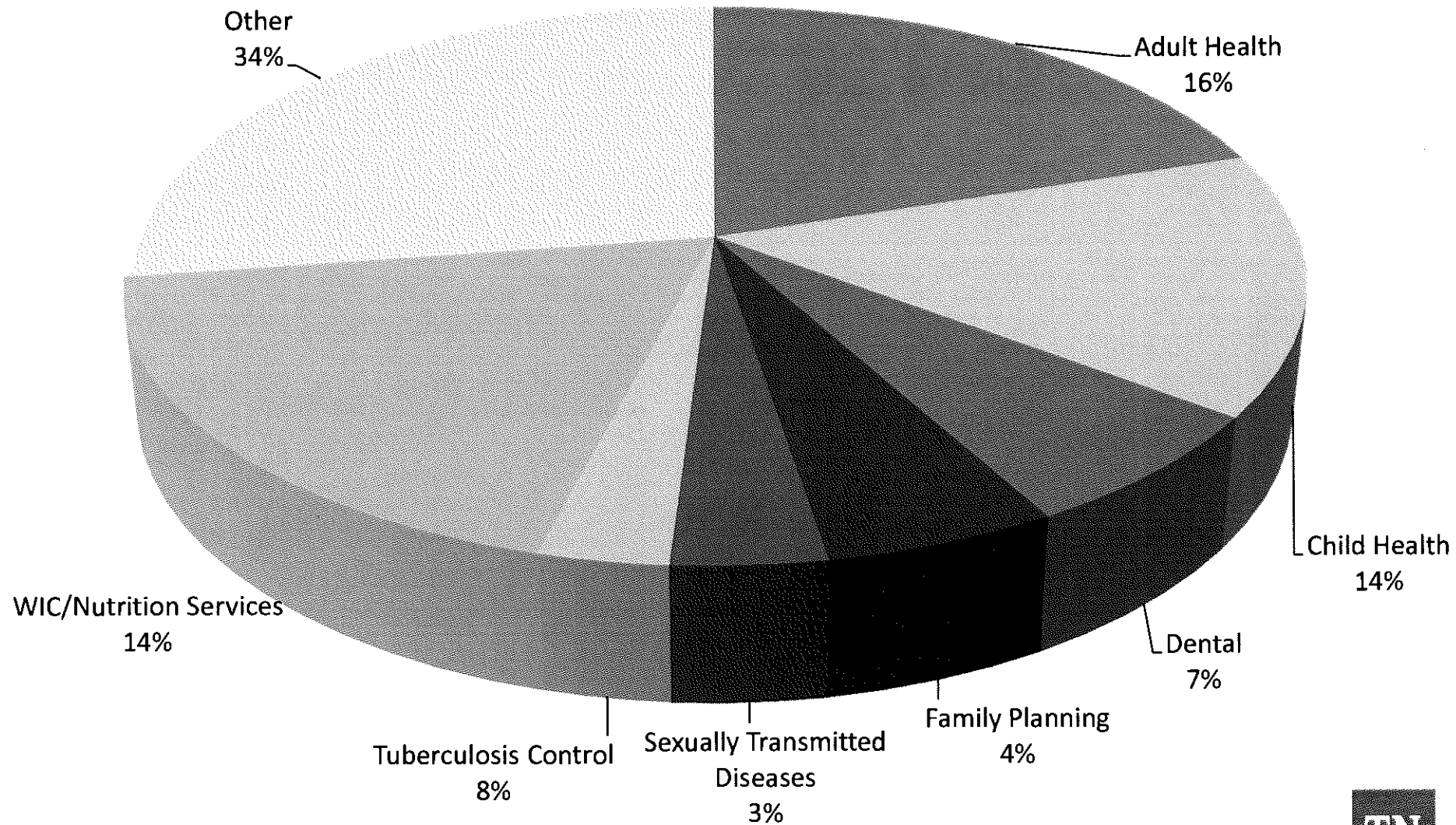
Programs & Services: Williamson County Residents in 2018

PROGRAM SERVICES PROVIDED	PATIENTS SERVED	PATIENT VISITS
Adult Health (includes AIDS Prevention, Men's Health, Women's Health)	2,072	3,019
Child Health (includes Child Health, CSS, HUGS)	2,332	2,958
Dental	693	1,077
Family Planning	495	764
Sexually Transmitted Diseases	566	648
Tuberculosis Control	238	1,448
WIC/Nutrition Services (includes breastfeeding)	1,484	3,092
Other (includes Voter Registration, TennCare Outreach, Birth Certificates, Death Certificates, Smoking Cessation Counseling)	4,193	6,592
Totals (Individuals may receive services from more than one program)	12,073	19,598

Programs & Services: Franklin Residents in 2018

PROGRAM SERVICES PROVIDED	PATIENTS SERVED	PATIENT VISITS
Adult Health (includes AIDS Prevention, Men's Health, Women's Health)	1,215	2,004
Child Health (includes Child Health, CSS, HUGS)	1,353	1,749
Dental	521	826
Family Planning	319	507
Sexually Transmitted Diseases	347	397
Tuberculosis Control	152	921
WIC/Nutrition Services (includes breastfeeding)	794	1,660
Other (includes Voter Registration, TennCare Outreach, Birth Certificates, Death Certificates, Smoking Cessation Counseling)	2,331	4,112
Totals (Individuals may receive services from more than one program)	7,032	12,176

Patient Encounters for Franklin Residents



Franklin area zip codes 37064, 37067 & 37069
January – December 2018



Collaboration and Partnerships



Child Fatality Review

Foster Care Review Board

WC Health Council

WC Anti-Drug Coalition

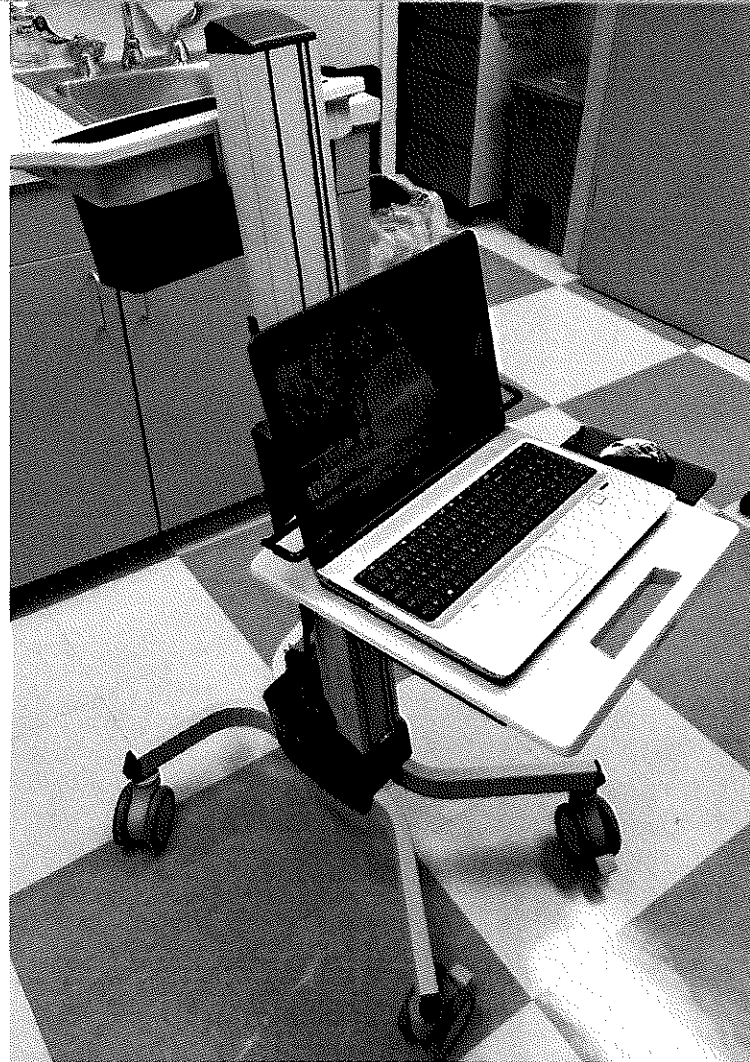
Board of Health

Local School Districts

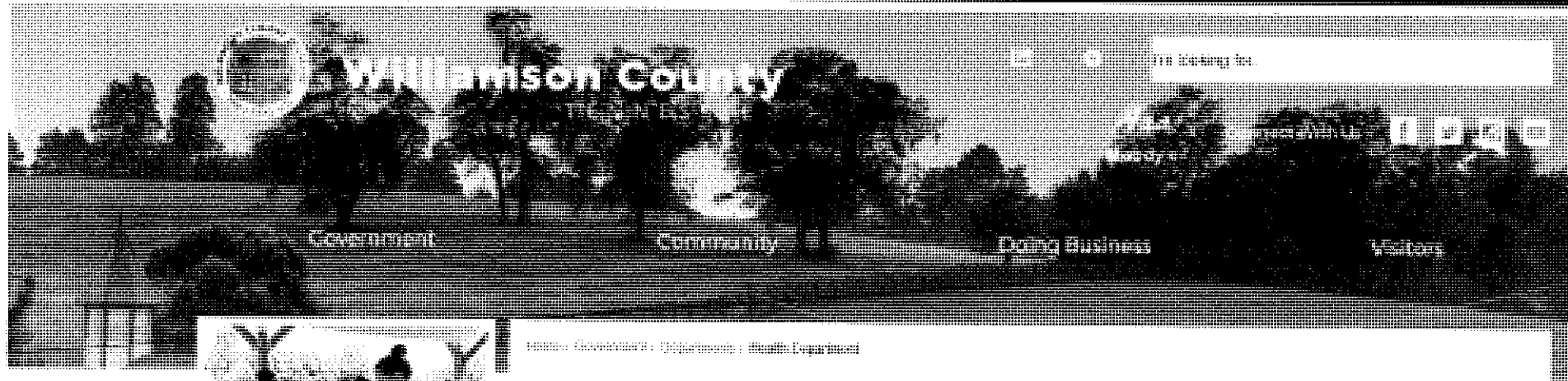
City & County Governments

Health Department Updates

- Electronic submission form created for Certificates of Immunization
- Transition to Electronic Medical Records (September 2018)
- Transition to WIC EBT cards (March 2019)
- Created social media pages



Social Media – Website



Home

Health Education

Staff

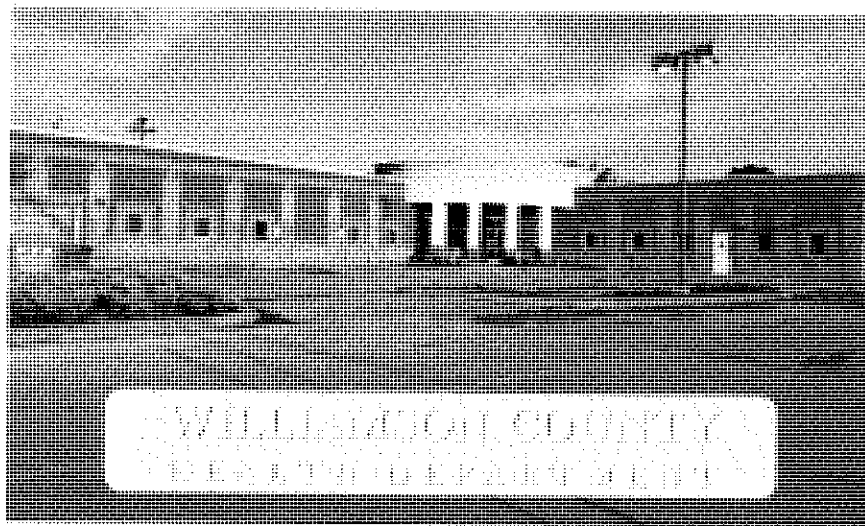
Clinics

Dental Services

Vital Records

Services for Children

Williamson County Health Department



Contact Us

Health Department

Physical Address

1324 W Main Street
Franklin, TN 37064

Phone (615) 794-1542

Fax (615) 790-5967

Hours

Monday - Friday

8:00 am - 4:30 pm

Fairview Clinic

Physical Address

2629 Fairview Boulevard
Fairview, TN 37062

Phone (615) 799-2389

Social Media – Facebook



Williamson County
Health Council

Quality Care. Every Day. Every Where.

Home

Posts

Reviews

Videos

Photos

About

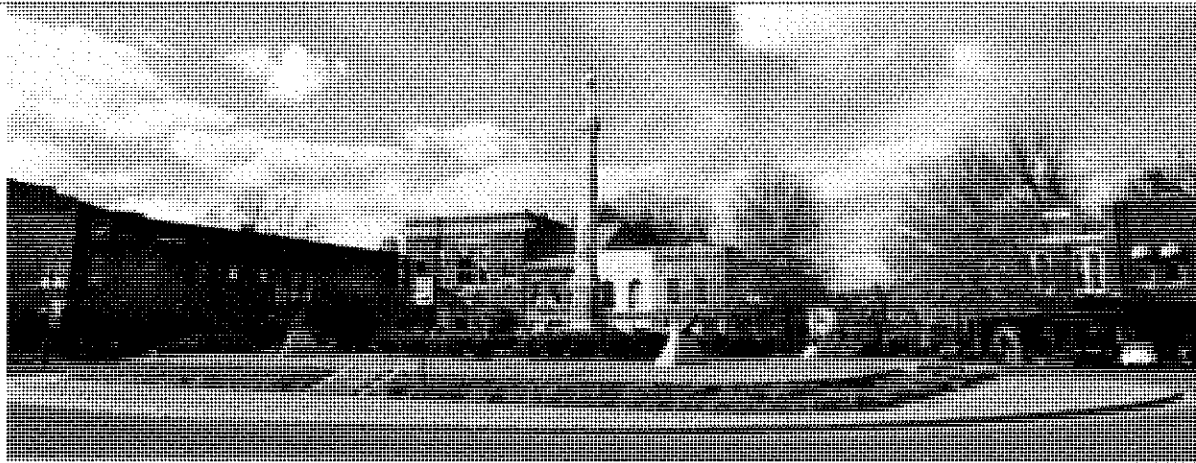
Community

Events

Services

Notes

Create a Page



Like Following Share

Request Time

Message

Status Photo/Video



Posts



Williamson County Health Council

Organization · Franklin, TN · 12,000 likes

Lets SPOTLIGHT some local health care professionals who make a difference! Do you have someone you think should be featured? Send us their information and we'll feature a different professional each week!

This week, we spotlight:

Tiffany Rugless-Thompson, MPH

Disease Intervention Specialist, Williamson County Health Department

Government Organization in Franklin,
Tennessee

Closes in 40 minutes

Community

See All

Invite your friends to like this Page

62 people like this

63 people follow this

1 person has visited

Alex Windings and 3 other friends like this or have visited



About

See All

COUNTY PERFORMANCE & PRIMARY PERFORMANCE PLANS: FY 2018/2019

County: WILLIAMSON – FRANKLIN & FAIRVIEW				<i>Mission: To protect, promote and improve the health and prosperity of people in Tennessee.</i> <i>Vision: A recognized and trusted leader, partnering and engaging to accelerate Tennessee to one of the nation's ten healthiest states.</i>					
Program	FY2018	Annual Goal	Q1	Q2	Q3	Q4	YTD	% Goal Met	Comments
Overall									
Encounters	15,427	13,113	4,284	2,663			6,947	53%	
RVUs	37,324.24	31,725.60	16,420.34					52%	
WIC									
Encounters	2,760	2,346	757	712			1,799	77%	
Family Planning									
Encounters	1,044	887	239	162			465	52%	
Primary Care									
Encounters	3,424	2,910	848	459			1,307	54%	
Dental									
Encounters	1,266	1,294	299	287			707	55%	
EP's and/or Well Child									
Encounters	543	462	151	55			228	49%	
Fluoride Varnish									
Encounters (Goal: 35 per month)	227	200	15	7				13%	

COUNTY PERFORMANCE & PRIMARY PERFORMANCE PLANS: FY 2018/2019

Performance Indicator	Outcome Statement 2	Outcome Measure(s)	Action Steps	Mid-Year Measures	Year-End Measures
IMMUNIZATIONS	By June 30, 2019, increase by 10% the number of HPV vaccines provided for children ages 11-18 in Franklin and Fairview from 7/2018 – 6/2019. (Baseline 2018: 330)	# of children receiving HPV vaccinations	1) Promote and provide HPV, meningococcal & TDAP vaccinations during back-to-school immunizations.	190 HPV vaccinations provided in Franklin and Fairview July 2018 – January 2019	
	By June 30, 2019, increase by 10% the number of meningococcal vaccines provided for children ages 11-18 in Franklin and Fairview from 7/2018 – 6/2019. (Baseline 2018: 287)	# of children receiving meningococcal vaccinations		181 meningococcal vaccinations provided in Franklin and Fairview July 2018 – January 2019	
	By June 30, 2019, increase by 10% the number of TDAP vaccines provided for children ages 11-18 in Franklin and Fairview from 7/2018 – 6/2019. (Baseline 2018: 233)	# of children receiving TDAP vaccinations	2) Coordinate media about HPV & meningococcal vaccines • Develop press releases • Conduct radio interviews • Set up displays in lobby & dispense information	178 TDAP vaccinations provided in Franklin and Fairview July 2018 – January 2019 A display with HPV & meningococcal information was available in the patient waiting area in WIC kitchen during back-to-school immunizations. A press release from Communications about importance of HPV vaccinations was sent to local media outlets. In January 2019, (3) articles about HPV &	

COUNTY PERFORMANCE & PRIMARY PERFORMANCE PLANS: FY 2018/2019

				cervical cancer were posted on Health Council Facebook page.	
			3) Conduct presentations about communicable diseases including STD, Hepatitis a & C and bloodborne pathogens • Local middle and high schools • Juvenile Court • DUI Court	Provided Hepatitis C presentation @ DUI Court October 2018. Provided STD presentations @ Brentwood High School February 2019. Provided presentations on infectious diseases @ Ravenwood High School February 2019.	
	By December 31, 2018, increase by 100 the number of students at schools in Fairview who receive a flu vaccine.(Baseline 2017: 199) By December 31, 2018, increase by 100 the number of students in Franklin Special School District (FSSD) schools who receive a flu vaccine. (Baseline 2017: 440 students)	# of children receiving flu vaccinations # of children receiving flu vaccinations	4) Work w/school health nurses at FSSD and Fairview schools to coordinate school flu vaccinations • Determine student population (# English & Spanish) • Disseminate parent consent forms • Review insurance information to determine vaccine pool (e.g. state; VFC) • Provide vaccinations & 2nd doses (when needed) • Key encounters	COMPLETE. Vaccinations completed @ (4) Fairview schools in October 2018. Vaccinations completed @ (8) FSSD schools in October 2018.	223 vaccines provided at Fairview schools. 447 vaccines provided at FSSD schools.

COUNTY PERFORMANCE & PRIMARY PERFORMANCE PLANS: FY 2018/2019

	By December 31, 2018, implement a flu vaccination Point of Dispensing clinic for the general public		5) Implement a POD dispensing clinic for flu vaccinations. • Create clinic schedule for registration, patient work up & vaccinations • Coordinate volunteers & EMA to assist • Coordinate media to educate the public about the importance of flu vaccines & promote POD flu clinic • Provide vaccinations	COMPLETE. Vaccinations completed @ Franklin Clinic, Franklin Housing & Caspian Hills Apartments December 2018.	88 total vaccinations provided.
Performance Indicator	Outcome Statement 3	Outcome Measure(s)	Action Steps	Mid-Year Measures	
SUBSTANCE USE	By June 30, 2018, decrease by 3% the number of 9 th and 11 th graders reporting using marijuana in the past year. (Baseline SY 2016 – 2017: 18.0%)	% of students surveyed who reported using marijuana in the past year	1) Collaborate with various agencies to provide presentations on substance use and abuse including drugs, alcohol and tobacco (including e-cigarettes). • Middle and high schools • Columbia State Community College • DUI Court • Juvenile Court • MERCY Community Healthcare	Provided JUULing & vaping presentations @ Fairview & Independence High Schools & Thompsons' Station Middle School October 2018. Provided JUULing presentation to parents at Franklin High School in October 2018. Provided JUULing presentation @ Juvenile Court January 2019.	
		# of presentations provided	2) Collaborate with the Williamson County Anti-Drug Coalition on various activities targeting alcohol, drugs and tobacco including but not limited to: •Red Ribbon Week •Kick Butts Week •Prom Promise •Town Hall meetings	Participated in Red Ribbon Week activities @ (7) middle & (5) high schools.	

COUNTY PERFORMANCE & PRIMARY PERFORMANCE PLANS: FY 2018/2019

		# of WC students attending Youth Tobacco Summit	3) Engage local middle and high school students to participate in Youth Tobacco Summit.		
	By June 30, 2019, partner with the Williamson County Anti-Drug Coalition and engage in three (3) activities targeting prevention of alcohol, tobacco or substance use.	# of community members attending local coordinated events	Provide presentations on substance use and abuse including drugs, alcohol and tobacco (including e-cigarettes). •Middle and high schools •Columbia State Community College •DUI Court •Juvenile Court •MERCY Community Healthcare	Provided substance abuse presentations @ Freedom Middle School December 2018	
		Pounds of prescription and non-prescription drugs collected at Drug Take Backs	Participate in local WC Anti-Drug Coalition to reduce the impact of alcohol, tobacco and drug addiction. •Participate in monthly meetings •Share media resources on website and Facebook pages •Participate in bi-annual drug take backs •Distribute lock boxes •Assist in planning & coordinating local events	Participated in drug takebacks in Brentwood and Thompsons Station where 229.85 pounds of unused or expired drugs collected (October 2018)	
		Pounds of prescription and non-prescription drugs collected at permanent drop boxes located in Brentwood, Fairview, Nolensville & Spring Hill			
		# of lock boxes distributed in Williamson County			

COUNTY PERFORMANCE & PRIMARY PERFORMANCE PLANS: FY 2018/2019

Performance Indicator	Outcome Statement 4	Outcome Measure(s)	Action Steps	Mid-Year Measures	
PHYSICAL ACTIVITY	By September 30, 2019, decrease by 2% the percentage of adults 20 and over who reported no leisure time physical activity (Baseline 2018: 21%)* By September 30, 2019, engage in (3) community-wide initiatives to promote physical activity.	% of adults reporting no leisure time physical activity # of children & adults who participate in tracking physical activity minutes throughout the month of March. City of Fairview receives Healthier Tennessee designation	1) Implement <i>Walk Across Williamson</i> activities throughout the month of March 2019 - Organize planning meetings with local agencies - Coordinate activities for Celebration Event - Promote event through social media, posters, & radio interviews	Planning meetings held to coordinate celebration event on Sunday, April 14 th at Harlinsdale Farm in Franklin. Agencies participating in planning include WC & FSSD School Districts, WMC; Franklin Parks; & UT Extension.	
			2) Implement Peaceful Playgrounds and/or Playscapes - Collaborate with local elementary schools to paint walking trails - Develop survey to measure usage - Coordinate & offer educational programs for students - Evaluate usage	<i>Fit & Fun Playscapes</i> stencils painted at (1) middle and (7) elementary schools in Williamson County (October – December 2018)	
			3) Participate in Healthier Tennessee Initiatives to promote physical activity including but not limited to: - Promote free yoga classes being offered - Promote and encourage use of bicycles in Bowie Nature Park - Engaging community members to participate in local walking groups	Participated in (2) planning meetings related to Healthier Tennessee initiatives in Fairview.	
			4) Participate in local Special Olympic events and competitions.		

Fiscal Inspection, Review Monitoring
Fiscal Review

County: Williamson - Franklin Cosite: 941
Region: Mid Cumberland
Date: 10/29/18 Reviewer: Teresa Settles

	% Met
A. Cash Deposit (CD) :	
1. a. Were the cash deposits made in a timely manner?	100%
b. Did the CD, production run and bank receipt all agree?	100%
c. Was the bank receipt the same day or later than production run?	100%
d. Were the required documentation included in the PeopleSoft upload ?	
1. Copy of Cds	100%
2. Receipts from bank	100%
3. Cash Drawer Reports/Production Runs	100%
4. Cash Drawer Reports/Receipt Pages	100%
5. Complete ICL report, if required	100%
e. Was the Naming Conventions Correct?	100%
f. Were CDs used in sequence?	100%
g. If there were any CDs voided, did they follow procedures?	100%
h. Were the batches approved and balanced by separate people?	100%
i. Were the batches processed in a timely manner?	100%
j. No patient's information was uploaded into Edison?	100%
2. Credit Cards:	
a. Were the required documentation uploaded into PeopleSoft?	
1. Cred Sum Reports	100%
b. Were the deposits made in a timely manner?	100%
c. Were the Naming Conventions Correct?	100%
d. Were the batches approved and balanced by separate people?	100%
e. Were the batches processed in a timely manner?	100%
f. No patient's information was uploaded into Edison?	100%
3. Cash and Deposits	
Secure the change funds and obtain a test cash drawer report	
a. Count fund in the presence of the fund custodian or count along as custodian counts the change fund, noting any exceptions.	100%
b. Compare a list of state and county employees to checks, I.O.U.'s; etc. found in the cash counts.	100%
c. Secure a copy of the last C.D. Deposited, verifying the receipts numbers are corresponding.	100%
d. Verify all receipt numbers are corresponding to test drawer report.	100%
e. Does the health dept have and use the counterfeit detector pen?	100%
4. Obtain a copy of the county plan to segregate incompatible duties to the greatest extent possible.	
a. Was the latest plan submitted (to cover new employees and any employee changes) to and approved by the Regional Director?	100%
1) In the plan the duties shall be defined such that the same employee does <u>not</u> perform all of the following on the same transaction.	
a) Initiate and authorize the transaction such as a payment, an adjustment that affects a patient's account balance, a voided encounter.	100%
b) Have custody of any asset(s) involved in the applicable transaction.	100%
b. When proper segregation of duties is not possible due to staff shortages, were compensating controls implemented ?	100%
5. Obtain a copy of the cash fund list. Be sure all employees are listed that have access to cash. Also make sure the list is kept updated.	100%

Fiscal Inspection, Review Monitoring
Fiscal Review

County: **Williamson - Franklin**

Cosite: **941**

Region: **Mid Cumberland**

Date: **10/29/18** Reviewer: **Teresa Settles**

6	Determine by questioning and observing where the cash funds are kept during the day and after hours. (Note in the work papers the locations and comment as to the security of the funds, i.e., are they left unattended at any time?)	% Met
		<u>100%</u>
7.	Investigate any cash overage/shortage and determine, if they are addressed according to policy:	
a.	Are over/shortages recorded on the CDs for the 20 CD sampled ?	<u>NA</u>
b.	Run the Cash/Over Report from iNovah and compare.	<u>NA</u>
c.	Were any change fund shortages reported to the regional accountant?	<u>NA</u>
1	If so, verify with the Regional Accountant that the shortage is maintained on the shortage log, maintained in the regional office.	<u>NA</u>
8.	Through questioning and observation determine whether good stewardship of the change fund is followed:	
a.	Is the change fund amount reconciled with the test cash drawer report daily, and signed or initialed by two people?	<u>100%</u>
b.	Were any differences noted during the reconciliation? If so, were they documented on the cash drawer report, dated, signed, and reported to the Regional Accounting Manager? Reconciliations should be maintained for a minimum of 30 days.	<u>100%</u>
c.	Is the change fund counted and verified by two people, where the change funds is transferred to another cashier?	<u>100%</u>
9.	Review security procedures in use for storing checks for the Check 21 procedure:	
a.	Are processed checks stored in a secure area?	<u>100%</u>
b.	Are processed checks retained at least 30 days and no more than 60 days, prior to destruction?	<u>100%</u>
c.	Are the destruction of checks documented on the check log?	<u>100%</u>
d.	Are the checks in the storage box stamped "For Deposit Only"?	<u>100%</u>
e.	Compare the checks in the box to the check log, do those checks agree with check log?	<u>100%</u>
f.	Does the storage method include the batch number and date ?	<u>100%</u>
B	Cash Receipts	
1.	Prepare a Deposit Reconciliation schedule to reconcile any variances noted in the pre-field work. Specifically;	
a.	Investigate all discrepancies noted in the pre-field work.	<u>NA</u>
b.	Note any drawer corrections or adjustments and ensure there is proper supervisory approval, with signature and date, for adequate audit documentation.	<u>NA</u>
c.	Note any manual receipts used for deposits. If applicable, verify a computer receipt was generated to replace the manual receipt used for the deposit.	<u>NA</u>
d.	Note any hand-adjustments made to the cash drawer, that have an effect on the cash drawer. Make sure the adjustments are necessary, appropriate and agree with the Audit Void Documentation Form.	<u>NA</u>
2.	Review the check logs (for segregation of duties and compare check logs to the deposits, to be sure all checks were logged.)	<u>100%</u>

Fiscal Inspection, Review Monitoring
Fiscal Review

County: Williamson - Franklin Cosite: 941
Region: Mid Cumberland
Date: 10/29/18 Reviewer: Teresa Settles

C. Voids / Audit Documentation	% Met
1. Mark this standard NA if there are no voided receipts indicated on the CDs for 20 CD sample.	NA
2. Review any voided receipts for the period above, to verify that all copies of the voided receipts are accounted for with explanation for voiding and approval by a superior.	NA
3. Obtain a copy from the regional office an adjustment report to compare to the local health department's files. Should be run for 83 (Credit Memos), 93 (Debit Memos), 70 (Payment Corrections), and 72 (Refunds). Did the reports agree?	100%
4. Review debit and credit memos and payment corrections for CDs sample selected. If at a local health department; ensure there is a superior approval on audit documentation with an explanation. If there are adjustments made by the regional office, make a copy and test those when conducting the regional office's review. Do not count then in the sample at the health department.	NA
5. Review any refunds given to patients for the period above:	
a. Were there any patient overcharged or did not receive a prepaid service and the deposit has not been completed and <u>patient is still on the premises</u> ? If so, was the refund done in accordance with policy?	NA
b. Were there any other overpayment dollars refunded? If so, was the refund done in accordance with policy?	NA
D. Manual Receipts	
1. Are Manual Receipts stored in a locked location, when not is use?	100%
2. Review manual receipts to insure that they are properly completed when used.	NA
3. Review the time period of the 20 CDs sample for all manual receipts and confirm the manual and PTBMIS receipts are both filed with to the CD for the time period if the 20 CDs . Reconcile the Manual receipts with PTBMIS generated receipts and both copies are retained when monies are for services posted in PTBMIS. Record the numbers of manual receipts reviewed and indicate the number met and not met.	NA
E. Returned Check	
1. Mark this NA if there are no returned checks since the last fiscal review. Review the documentation to assure collection attempts have been documented.	NA
F. Returning Checks	
1. Were any checks received in the 20 CD sample period, error from a 3rd party payor?	
a. Has a check been received that has been determined that the payment does not belong to the Dept. of Health? If so, was it returned according to policy?	100%
b. Has a check been received that has been determined that the belongs to another region or multiple regions? If so, was it returned according to policy?	100%

Fiscal Inspection, Review Monitoring
Fiscal Review

County: Williamson - Franklin

Cosite: 941

Region: **Mid Cumberland**

Date: 10/29/18 Reviewer: Teresa Settles

G. Accounts Receivable Reviewed in Regional Office	% Met
---	--------------

1. Sample to be drawn from the electronic form "Distribution Entries List" form from the treasury. Pull a sample not to exceed 25 patients. We will not differentiate from private insurance and TennCare. Check to see if the total on the "Distribution Entries List" page agrees with the total/s on the "Summary EFT Payment Received", this shows we have accepted a payment and posted payments to the PTBMIS ledger. (There may be more than one "Summary of EFT Payment received that makes up the total on the Distribution Entries List.)

NA

H. Write-off of uncollectable debts -

1. Ask for an Aged Accounts Receivable (latest one) & Bad Debt Write off Report that has been worked with notations of corrections , write offs...
 - a. Perform a cursory review of the aged trial balance; scan to see if there are any usual balances, credits, or large balances. If anything is unusual or does not make sense, find out their explanation, if it is reasonable proceed. We are looking to make sure the regional office is writing off uncollectible debts as required by policy.
 - b. Review write-off reports in the regional office, to determine if write-offs were written off at least semi annually.

NA

NA

Fiscal Inspection, Review Monitoring **Fiscal Review**

County: **Williamson - Fairview**
Region: **Mid Cumberland**
Date: **10/30/18** Reviewer:

Cosite: **943**

Teresa Settles

	% Met
A. Cash Deposit (CD) :	
1. a. Were the cash deposits made in a timely manner?	100%
b. Did the CD, production run and bank receipt all agree?	100%
c. Was the bank receipt the same day or later than production run?	100%
d. Were the required documentation included in the PeopleSoft upload ?	
1. Copy of Cds	100%
2. Receipts from bank	100%
3. Cash Drawer Reports/Production Runs	90%
4. Cash Drawer Reports/Receipt Pages	90%
5. Complete ICL report, if required	100%
e. Was the Naming Conventions Correct?	100%
f. Were CDs used in sequence?	100%
g. If there were any CDs voided, did they follow procedures?	100%
h. Were the batches approved and balanced by separate people?	100%
i. Were the batches processed in a timely manner?	100%
j. No patient's information was uploaded into Edison?	100%
2. Credit Cards:	
a. Were the required documentation uploaded into PeopleSoft?	
1. Cred Sum Reports	100%
b. Were the deposits made in a timely manner?	100%
c. Were the Naming Conventions Correct?	100%
d. Were the batches approved and balanced by separate people?	100%
e. Were the batches processed in a timely manner?	100%
f. No patient's information was uploaded into Edison?	100%
3. Cash and Deposits	
Secure the change funds and obtain a test cash drawer report	
a. Count fund <u>in the presence</u> of the fund custodian or count along as custodian counts the change fund, noting any exceptions.	100%
b. Compare a list of state and county employees to checks, I.O.U.'s; etc. found in the cash counts.	100%
c. Secure a copy of the last C.D. Deposited, verifying the receipts numbers are corresponding.	100%
d. Verify all receipt numbers are corresponding to test drawer report.	100%
e. Does the health dept have and use the counterfeit detector pen?	100%
4. Obtain a copy of the county plan to segregate incompatible duties to the greatest extent possible.	
a. Was the latest plan submitted (to cover new employees and any employee changes) to and approved by the Regional Director?	100%
1) In the plan the duties shall be defined such that the same employee does <u>not</u> perform all of the following on the same transaction.	
a) Initiate and authorize the transaction such as a payment, an adjustment that affects a patient's account balance, a voided encounter.	100%
b) Have custody of any asset(s) involved in the applicable transaction.	100%
b. When proper segregation of duties is not possible due to staff shortages, were compensating controls implemented ?	100%
5. Obtain a copy of the cash fund list. Be sure all employees are listed that have access to cash. Also make sure the list is kept updated.	100%

Fiscal Inspection, Review Monitoring
Fiscal Review

County: Williamson - Fairview Cosite: 943
Region: Mid Cumberland
Date: 10/30/18 Reviewer: Teresa Settles

6	Determine by questioning and observing where the cash funds are kept during the day and after hours. (Note in the work papers the locations and comment as to the security of the funds, i.e., are they left unattended at any time?)	% Met
		100%
7.	Investigate any cash overage/shortage and determine, if they are addressed according to policy:	
a.	Are over/shortages recorded on the CDs for the 20 CD sampled ?	NA
b.	Run the Cash/Over Report from iNovah and compare.	NA
c.	Were any change fund shortages reported to the regional accountant?	NA
1	If so, verify with the Regional Accountant that the shortage is maintained on the shortage log, maintained in the regional office.	NA
8.	Through questioning and observation determine whether good stewardship of the change fund is followed:	
a.	Is the change fund amount reconciled with the test cash drawer report daily, and signed or initialed by two people?	NA
b.	Were any differences noted during the reconciliation? If so, were they documented on the cash drawer report, dated, signed, and reported to the Regional Accounting Manager? Reconciliations should be maintained for a minimum of 30 days.	NA
c.	Is the change fund counted and verified by two people, where the change funds is transferred to another cashier?	NA
9.	Review security procedures in use for storing checks for the Check 21 procedure.	
a.	Are processed checks stored in a secure area?	100%
b.	Are processed checks retained at least 30 days and no more than 60 days, prior to destruction?	100%
c.	Are the destruction of checks documented on the check log?	100%
d.	Are the checks in the storage box stamped "For Deposit Only"?	71%
e.	Compare the checks in the box to the check log, do those checks agree with check log?	100%
f.	Does the storage method include the batch number and date ?	100%
B	Cash Receipts	
1.	Prepare a Deposit Reconciliation schedule to reconcile any variances noted in the pre-field work. Specifically;	
a.	Investigate all discrepancies noted in the pre-field work.	NA
b.	Note any drawer corrections or adjustments and ensure there is proper supervisory approval, with signature and date, for adequate audit documentation.	NA
c.	Note any manual receipts used for deposits. If applicable, verify a computer receipt was generated to replace the manual receipt used for the deposit.	NA
d.	Note any hand-adjustments made to the cash drawer, that have an effect on the cash drawer. Make sure the adjustments are necessary, appropriate and agree with the Audit Void Documentation Form.	NA
2.	Review the check logs (for segregation of duties and compare check logs to the deposits, to be sure all checks were logged.)	77%

Fiscal Inspection, Review Monitoring
Fiscal Review

County: **Williamson - Fairview**

Cosite: **943**

Region: **Mid Cumberland**

Date: **10/30/18** Reviewer: **Teresa Settles**

C. Voids / Audit Documentation

% Met

1. Mark this standard NA if there are no voided receipts indicated on the CDs for 20 CD sample.

NA
2. Review any voided receipts for the period above, to verify that all copies of the voided receipts are accounted for with explanation for voiding and approval by a superior.

NA
3. Obtain a copy from the regional office an adjustment report to compare to the local health department's files. Should be run for 83 (Credit Memos), 93 (Debit Memos), 70 (Payment Corrections), and 72 (Refunds). Did the reports agree?

100%
4. Review debit and credit memos and payment corrections for CDs sample selected. If at a local health department; ensure there is a superior approval on audit documentation with an explanation. If there are adjustments made by the regional office, make a copy and test those when conducting the regional office's review. Do not count then in the sample at the health department.

100%
5. Review any refunds given to patients for the period above:
 - a. Were there any patient overcharged or did not receive a prepaid service and the deposit has not been completed and patient is still on the premises ? If so, was the refund done in accordance with policy?

NA
 - b. Were there any other overpayment dollars refunded? If so, was the refund done in accordance with policy?

NA

D. Manual Receipts

1. Are Manual Receipts stored in a locked location, when not in use?

100%
2. Review manual receipts to insure that they are properly completed when used.

NA
3. Review the time period of the 20 CDs sample for all manual receipts and confirm the manual and PTBMIS receipts are both filed with to the CD for the time period if the 20 CDs. Reconcile the Manual receipts with PTBMIS generated receipts and both copies are retained when monies are for services posted in PTBMIS. Record the numbers of manual receipts reviewed and indicate the number met and not met.

NA

E. Returned Check

1. Mark this NA if there are no returned checks since the last fiscal review. Review the documentation to assure collection attempts have been documented.

NA

F. Returning Checks

1. Were any checks received in the 20 CD sample period, error from a 3rd party payor?
 - a. Has a check been received that has been determined that the payment does not belong to the Dept. of Health? If so, was it returned according to policy?

NA
 - b. Has a check been received that has been determined that the belongs to another region or multiple regions? If so, was it returned according to policy?

NA

Fiscal Inspection, Review Monitoring
Fiscal Review

Region: **Mid Cumberland****Cosite: 943**

Date: 10/30/18 Reviewer: Teresa Settles

G. Accounts Receivable Reviewed in Regional Office

% Met

1. Sample to be drawn from the electronic form "Distribution Entries List" form from the treasury. Pull a sample not to exceed 25 patients. We will not differentiate from private insurance and TennCare. Check to see if the total on the "Distribution Entries List" page agrees with the total/s on the "Summary EFT Payment Received", this shows we have accepted a payment and posted payments to the PTBMIS ledger. (There may be more than one "Summary of EFT Payment received that makes up the total on the Distribution Entries List.)

NA

H. Write-off of uncollectable debts -

1. Ask for an Aged Accounts Receivable (latest one) & Bad Debt Write off Report that has been worked with notations of corrections , write offs...
 - a. Perform a cursory review of the aged trial balance; scan to see if there are any unusual balances, credits, or large balances. If anything is unusual of does not make sense, find out their explanation, if it is reasonable proceed. We are looking to make sure the regional office is writing off uncollectible debts as required by policy.
 - b. Review write-off reports in the regional office, to determine if write-offs were written off at least semi annually.

NA

NA

COMMENTS

- A.9.e 5 of 17 checks (10/1/18-10/29/18) were not stamped on the back "For Deposit Only".

- B.2. 8 of 35 checks received in the mail, the same person open the mail and receipted the check.

Comments

- A.1.d 3&4 - Check only deposits for 7/18 and 7/30, did not contain the PTBMIS support in the People Soft uploads.

Effective April 1, 2018

REGULAR SLIDE 200%		MONTHLY INCOME				
% Pt. Pays	0	20%	40%	60%	80%	100%
% of Poverty(FPL)	0-100%	100.01-125%	125.01-150%	150.01-175%	175.01-200%	200.01 >
1	1011	1012 - 1264	1265 - 1517	1518 - 1770	1771 - 2023	2024
2	1371	1372 - 1714	1715 - 2057	2058 - 2400	2401 - 2743	2744
3	1731	1732 - 2164	2165 - 2597	2598 - 3030	3031 - 3463	3464
4	2091	2092 - 2614	2615 - 3137	3138 - 3660	3661 - 4183	4184
5	2451	2452 - 3064	3065 - 3677	3678 - 4290	4291 - 4903	4904
6	2811	2812 - 3514	3515 - 4217	4218 - 4920	4921 - 5623	5624
7	3171	3172 - 3964	3965 - 4757	4758 - 5550	5551 - 6343	6344
8	3531	3532 - 4414	4415 - 5297	5298 - 6180	6181 - 7063	7064
9	3891	3892 - 4864	4865 - 5837	5838 - 6810	6811 - 7783	7784
10	4251	4252 - 5314	5315 - 6377	6378 - 7440	7441 - 8503	8504

REGULAR SLIDE 200%		ANNUAL INCOME				
% Pt. Pays	0	20%	40%	60%	80%	100%
% of Poverty(FPL)	0-100%	100.01-125%	125.01-150%	150.01-175%	175.01-200%	200.01 >
1	12140	12141 - 15175	15176 - 18210	18211 - 21245	21246 - 24280	24281
2	16460	16461 - 20575	20576 - 24690	24691 - 28805	28806 - 32920	41150
3	20780	20781 - 25975	25976 - 31170	31171 - 36365	36366 - 41560	41561
4	25100	25101 - 31375	31376 - 37650	37651 - 43925	43926 - 50200	50201
5	29420	29421 - 36775	36776 - 44130	44131 - 51485	51486 - 58840	58841
6	33740	33741 - 42175	42176 - 50610	50611 - 59045	59046 - 67480	67481
7	38060	38061 - 47575	47576 - 57090	57091 - 66605	66606 - 76120	76121
8	42380	42381 - 52975	52976 - 63570	63571 - 74165	74166 - 84760	84761
9	46700	46701 - 58375	58376 - 70050	70051 - 81725	81726 - 93400	116750
10	51020	51021 - 63775	63776 - 76530	76531 - 89285	89286 - 102040	102041

\$7,820 Poverty Base Income

\$4,320 Per Person

S. Gore

2/26/2018

FINAL

Effective April 1, 2018

FAMILY PLANNING SLIDE 250%

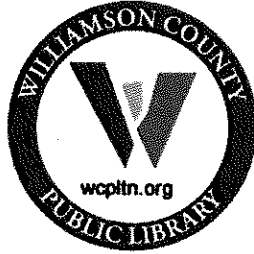
MONTHLY INCOME

% Pt. Pays	0	20%	40%	60%	80%	95%	100%
% of Poverty(FPL)	0-100%	100.01-125%	125.01-150%	150.01-175%	175.01-200%	200.01-250%	250.01% and over
1	1011	1012 - 1264	1265 - 1517	1518 - 1770	1771 - 2023	2024 -2529	2530 >
2	1371	1372 - 1714	1715 - 2057	2058 - 2400	2401 - 2743	2744 -3429	3430
3	1731	1732 - 2164	2165 - 2597	2598 - 3030	3031 - 3463	3464 -4329	4330
4	2091	2092 - 2614	2615 - 3137	3138 - 3660	3661 - 4183	4184 - 5229	5230
5	2451	2452 - 3064	3065 - 3677	3678 - 4290	4291 - 4903	4904 - 6129	6130
6	2811	2812 - 3514	3515 - 4217	4218 - 4920	4921 - 5623	5624 - 7029	7030
7	3171	3172- 3964	3965 - 4757	4758 - 5550	5551 - 6343	6344 - 7929	7930
8	3531	3532 - 4414	4415 - 5297	5298 - 6180	6181 - 7063	7064 - 8829	8830
9	3891	3892 - 4864	4865 - 5837	5838 - 6810	6811 - 7783	7784 - 9729	9730
10	4251	4252 - 5314	5315 - 6377	6378 - 7440	7441 - 8503	8504 - 10629	10630

FAMILY PLANNING SLIDE 250%

ANNUAL INCOME

% Pt. Pays	0%	20%	40%	60%	80%	95%	100%
% of Poverty(FPL)	0-100%	100.01-125%	125.01-150%	150.01-175%	175.01-200%	200.01-250%	250.01% and over
1	12140	12141 - 15175	15176 - 18210	18211 - 21245	21246 - 24280	24281 - 30350	30351 >
2	16460	16461 - 20575	20576 - 24690	24691 - 28805	28806 - 32920	32921 - 41150	41151
3	20780	20781 - 25975	25976 - 31170	31171 - 36365	36366 - 41560	41561 - 51950	51951
4	25100	25101 - 31375	31376 - 37650	37651 - 43925	43926 - 50200	50201 - 62750	62751
5	29420	29421 - 36775	36776 - 44130	44131 - 51485	51486 - 58840	58841 - 73550	73551
6	33740	33741 - 42175	42176 - 50610	50611 - 59045	59046 - 67480	67481 - 84350	84351
7	38060	38061 - 47575	47576 - 57090	57091 - 66605	66606 - 76120	76121 - 95150	95151
8	42380	42381 - 52975	52976 - 63570	63571 - 74165	74166 - 84760	84761 - 105950	105951
9	46700	46701 - 58375	58376 - 70050	70051 - 81725	81726 - 93400	93401 - 116750	116751
10	51020	51021 - 63775	63776 - 76530	76531 - 89285	89286 - 102040	102041 - 127550	127551



Received
MAR 15 2019
Finance

March 7, 2019

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

Dear Ms. Tallent:

I would like to request \$64,200 from the City of Franklin to purchase print books, audio, and digital formats for the Williamson County Public Library. Unlike the Williamson County funds, which provide for staffing and operating costs, the City of Franklin's contribution is used exclusively for reading materials.

Unknown by some individuals, one bestselling eBook costs us approximately \$84.00. The \$15.00 that individuals pay for that title is not available for libraries. This is due to agreements between book publishers and online distributors, which raise charges to libraries. The Library will use the City of Franklin funds to enhance our book collection and provide more reading materials for Franklin residents.

The residents of Franklin enjoy the resources of the Williamson County Public Library. The main library is an information gathering learning center from which citizens of all ages can take advantage and grow.

The generous partnership between the Williamson County Public Library and the City of Franklin continues to grow. Last April, the Williamson County Public Library Foundation sponsored an art show for Franklin Special School District Students. It was an amazing event and the Foundation plans on doing it again this spring.

Please consider this request as it benefits the majority of the City's taxpayers.

I am happy to discuss it further at your convenience and can be reached at 615-595-1240.

Sincerely,

A handwritten signature in black ink, appearing to read "Dolores Greenwald".

Dolores Greenwald, Director
DG/rp



**NON-PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-20 FISCAL YEAR**

Organization Name: Williamson County Library Phone: (615)595-1240
Contact Person & Title: Dolores Greenwald
Mailing Address: 1314 Columbia Avenue
Federal Identification # (if applicable): _____
Email Address: dolores.greenwald@williamsoncounty-tn.gov

Number of Active Participants in Organization: 64

Does this organization charge fees to participants? Yes _____ No X
If Yes, please itemize the structure utilized (use a separate sheet if necessary):

If No, please explain: The Library is owned by Williamson County and does not charge fees.

Please provide the approximate number of clients served by your program on a yearly basis
29,727.

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: No fee for service.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly, provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.



HISTORIC
FRANKLIN
TENNESSEE

**Non-Profit Organization Request for
City of Franklin - Page Two**

Organization: Williamson County Public Library

EXPENDITURES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Total			

REVENUES:	Actual 2017-18	Projected Expended 2018-19	Requested 2019-20
Williamson County Government			
City of Franklin Government		\$64,220	\$64,200
Total		\$64,200	\$64,200

HISTORIC
FRANKLIN
TENNESSEE

Personnel & Salary Information

List any equipment owned by this organization funded, in whole or in part, by City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary): _____

1



**City of Franklin
APPLICATION ADDENDUM**

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Williamson County Public Library Date: March

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

The funds requested from the City of Franklin will assist the Library in providing circulating materials to the citizens of Franklin.

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



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

1. Specifically what services did your agency provide last year for which you are requesting funding this year? What were the objectives and results? (Include description capacity, intensity and duration of services.) _
2. The Library purchased books and other available for checkout for Williamson County City of Franklin residents

3. Are there procedures in place for measuring the results achieved by your agency? If so, provide detailed data. Yes, the Library provider for circulating items

4. Does your agency receive any external quality review or accreditation? If so, provide a copy of certificate or license and please explain. Yes from the State of Tennessee Comptroller's office

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

2.82

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

7. Do you charge any fees for your services?

No



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

Williamson County Library

Name of Nonprofit Organization

1314 Columbia Avenue

Franklin

Williamson TN

37064

Street Address

City

County

State

Zip

**Annual Financial Report of Cash Receipts, Disbursements, and Balances
For the Fiscal Year from 2018 through 2019**

Report Required by Title 5, Chapter 9, Part 1,
And Title 6, Chapter 54, Part 1, *Tennessee Code Annotated*

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.

Once the State of TN's Comptroller's office completes the FY 2018 audited expenses based on GAAP, I will submit the report to the City of Franklin.

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

Name of Nonprofit Organization

Person Preparing Report

Dolores Greenwald
Printed Name


Signature

Phone Number 615-595-1240 Email Address Dolores.greenwald@williamsoncounty-tn.gov
Date 3/5/2019



City of Franklin, Tennessee
FY 2019 Operating Budget

Economic Development

Eric Stuckey, City Administrator



City of Franklin, Tennessee - **FY 2019 Budget Request** **Economic Development**

Outline

- Purpose of Fund**
- Budget & Enhancements**



City of Franklin, Tennessee - FY 2019 Budget Request **Economic Development**

Purpose of Department

This department is used to identify payments specifically related to economic development. An allocation is made for economic development of \$25,000 plus an additional amount for the Greater Nashville Regional Council of \$23,081. Membership to the Nashville Area Chamber of Commerce is \$3,000 and the Metropolitan Planning Organization is budgeted at \$9,000. \$20,000 is included for continued funding of the business retention program being conducted by Williamson, Inc.

An additional allocation for the Williamson County Convention and Visitors Bureau is budgeted in the Hotel Tax Fund.



City of Franklin, Tennessee - FY 2019 Budget Request

Economic Development

Budget

	Actual 2016	Actual 2017	Budget 2018	Estd 2018	Budget 2019	Difference	
						\$	%
Economic Development / Chamber Support	25,000	25,000	25,000	25,000	25,000	-	0.0%
Greater Nashville Regional Council	14,466	-	22,518	22,518	23,081	563	2.5%
Nashville Area Chamber of Commerce	-	-	3,000	3,000	3,000	-	0.0%
Nashville Area MPO	7,811	8,592	9,000	9,000	9,000	-	0.0%
Williamson Chamber - Business Retention / Development	20,000	20,000	20,000	20,000	20,000	-	0.0%
						-	
Total Expenditures	67,277	53,592	79,518	79,518	80,081	563	0.7%

Note: Budget may be modified slightly moving forward.

Program Enhancements

Williamson Inc. - Business Retention/Development - \$10,000



City of Franklin, Tennessee

FY 2020 Operating Budget

Economic Development

Eric Stuckey, City Administrator

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Expenditures	53,592	67,518	90,327	90,327	91,027	700	0.8%
Economic Development	53,592	67,518	90,327	90,327	91,027	700	0.8%

Department Summary

This department is used to identify payments specifically related to economic development. An allocation is made for economic development of \$25,000 plus an additional amount for the Greater Nashville Regional Council of \$24,027. Membership to the Nashville Area Chamber of Commerce is \$3,000 and the Metropolitan Planning Organization is budgeted at \$9,000. \$30,000 is included for continued funding of the business retention program being conducted by Williamson, Inc.

An additional allocation for the Williamson County Convention and Visitors Bureau is budgeted in the Hotel Tax Fund.



City of Franklin, Tennessee FY 2020 Operating Budget

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, the City of Franklin has established **FranklinForward : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.



FranklinForward : A Vision for 2033 | Objectives for Developing a Strategic Plan

Quality of Life Experiences



Creating desirable life experiences: Franklin will continue to be a destination to live and work that ranks among the best in the nation.

Goal: To remain below the national Cost of Living Index of 100.

Baseline: 89 on index of 100 (Williamson County Chamber of Commerce).

Goal: To improve ranking as one of the best cities for start-up businesses in the United States.

Baseline: Ranked top 50 in the nation (http://images.businessweek.com/ss/09/03/0327_smallcity_startups/43.htm).

Sustainable Growth & Economic Prosperity



Franklin will pursue growth and development that embraces its historic context and encourages revenue generation.

Opportunities for increasing tourism experiences.

Goal: To increase tourist visits to Franklin.

Baseline: Carnton Plantation, Carter House and Lotz House had 80,000 visitors in 2012 (www.carnton.org).

Goal: To increase the number of participants in conventions, conferences, and meetings in the Conference Center

Baseline: [Need 2012 fiscal year data on number of participants or

Opportunities for revenue enhancements through tourism and sales revenues.

Goal: To increase the revenue generated from Hotel/Motel taxes.

Baseline: Franklin received \$2,193,109.16 in Hotel/Motel Tax for the 2012 Fiscal Year (Department of Finance)

Goal: To increase sales tax revenue money greater than the annual state-wide sales tax growth.

Baseline: \$24.197 million in sales tax revenues were collected by the City of Franklin in 2012. (Financial Reports from City Finance Department)

Goal: Franklin will increase revenue over expenditures from conventions, meetings, and trade shows at the Conference Center

Baseline: [Review Conference Center data for appropriate metrics]

Franklin will expand and retain business and job opportunities within the community as well as the county.

Encourage job growth and retention within the city.

Goal: To increase the number of jobs in the city over the previous year.

Baseline: Franklin reported 33,750 total employment in June 2013. [Civilian Labor Force Summary, Labor Monthly Report, July 2013].



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

Goal: To decrease the unemployment rate within the city over the previous year below the county and state levels.

Baseline: Franklin's unemployment rate for 2013 was 5.5%. County rate for same period was 5.8% and state rate was 8.5% (both of which included Franklin rate) (Source: Civilian Labor Force Summary, Labor Monthly Report, July 2013).

Encourage expansion and retention of business opportunities in the City of

Goal: To increase the net number of business licenses within the city over the previous year.

Baseline: Franklin issued 427 new business licenses in FY2012 (Revenue Management)

Baseline: Franklin has 5,302 total active business licenses in 2012 (2012 Development Report).

Goal: To increase the number of small businesses over the previous year.

Baseline: Franklin has X number of small businesses. Williamson County has 5,910 businesses with <100 employees. (2010 Census for Williamson County)

Goal: To increase the number of businesses with more than 100 employees over the previous year.

Baseline: Franklin has 50 businesses with more than 100 employees (Williamson County Chamber of Commerce).

Goal: To increase the success of Fortune 1000 companies located in Franklin over the previous year.

Baseline: The number of local people employed by Fortune 1000 companies in Franklin was 11,971 (2012).

Goal: To reduce retail and commercial vacancy rates within Franklin to 30% or less than Nashville MSA rate.

Baseline: Franklin retail and commercial vacancy rate for 3rd Q 2013 was 3.8%. Nashville MSA rate was 9.4%.

Target of 30% of Nashville rate is 6.58% (Source: Cassidy Turley Office Market Snapshot, @WilliamsonProsper.com)

Key:	Strategic Plan: FranklinForward	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	
	2016 Franklin Citizens Survey	

Outcome (Effectiveness) Measures

		2016	2017	2018*	2019*	2020*
Creating desirable life experiences: Franklin will continue to be a destination to live and work that ranks among the best in the nation.						
	Remain below the national Cost of Living Index of 100.					
	Current Rating	95.7	TBD	TBD	TBD	TBD
	Target	< 100	< 100	< 100	< 100	< 100
	Meets Target?	Yes	TBD	TBD	TBD	TBD
	Improve ranking as one of the best cities for start-up businesses in the United States.					
	Current Rating	TBD	TBD	TBD	TBD	TBD
	Target	N/A	N/A	N/A	N/A	N/A
	Meets Target?	TBD	TBD	TBD	TBD	TBD
Franklin will pursue growth and development that embraces its historic context and encourages revenue generation.						
	Opportunities for increasing tourism experiences.					
	Increase tourist visits to Franklin.					
	Overall Tourist visits to Williamson County	1,430,000	1,510,000	TBD	TBD	TBD
	Target	1,350,000	1,450,000	1,550,000	1,600,000	1,650,000
	Meets Target?	Yes	Yes	TBD	TBD	TBD



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

		2016	2017	2018	2019*	2020*
	Increase the number of participants in conventions, conferences, and meetings in the Conference Center					
	Baseline: [TBD from FY 2012 data on # of participants or equivalent proxy]					
	Target	Data being developed				
	Meets Target?	TBD	TBD	TBD	TBD	TBD
	Opportunities for revenue enhancements through tourism and sales revenues.					
	Increase the revenue generated from Hotel/Motel taxes.	\$ 3,557,971	\$ 3,721,055	\$ 4,097,695	\$ 4,097,695	\$ 4,247,695
	Target (more than previous year)	\$ 3,291,019	\$ 3,557,971	\$ 3,721,055	\$ 4,097,695	\$ 4,097,695
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Increase sales tax revenue money greater than the annual state-wide sales tax growth.					
	Franklin Collections (in \$ millions)	\$31.309	\$32.694	\$34.151	\$35.52	\$36.94
	Franklin Collection Increase	8.2%	4.4%	4.5%	8.6%	8.2%
	State Collections (in \$ billions)	\$8.269	\$8.56	\$8.939	\$9.297	\$9.668
	State Collection Increase	7.7%	3.5%	4.5%	8.6%	8.2%
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Increase revenue over expenditures from conventions, meetings, and trade shows at the Conference Center					
	Baseline: [Review Conference Center data for appropriate metrics]					
	Annual Net Income for Conference Center	\$72,835	-\$115,916	\$378,397	\$150,000	\$150,000
	Target	-\$114,223	\$72,835	-\$115,916	\$378,397	\$378,397
	Meets Target?	Yes	No	Yes	TBD	TBD
	Franklin will expand and retain business and job opportunities within the community as well as the county.					
	Encourage job growth and retention within the					
	Increase the number of jobs in the city over the previous year.	39,150	41,490	44,200	Data to be collected	
	Target	37,440	39,150	41,490	39,150	41,490
	Meets Target?	Yes	Yes	Yes	TBD	TBD
	Decrease the unemployment rate within the city over the previous year below the county and state levels.					
	Franklin's Unemployment Rate	3.5%	1.9%	2.8%	TBD	TBD
	Williamson County Unemployment Rate	3.8%	3.1%	2.9%	TBD	TBD
	Tennessee's Unemployment Rate	5.0%	4.2%	3.5%	TBD	TBD
	Target (Franklin's U/I for preceding year)	4.2%	3.5%	1.9%	2.8%	1.9%
	Meets Target(s)?	Yes	Yes	Yes/No	TBD	TBD
	Encourage expansion and retention of business opportunities in the City of Franklin.					
	Increase the net number of business licenses within the city over the previous year.					
	New business licenses	493	464	TBD	TBD	TBD
	Total Active business licenses	6617	7041	TBD	TBD	TBD
	Meets Target(s)?	Yes	Yes	TBD	TBD	TBD
	Increase the number of small businesses over the previous year.					
	Baseline: Franklin has X number of small businesses. Williamson County has 5,910 businesses with <100 employees. (2010 Census for Williamson County)					
	# of Small Businesses in Franklin	TBD	TBD	TBD	TBD	TBD
	Target	TBD	TBD	TBD	TBD	TBD
	Meets Target?	TBD	TBD	TBD	TBD	TBD



City of Franklin, Tennessee

FY 2020 Operating Budget

Performance Measures

	Increase the number of businesses with more than 100 employees over the previous year.					
	# of businesses in Franklin with more than 100 employees	TBD	TBD	TBD	TBD	TBD
	Target	TBD	TBD	TBD	TBD	TBD
	Meets Target?	TBD	TBD	TBD	TBD	TBD
	Increase the success of Fortune 1000 companies located in Franklin over the previous year.					
	# of local people employed by Fortune 1000 companies in Franklin	Data to be collected				
	Target	Data to be collected				
	Meets Target?	TBD	TBD	TBD	TBD	TBD
	Reduce retail and commercial vacancy rates within Franklin to 30% or less than Nashville MSA rate.					
	Franklin Retail & Commercial Vacancy Rate	0.90%	5.00%	11.50%	Data to be collected	
	Nashville MSA Retail & Commercial Vacancy Rates	4.70%	6.90%	9.80%		
	Target	1.41%	2.07%	2.94%		
	Meets Target?	Yes	No	No	TBD	TBD

Franklin Citizens Survey

(Fall 2016)

		Excellent	Good	Fair	Poor
☒	% rating the quality of Economic Development services	33%	49%	15%	3%
☒	% rating Employment opportunities as it relates to Franklin as a whole.	23%	52%	20%	4%
☒	% rating Shopping opportunities as it relates to Franklin as a whole.	51%	42%	7%	1%
☒	% rating Cost of living in Franklin as it relates to Franklin as a whole.	5%	36%	39%	20%
☒	% rating the Overall quality of businesses and service establishments in Franklin as it relates to Franklin as a whole.	34%	55%	11%	1%
☒	% rating a Vibrant downtown/commercial areas it relates to Franklin as a whole.	52%	37%	10%	1%
☒	% rating the Overall quality of new development in Franklin as it relates to Franklin as a whole.	30%	48%	19%	4%

Organizational Chart

There is no organization chart associated with Economic Development. It is supported by personnel within Administration.

Staffing by Position

There are no staff formally associated with Economic Development. It is supported by personnel within Administration.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Economic Development / Chamber Support	25,000	25,000	25,000	25,000	25,000	-	0.0%
Greater Nashville Regional Council	-	22,518	23,327	23,327	24,027	700	3.0%
Nashville Area Chamber of Commerce	-	-	3,000	3,000	3,000	-	0.0%
Nashville Area MPO	8,592	-	9,000	9,000	9,000	-	0.0%
Williamson Chamber - Business Retention / Development	20,000	20,000	30,000	30,000	30,000	-	0.0%
Total Expenditures	53,592	67,518	90,327	90,327	91,027	700	0.8%
Ending Fund Balance	53,592	67,518	90,327	90,327	91,027	700	0.8%

Notes & Objectives

	Account	Label	Actual 2017	Actual 2018	Budget 2019	YTD@3/31/2019	Estd 2019	Budget 2020	Forecast 2021	Forecast 2022
		Operations								
+	87110	CONTRACTED SERVICES	53,592	67,518	90,327	64,577	90,327	91,027	91,748	92,490
	1	Williamson Chamber of Commerce-Econ Dev	25,000	25,000	25,000	18,750	25,000	25,000	25,000	25,000
	2	Greater Nashville Regional Council		22,518	23,327	23,327	23,327	24,027	24,748	25,490
	3	Nashville Area Chamber of Commerce			3,000		3,000	3,000	3,000	3,000
	4	Nashville Area Metropolitan Planning Org	8,592		9,000		9,000	9,000	9,000	9,000
	5	Special Event Grant Expenditures								
	6	Williamson, Inc. - Business Retention Efforts	20,000	20,000	30,000	22,500	30,000	30,000	30,000	30,000
	*	Amount missing from detail								
=	XAPP	TOTAL APPROPRIATIONS	53,592	67,518	90,327	64,577	90,327	91,027	91,748	92,490
=	XOP	TOTAL OPERATIONS	53,592	67,518	90,327	64,577	90,327	91,027	91,748	92,490
=	XTOT	TOTAL EXPENDITURES	53,592	67,518	90,327	64,577	90,327	91,027	91,748	92,490

FY2020 PROGRAM ENHANCEMENT REQUEST FORM



Department Priority: **1** of **1**

Department: Division: FranklinForward Theme: Title:	45925 ECONOMIC DEVELOPMENT
	Sustainable Growth & Economic Prosperity
	Williamson Inc. Economic Development

Purpose: Use this form to spell out your request for additional personnel and/or programs. We will work with you to tally the requests and create a prioritized list.

REQUESTED PROGRAM ENHANCEMENT FUNDING

Account Description	One-Time Cost (FY20 Only)	Ongoing Annual Cost (FY20 & Future)	TOTAL FY20 Request
<u>Compensation</u>			
			\$0
			\$0
<u>Benefits</u>			
<i>Benefits auto-calculated at 30% of compensation -->></i>		\$0	\$0
<u>Expenses</u>			
87110 CONTRACTED SERVICES		\$10,000	\$10,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
TOTAL	\$0	\$10,000	\$10,000

PURPOSE / DESCRIPTION OF REQUEST

Williamson Inc, is requesting a \$10,000 increase from the City for our contribution to Economic Development efforts, from \$25,000 to \$35,000. Additional materials attached.

SERVICE IMPLICATION



Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources. We receive additional funding through membership dues and corporate sponsorships from local businesses

Non-Profit Organization Request for

City of Franklin - Page Two



Organization: Williamson County Chamber of Commerce d/b/a Williamson Inc.

EXPENDITURES: Calendar Year	Actual 2017	Unaudite d2018	Requeste d 2019
Committee Costs	4,250.43	8,394.57	
Depreciation Expense	19,515.82	15,613.63	
Event Expense	183,892.64	180,868.61	
Facilities and Equipment	9,089.23	8,980.94	
Operations	278,142.74	241,247.19	
Payroll Expenses	582,244.05	718,425.70	
Programs & Meetings Expense	72,953.65	76,121.40	
Travel and Meetings	45,036.91	39,645.63	
WCC Foundation Support	15,000.00	15,000.00	
Total	1,210,125.47	1,304,297.67	

REVENUES: Calendar Year	Actual 2017	Unaudite d 2018	Requested 2019
Membership Revenue	630,519.33	641,965.67	
Non-Dues Income	646,113.89	612,529.05	
City of Franklin	25,000.00	25,000.00	35,000.00
City of Brentwood	10,000.00	10,000.00	
Total	1,311,633.22	1,291,494.72	35,000.00

**Non-Profit Organization Request for
City of Franklin - Page Three**



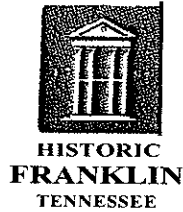
Organization: Williamson County Chamber of Commerce d/b/a Williamson Inc

Personnel & Salary Information

PERSONNEL: Calendar Year	Actual 2017	Unaudited 2018	Requested 2019
Employee Benefits	40,531.73	61,806.36	
Payroll Fees	11,594.09	12,053.00	
Payroll Taxes	31,693.89	39,472.14	
Salaries and Wages	498,424.34	605,094.20	
Total	582,244.05	718,425.70	

List any equipment owned by this organization funded, in whole or in part, by City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary):

N/A



City of Franklin
APPLICATION ADDENDUM

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Williamson County Chamber of Commerce d/b/a Williamson Inc Date: 3/6/2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019-20:

The Williamson County Chamber of Commerce will use the funds to support growth of new and existing businesses throughout the City of Franklin and greater Williamson County. The Chamber offers professional development opportunities, networking and business development-oriented programs to support small, medium and large companies.

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

The Williamson County Chamber of Commerce is in regular partnership with the City of Franklin. Most significantly, the Chamber has taken a large role in mobility and transportation solutions for the community. We also work to support our BOMA and school board through educating the business community on key community initiatives and the importance of advocating for leadership that have the best interests of the community at stake. In 2019, the Chamber plans to host an Education and a Transportation summit.



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

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

In 2018, we provided opportunities to connect and engage with people across our community to grow business. The impact we made in 2018 through our focus on transportation and education will be felt for years. In fact, our efforts during Mobility Week and our Transportation Summit connecting the solution to traffic to decisions we make on a daily basis were recognized as one of the top 4 regional transportation initiatives in the Nashville region in 2018. Your investment in the Chamber, allows us to continue to solve challenges that affect our entire community.

In addition to bringing a solutions-oriented approach to addressing our biggest challenges, we provided over 150 opportunities to connect, including meetings and events featuring dynamic speakers, sold-out crowds and relevant content. The Young Professionals and Women in Business programs brought a wealth of information for those looking to enhance their career path or seek mentorship. The Outlook Williamson economic development forum provided insights and business trends on the future of our economy. The Annual Celebration featured Mike Cairnes, COO of Kirklands. We partnered with County Mayor Rogers Anderson for the third annual Transportation Summit, Williamson County Schools and Franklin Special School District to recruit companies to the World of Possibilities Career Fair, to expose students to careers through summer internships, job fairs and our second annual Manufacturing Day featuring 200+ high school students.

2. Are there procedures in place for measuring the results achieved by your agency? If so, provide detailed data.
Yes, we do an annual membership survey as well as collect monthly data relating to membership, attendance and local business data.
3. Does your agency receive any external quality review or accreditation? If so, provide a copy of certificate or license and please explain.
N/A
4. What percent of your local agency budget is your allocation request from the City of Franklin?
2%
5. What other fundraising activities does your agency engage in during the year?
Corporate sponsorship of meetings and events
6. Do you charge any fees for your services?
We charge fees for events that include meals.



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

Williamson County Chamber of Commerce is on an accrual basis.

Name of Nonprofit Organization

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*

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 Williamson County Chamber of Commerce for the fiscal year noted above.

Name of Nonprofit Organization of Commerce

Person Preparing Report Bryan Doleshel
Printed Name


Signature

Phone Number 615.771.1912 Email Address: bryan@willamsonchamber.com Date 3/6/19

WILLIAMSON COUNTY CHAMBER OF COMMERCE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

DECEMBER 31, 2017

WILLIAMSON COUNTY CHAMBER OF COMMERCE

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Williamson County Chamber of Commerce
5005 Meridian Boulevard, Suite 150
Franklin, Tennessee 37067

We have audited the accompanying financial statements of Williamson County Chamber of Commerce, which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amount 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 the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Williamson County Chamber of Commerce as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bellenfant PLLC

March 9, 2018

WILLIAMSON COUNTY CHAMBER OF COMMERCE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets			
Cash		\$ 867,157	\$ 827,572
Accounts Receivable		200,386	135,710
Other Assets		2,487	-
Prepaid Expenses		26,115	-
Government Allocation Receivable		<u>73,750</u>	<u>73,750</u>
Total Current Assets		<u>1,169,895</u>	<u>1,037,032</u>
Furniture, Technology, and Improvements			
Furniture		75,029	64,711
Technology		19,533	12,377
Improvements		<u>26,601</u>	<u>26,601</u>
		121,163	103,689
Less: Accumulated Depreciation		<u>(94,347)</u>	<u>(73,186)</u>
Furniture, Technology, and			
Improvements - Net		<u>26,816</u>	<u>30,503</u>
Total Assets		<u>\$ 1,196,711</u>	<u>\$ 1,067,535</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Accounts Payable		\$ 45,177	\$ 25,555
Other Current Liabilities		<u>89,417</u>	<u>5,014</u>
Total Current Liabilities		134,594	30,569
Unrestricted Net Assets		<u>1,062,117</u>	<u>1,036,966</u>
Total Liabilities and Net Assets		<u>\$ 1,196,711</u>	<u>\$ 1,067,535</u>

The accompanying notes are an integral part of this statement.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

REVENUE	<u>2017</u>	<u>2016</u>
Membership Dues	\$ 630,519	\$ 573,963
Advertising	33,594	42,471
Member Events	367,933	166,595
Affinity Programs	25,338	14,331
Sponsorships	35,000	60,000
Member Services	28,800	21,975
Programs and Meetings	189,662	161,417
Government Allocation	315,000	295,000
Capital Campaign	608,200	631,333
Other	<u>4,104</u>	<u>2,185</u>
Total Revenue	<u>2,238,150</u>	<u>1,969,270</u>
EXPENSES		
Personnel		
Salaries	1,052,453	968,493
Employee Benefits	63,926	42,548
Payroll Taxes	73,124	68,022
Payroll Fees	<u>16,598</u>	<u>933</u>
Total Personnel	<u>1,206,101</u>	<u>1,079,996</u>
Member Relations and Initiatives		
Member Events	183,893	48,927
Programs and Meetings	72,954	91,386
Business Initiatives	227,055	240,103
Boards and Committees	<u>4,250</u>	<u>5,009</u>
Total Member Relations and Initiatives	<u>\$ 488,152</u>	<u>\$ 385,425</u>

The accompanying notes are an integral part of this statement.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

EXPENSES - Continued

	<u>2017</u>	<u>2016</u>
Operations		
Advertising and Promotion	\$ 19,827	\$ 32,945
Licenses and Taxes	22,036	10,491
Facilities	11,362	17,489
Office Rent	164,063	136,167
Credit Card Fees	11,694	12,466
Depreciation	21,161	18,115
Equipment Leases	8,478	12,845
Dues and Subscriptions	4,218	8,116
Contracted Services	62,072	25,841
Insurance	8,487	10,491
Supplies	12,962	12,543
Postage and Printing	16,629	18,391
Telephone	21,376	23,531
Technology	53,627	46,362
Miscellaneous	6,020	1,148
Staff Travel, Meetings, and Education	59,734	38,322
Contribution to Foundation	<u>15,000</u>	<u>12,500</u>
Total Operations	<u>518,746</u>	<u>437,763</u>
Total Expenses	<u>2,212,999</u>	<u>1,903,184</u>
Change in Unrestricted Assets	25,151	66,086
Unrestricted Net Assets, beginning of year	<u>1,036,966</u>	<u>970,880</u>
Unrestricted Net Assets, end of year	<u><u>\$ 1,062,117</u></u>	<u><u>\$ 1,036,966</u></u>

The accompanying notes are an integral part of this statement.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2017</u>	<u>2016</u>
Change in Net Assets	\$ 25,151	\$ 66,086
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	21,161	18,115
(Increase) Decrease in:		
Accounts Receivable	(64,676)	9,016
Other Assets	(2,487)	-
Prepaid Expenses	(26,115)	-
Increase (Decrease) in:		
Accounts Payable	19,622	29,774
Other Current Liabilities	<u>84,403</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>57,059</u>	<u>122,991</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>(17,474)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(17,474)</u>	<u>-</u>
Net Increase in Cash	39,585	122,991
Cash balance, beginning of year	<u>827,572</u>	<u>704,581</u>
Cash balance, end of year	<u><u>\$ 867,157</u></u>	<u><u>\$ 827,572</u></u>

The accompanying notes are an integral part of this statement.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose:

The Williamson County Chamber of Commerce (the "Chamber") is a nonprofit organization created December 16, 2011 under the laws of the State of Tennessee. The Chamber serves the geographic area of Williamson County as a result of the consolidation of the Williamson County and Franklin Chamber of Commerce, Brentwood and Cool Springs Chamber of Commerce, and Cool Springs Chamber of Commerce. The Chamber promotes and protects the county's business climate through a wide variety of efforts.

Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Chamber and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Chamber had no temporarily restricted net assets as of December 31, 2017.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Chamber. Generally donors of these assets permit the Chamber to use all or part of the income earned for general or specific purposes. The Chamber had no permanently restricted net assets as of December 31, 2017.

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 certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - Continued

Cash and Cash Equivalents:

The Chamber considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude restricted cash and cash equivalents. The Chamber has no cash equivalents as of December 31, 2017.

Accounts Receivable:

Management periodically reviews these accounts to determine whether such amounts will be collectible in future periods.

Furniture, Technology, and Improvements:

Furniture, technology, and improvements are capitalized at cost in excess of \$1,500 and are depreciated over their estimated useful lives ranging from three to five years using the straight-line method. Leasehold improvements are depreciated over ten years using the straight-line method.

Revenue Recognition:

Membership in the Chamber is on a voluntary basis. The Chamber generally recognizes dues upon receipt and pledges on an accrual basis.

Donated Services:

The Board of Directors and other members of the Chamber have assisted the Chamber in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the accompanying statement of activities because the criteria for recognition of such volunteer efforts under the FASB Codification have not been satisfied.

Income Taxes:

The Chamber has tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. Accordingly, the Chamber is only subject to pay federal taxes on certain income determined to be unrelated to the Chamber's exempt activities and on excess lobbying expenses.

The Chamber has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Chamber believes that it has taken no uncertain tax positions.

The Chamber files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Chamber's returns for the years prior to calendar year 2014 are no longer open for examination.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - Continued

Advertising Costs:

All costs of public relations, advertising and promotion are expensed as incurred. Public relations, advertising and promotion expenses totaled \$19,827 and \$32,945 for 2017 and 2016, respectively.

2. PENSION PLAN

The Chamber maintains a SIMPLE IRA (Savings Incentive Match Plan for Employees) with LBMC Employment Partners, LLC. The Chamber matches employee contributions up to 3% of the employee's salary. Employees are eligible to participate if they have been employed by the Chamber for at least one year. The Chamber's pension cost was \$21,628 and \$19,214 during 2017 and 2016, respectively.

3. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Chamber in estimating its fair value disclosures for financial instruments.

Cash, cash equivalents, receivables, and payables: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

4. LEASE COMMITMENTS

The Chamber leases office space under an operating lease that expires June 30, 2019. The lease provides for annual increases in the monthly rent. The office equipment lease expires June 18, 2018.

Future minimum rental payments required are as follows:

<u>Year ending December 31</u>	<u>Office Space</u>	<u>Office Equipment</u>	<u>Total</u>
2018	127,500	3,858	131,358
2019	<u>64,538</u>	<u>-</u>	<u>64,538</u>
Total	<u>\$ 192,038</u>	<u>\$ 3,858</u>	<u>\$ 195,896</u>

Rent expenses for office and equipment was \$172,541 and \$149,012 for the years ended December 31, 2017 and 2016, respectively.

WILLIAMSON COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2017

5. GOVERNMENT ALLOCATION

The Chamber receives a quarterly allocation from the Williamson County government. The total received from the county was \$315,000 and \$295,000 for 2017 and 2016, respectively.

6. RELATED PARTY

The Chamber provides support to the Williamson County Chamber Foundation, Inc. related to overhead for the Foundation activities at no cost. The Chamber contributed \$15,000 and \$12,500 to the Foundation in 2017 and 2016, respectively.

7. RESTATEMENT

The Chamber has restated its previous financial statements due to an overstatement of accounts receivable and corresponding revenue.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 9, 2018 which is the date the financial statements were available to be issued.

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

DEPARTMENT OF THE TREASURY

Date: **AUG 12 2014**

WILLIAMSON COUNTY CHAMBER OF
COMMERCE
128 FRANKLIN RD
BRENTWOOD, TN 37027

Employer Identification Number:
36-4720381
DLN:
17053100397033
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Effective Date of Exemption:
October 1, 2012
Contribution Deductibility:
No
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-NC" in the search bar to view Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Director, Exempt Organizations



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Miscellaneous General Fund Departments

General Expenses
Interfund Transfers



City of Franklin, Tennessee - FY 2020 Budget Request

General Expenses

Outline

- General Expenses**
- Interfund Transfers**



City of Franklin, Tennessee - FY 2020 Budget Request

General Expenses

Purpose of Fund

The General Expenses budget includes all expenditures which are not attributable to one particular department.

Among these expenses include general wage increases/merit pay, the City's appropriations for Medical and Dental expenses, the City's dues for the Tennessee Municipal League, the annual audit, fuel hedging, the Citizen's Survey and other "shared" software services - such as Socrata and the Tennessee Municipal Benchmarking Project.

\$100,000 set aside for City support of Housing Initiatives in FY 2019 has been maintained in FY 2020.



City of Franklin, Tennessee - FY 2020 Budget Request

General Expenses

Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	-831,130	-2,487,379	1,136,071	440,053	2,671,100	1,535,029	135.1%
Operations	87,495	67,262	314,565	219,882	284,872	-29,693	-9.4%
Capital	0	0	0	0	0	-	0.0%
Total	-743,635	-2,420,117	1,450,636	659,935	2,955,972	1,505,336	103.8%

This budget will be revised with final estimates for wage increases and medical, dental and ancillary insurance amounts City-wide for presentation to the BOMA in May.



City of Franklin, Tennessee - FY 2020 Budget Request

Interfund Transfers

Budget Request:

Budget Summary

	2017	2018	2019		2020	2019 v. 2020	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Personnel	0	0	0	0	0	0	0.0%
Operations	4,000,580	1,644,399	3,560,171	3,560,171	1,000,000	-2,560,171	-71.9%
Capital	0	0	0	0	0	-	0.0%
Total	4,000,580	1,644,399	3,560,171	3,560,171	1,000,000	-2,560,171	-71.9%

Interfund Transfers reflects those funds transferred from the General Fund to be accounted for in other funds of the City. For fiscal year 2020, the only transfer proposed is to the Transit Fund.



City of Franklin, Tennessee

FY 2020 Operating Budget

General Expenses

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	-831,130	-2,487,379	1,136,071	440,053	2,671,100	1,535,029	135.1%
Operations	87,495	67,262	314,565	219,882	284,872	-29,693	-9.4%
Capital	0	0	0	0	0	-	0.0%
Total	-743,635	-2,420,117	1,450,636	659,935	2,955,972	1,505,336	103.8%

Department Summary

The General Expenses budget includes all expenditures which are not attributable to one particular department.

Among these expenses include general wage increases/merit pay, the City's appropriations for Medical and Dental expenses, the City's dues for the Tennessee Municipal League, the annual audit, fuel hedging, the Citizen's Survey and other "shared" software services - such as Socrata and the Tennessee Municipal Benchmarking Project.

\$100,000 set aside for City support of Housing Initiatives in FY 2019 has been maintained for FY 2020.



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with General Expenses. It is supervised by personnel in the Administration, Finance and Human Resources Departments.

Staffing by Position

There are no staff formally associated with General Expenses. It is supervised by personnel in the Administration, Finance and Human Resources Departments.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	-	-	597,992	-	2,200,000	1,602,008	267.9%
Employee Benefits	(831,130)	(2,487,379)	538,079	440,053	471,100	(66,979)	-12.4%
Total Personnel	(831,130)	(2,487,379)	1,136,071	440,053	2,671,100	1,535,029	135.1%
Operations							
Notices, Subscriptions, etc.	85,697	36,538	49,565	47,667	49,122	(443)	-0.9%
Utilities	821	691	550	550	550	-	0.0%
Contractual Services	55,721	87,822	259,500	182,500	227,750	(31,750)	-12.2%
Repair & Maintenance Services	-	-	1,000	-	1,000	-	0.0%
Fuel & Mileage	(58,195)	(61,719)	-	(20,000)	-	-	0.0%
Machinery & Equipment (<\$25,000)	-	-	2,000	2,000	2,000	-	0.0%
Professional Development/Travel	130	-	-	-	-	-	0.0%
Rentals	-	277	100	100	100	-	0.0%
Permits	82	-	350	350	350	-	0.0%
Financial Fees	2	14	-	2,500	2,500	2,500	100.0%
Other Business Expenses	508	-	1,500	1,500	1,500	-	0.0%
Debt Service and Lease Payments	2,729	3,639	-	2,715	-	-	0.0%
Total Operations	87,495	67,262	314,565	219,882	284,872	(29,693)	-9.4%
Capital	-	-	-	-	-	-	
Total General Expenses	(743,635)	(2,420,117)	1,450,636	659,935	2,955,972	1,505,336	103.8%



City of Franklin, Tennessee

FY 2020 Operating Budget

Interfund Transfers

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Personnel	0	0	0	0	0	0	0.0%
Operations	4,000,580	1,644,399	3,560,171	3,560,171	1,000,000	-2,560,171	-71.9%
Capital	0	0	0	0	0	-	0.0%
Total	4,000,580	1,644,399	3,560,171	3,560,171	1,000,000	-2,560,171	-71.9%

Department Summary

Interfund Transfers reflects those funds transferred from the General Fund to be accounted for in other funds of the City. For fiscal year 2020, the only transfer planned is to the Transit Fund.

There are no transfers planned for the Sanitation & Environmental Services Fund, Capital Projects Fund, Debt Service Fund, In Lieu of Parkland Fund, Road Impact Fund or Street Aid Fund in 2019. This may change as the fiscal year unfolds.



City of Franklin, Tennessee **FY 2020 Operating Budget**

Interfund Transfers

There is no organization chart associated with Interfund Transfers. It is supervised by personnel in the Finance Departments.

Staffing by Position

There are no staff formally associated with Interfund Transfers. It is supervised by personnel in the Finance Departments.



City of Franklin, Tennessee

FY 2020 Operating Budget

Interfund Transfers

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Personnel							
Salaries & Wages	-	-	-	-	-	-	
Employee Benefits	-	-	-	-	-	-	0.0%
Total Personnel	-	-	-	-	-	-	0.0%
Operations							
TRANSFER TO STREET AID & TRANSPORTATION	332,840	-	-	-	-	-	0.0%
TRANSFER TO SANITATION	750,000	500,000	-	-	-	-	0.0%
TRANSFER TO TRANSIT FUND	458,755	1,144,399	985,171	985,171	1,000,000	14,829	1.5%
TRANSFER TO DEBT SERVICE FUND	792,914	-	-	-	-	-	0.0%
TRANSFER TO CAPITAL IMPROVEMENT BOND	1,666,071	-	2,575,000	2,575,000	-	(2,575,000)	-100.0%
Total Operations	4,000,580	1,644,399	3,560,171	3,560,171	1,000,000	(2,560,171)	-71.9%
Capital	-	-				-	
Total Interfund Transfers	4,000,580	1,644,399	3,560,171	3,560,171	1,000,000	(2,560,171)	-71.9%



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Other (Development /Growth) Funds

City Facilities Tax Fund
County Facilities Tax Fund
Road Impact Fund
Hotel Motel Tax Fund
In Lieu of Parkland Fund



City of Franklin, Tennessee - FY 2020 Budget Request **Development/Growth Funds**

Outline

- City Facilities Tax**
- County Facilities Tax**
- Road Impact Fund**
- Hotel/Motel Tax Fund**
- In Lieu of Parkland Fund**



City of Franklin, Tennessee - FY 2020 Budget Request

City Facilities Tax Fund

Purpose of Department

The Facilities Tax Fund is a special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended only upon police, fire, sanitation, and parks and recreation expenditures. Such expenses can only be spent on public expenditures related to growth; thus new equipment and infrastructure can be funded out of the Facilities Tax fund, but replacement of existing equipment cannot.



City of Franklin, Tennessee - FY 2020 Budget Request

City Facilities Tax Fund

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2018 v. 2019	
			Budget	Estimated		\$	%
Beginning Fund Balance	6,976,276	10,441,436	14,410,218	14,410,218	15,142,591		
Revenues	3,850,553	4,885,177	2,449,305	2,336,872	3,075,000	625,695	25.5%
Expenditures	385,393	916,395	8,572,384	1,604,500	5,469,292	-3,103,092	-36.2%
Ending Balance	10,441,436	14,410,218	8,287,139	15,142,591	12,748,298		

Revenues: \$3,075,000 forecast; highly dependent upon what is built and when.

Expenses: \$5,469,292 forecast; only costs pertaining to Station 7 programmed. More to be added from Program Enhancements.



City of Franklin, Tennessee - FY 2020 Budget Request **County Facilities Tax Fund**

Purpose of Department

The County Facilities Tax Fund is a new special revenue fund used to account for the City's share of the County's Adequate School Facilities Tax. 30% of the proceeds are distributed to incorporated cities within the county, and another 30% is divided pro rata among the incorporated cities based on population in the last decennial census. The City began collecting a share of the County Facilities Tax in FY 2012.

Prior to FY 2017, monies collected had been deposited within the Capital Projects Fund. Funds are to be used for the purpose of providing public facilities.



City of Franklin, Tennessee - FY 2020 Budget Request

County Facilities Tax Fund

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	-	3,488,072	4,804,517	4,804,517	3,661,920		
Revenues	3,488,072	1,616,445	1,250,000	607,403	1,310,000	60,000	100.0%
Expenditures	-	300,000	1,750,000	1,750,000	-	-1,750,000	100.0%
Ending Balance	3,488,072	4,804,517	4,304,517	3,661,920	4,971,920		

Revenues: \$1,310,000 forecast; highly dependent upon what is built and when.

Expenses: Nothing forecast; will be amended once staff produces financing recommendations for BOMA prioritization of FY 2019-2028 Capital Improvement Projects later in 2019.



City of Franklin, Tennessee - FY 2020 Budget Request **Road Impact Fund**

Purpose of Fund

The Road Impact Fund is the special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects.



City of Franklin, Tennessee - FY 2020 Budget Request

Road Impact Fund

Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019 Budget Estimated		2020 Budget	2019 v. 2020 \$ %	
Beginning Fund Balance	5,019,848	5,889,789	11,339,848	11,339,848	15,662,229		
Revenues	7,217,613	11,706,536	8,034,276	7,505,591	10,000,438	1,966,162	24.5%
Expenditures	6,347,672	6,256,477	5,708,651	3,183,210	5,710,869	2,218	0.0%
Ending Balance	5,889,789	11,339,848	13,665,473	15,662,229	19,951,798		

Revenues include estimates for Road Impact Fees collected from Arterial and Collector Roads.

The expenditures budget anticipates \$5.7 million, part in the form of a transfer to the debt service fund and part in the form of Road Impact Offset agreement payments. Additional funds may be transferred to Fund 310 to close out remaining road project capital deficits, but that decision will be made during FY 2019.



City of Franklin, Tennessee - FY 2020 Budget Request **Hotel Motel Tax Fund**

Purpose of Fund

A special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel /Motel Tax is 4%. The fund is used to pay debt service on the Cool Springs Conference Center and the Harlinsdale and Battlefield parks. Also, the funds are used for tourism. The budget includes 1% of the 4% tax (based on collections in calendar year 2013) to support the Williamson County Convention and Visitors Bureau.



City of Franklin, Tennessee - FY 2020 Budget Request

Hotel Motel Tax Fund

Base Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	2,634,109	3,827,284	5,722,086	5,722,086	7,013,952		
Revenues	3,721,055	4,136,321	3,744,327	3,936,425	4,051,849	307,522	8.2%
Expenditures	2,527,880	2,241,519	2,557,059	2,644,559	2,381,204	-175,855	-6.9%
Ending Balance	3,827,284	5,722,086	6,909,354	7,013,952	8,684,598		

The Hotel-Motel Fund is forecast to continue its healthy growth over the next several fiscal years as revenues on the whole are forecast to continue growing and expenses are steady.

Expenses include 1% for Williamson Co. CVB & Fixed Debt Service payments.

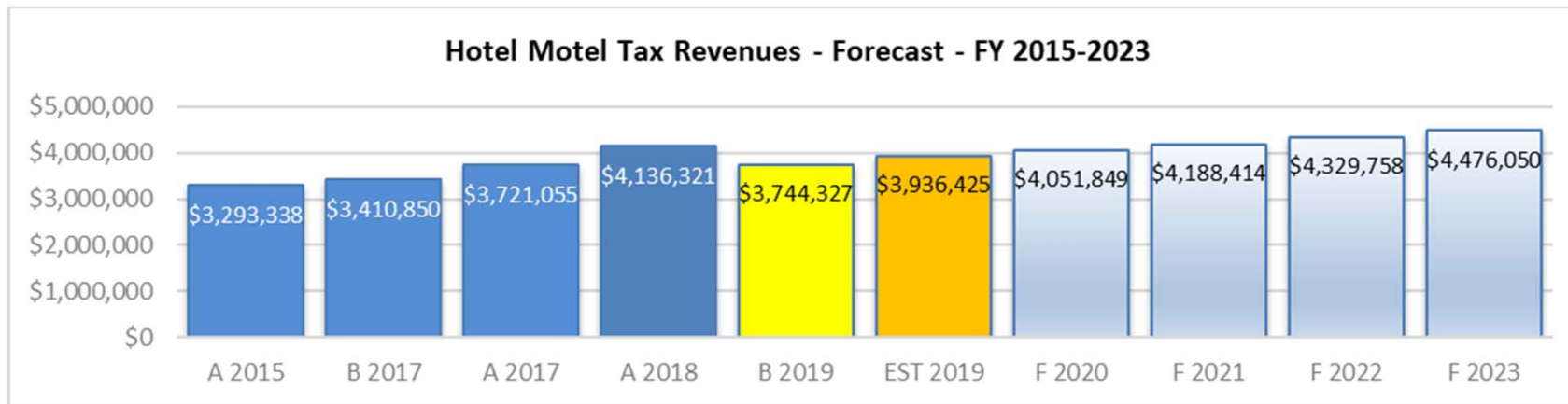


City of Franklin, Tennessee - FY 2020 Budget Request

Hotel Motel Tax Fund

Forecast:

We believe that this trend will continue as the overall revenue per room continues to grow, hotels continue to be built, occupancy rates remain low and the region, driven by the high room rates within Nashville show no signs of abating. The chart below shows estimated revenues FY 2015-FY 2023.



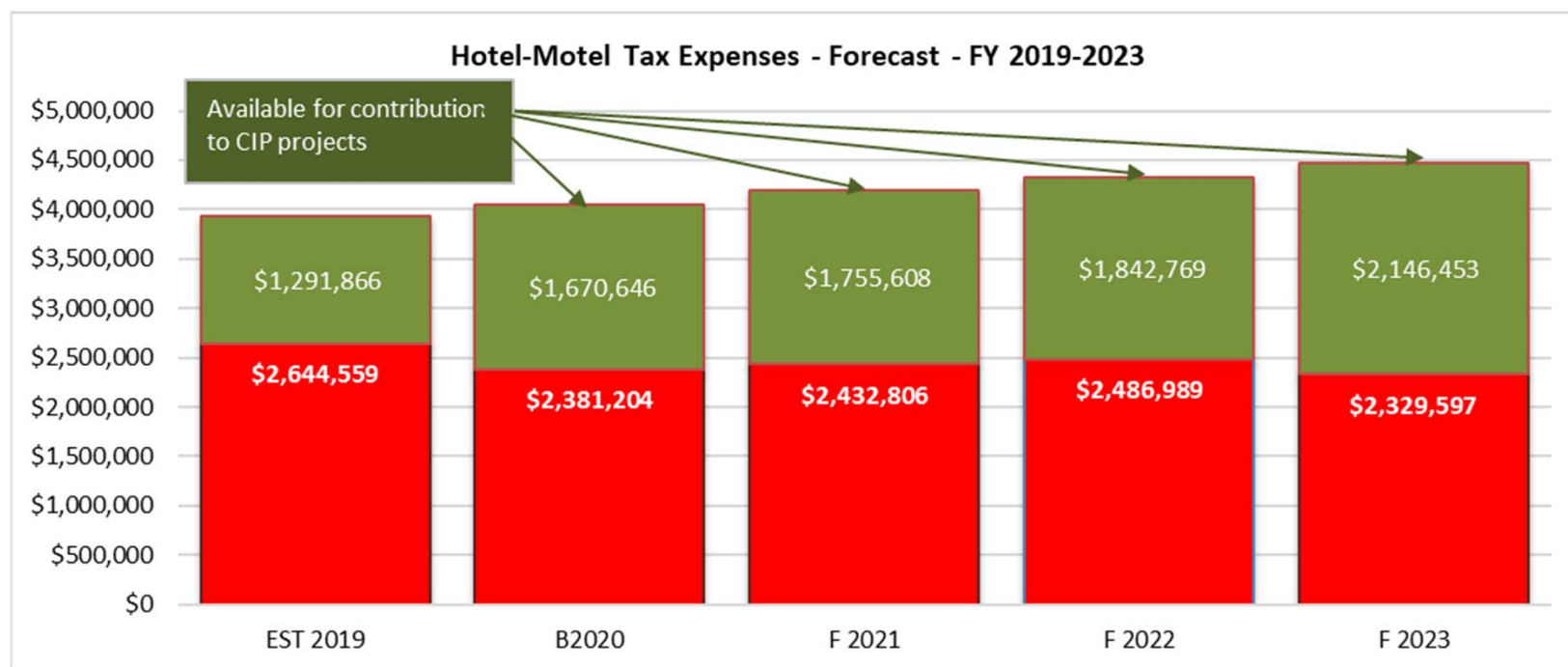


City of Franklin, Tennessee - FY 2020 Budget Request

Hotel Motel Tax Fund

Forecast:

On the expense side, known (fixed cost) expenses in the next five years include debt service and the 1% contribution to the Williamson County CVB.





City of Franklin, Tennessee - FY 2020 Budget Request **In Lieu of Parkland Fund**

Purpose of Fund

The In Lieu of Parkland Fund was created in FY 2015 for the purpose of satisfying requirements of Section 5.5.4 of the City of Franklin Zoning Ordinance.

Funds can be used only for the acquisition or development of public parks, greenways/blueways, open space sites, and related facilities.



City of Franklin, Tennessee - FY 2020 Budget Request In Lieu of Parkland Fund

Base Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019 Budget Estimated		2020 Budget	2019 v. 2020 \$ %	
Beginning Fund Balance	4,425,966	4,584,138	6,141,130	6,141,130	7,716,130		
Revenues	158,172	2,062,394	1,440,000	1,575,000	1,570,000	130,000	9.0%
Expenditures		505,402	-	-	-	0	100.00%
Ending Balance	4,584,138	6,141,130	7,581,130	7,716,130	9,286,130		

Estimates are based upon analysis of projects currently within the development process in the City which are eligible to pay In Lieu of Parkland Fees. This fund is available for capital projects pertaining to public parks, greenways/blueways and open space. Aside from the Robinson Lake purchase in FY 2018, funds have been reserved for future use and will be recommended as a funding source for parks projects contained within the FY 2019-2028 CIP.



City of Franklin, Tennessee - FY 2020 Budget Request Development/Growth Funds

Summary:

Forecasts for our Development /Growth related funds show a very healthy and robust local economy today and into the near term. This forecast is, of course, **heavily dependent** upon private development. This economy should continue to deliver ample revenues into these funds.



City of Franklin, Tennessee

FY 2020 Operating Budget

City Facilities Tax Fund

Budget Summary

	2017	2018	2019		2020	2018 v. 2019	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Beginning Fund Balance	6,976,276	10,441,436	14,410,218	14,410,218	15,142,591		
Revenues	3,850,553	4,885,177	2,449,305	2,336,872	3,075,000	625,695	25.5%
Expenditures	385,393	916,395	8,572,384	1,604,500	5,469,292	-3,103,092	-36.2%
Ending Balance	10,441,436	14,410,218	8,287,139	15,142,591	12,748,298		

Fund Summary

The Facilities Tax Fund is a special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended only upon police, fire, sanitation, and parks and recreation expenditures. Such expenses can only be spent on public expenditures related to growth; thus new equipment and infrastructure can be funded out of the Facilities Tax fund, but replacement of existing equipment cannot.



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the Facilities Tax Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the Facilities Tax Fund. It is supervised by personnel in the Finance Department.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Beginning Fund Balance	6,976,276	10,441,436	14,410,218	14,410,218	15,142,590	732,372	5.1%
Revenues							
FACILITIES TAXES	3,864,453	4,788,042	2,430,484	2,136,872	2,875,000	444,516	18.3%
INTEREST INCOME	(13,900)	97,135	18,821	200,000	200,000	181,179	962.6%
Total Available Funds	3,850,553	4,885,177	2,449,305	2,336,872	3,075,000	625,695	25.5%
Expenses							
Total Police	-	287,656	-	-	-	-	0.0%
Total Fire	214,121	165,704	8,217,884	1,250,000	5,469,292	(2,748,592)	-33.4%
Total Parks	44,579	463,035	-	-	-	-	0.0%
Total SW Collection	-	-	354,500	354,500	-	(354,500)	-100.0%
Total SW Disposal	126,693	-	-	-	-	-	0.0%
Total Expenditures	385,393	916,395	8,572,384	1,604,500	5,469,292	(3,103,092)	-36.2%
Ending Fund Balance	10,441,436	14,410,218	8,287,139	15,142,590	12,748,297	4,461,158	53.8%

Notes & Objectives

The forecast for FY 2020 revenues is an estimate based upon historic averages and a careful, conservative analysis of anticipated new building projects both within the City's Development Services pipeline or anticipated to be within the upcoming 12 month period. It is heavily dependent upon the timing of new development. Should development permits be pulled sooner than anticipated (or delayed), amounts may be higher (or lower) than forecast.

Regardless of the level of building activity, there is ample fund balance to fund the completion of Fire Station 7 (the majority of cost is now being programmed into FY 2020).

Additional expenses will be proposed by the City Administrator as part of his budget recommendations in May.



City of Franklin, Tennessee

FY 2020 Operating Budget

County Facilities Tax Fund

Budget Summary

	2017	2018	2019		2020	2019 v. 2020	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Beginning Fund Balance	-	3,488,072	4,804,517	4,804,517	3,661,920		
Revenues	3,488,072	1,616,445	1,250,000	607,403	1,310,000	60,000	100.0%
Expenditures	-	300,000	1,750,000	1,750,000	-	-1,750,000	100.0%
Ending Balance	3,488,072	4,804,517	4,304,517	3,661,920	4,971,920		

Fund Summary

The County Facilities Tax Fund is a new special revenue fund used to account for the City's share of the County's Adequate School Facilities Tax. 30% of the proceeds are distributed to incorporated cities within the county, and another 30% is divided pro rata among the incorporated cities based on population in the last decennial census. The City began collecting a share of the County Facilities Tax in FY 2012.

Prior to FY 2017, monies collected had been deposited within the Capital Projects Fund. Funds are to be used for the purpose of providing public facilities.



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the County Facilities Tax Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the County Facilities Tax Fund. It is supervised by personnel in the Finance Department.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Beginning Fund Balance	-	3,488,072	4,804,517	4,804,517	3,661,920	(1,142,597)	-23.8%
Revenues							
COUNTY FACILITY TAX	-	971,814	1,250,000	540,244	1,250,000	-	0.0%
TRANSFER FROM CAPITAL PROJ	3,487,056	635,074	-	-	-	-	0.0%
INTEREST INCOME	1,016	9,557	-	67,159	60,000	60,000	0.0%
Total Available Funds	3,488,072	1,616,445	1,250,000	607,403	1,310,000	60,000	4.8%
Expenses							
CAPITAL	-	300,000	1,750,000	1,750,000	-	(1,750,000)	-100.0%
Total Expenditures	-	300,000	1,750,000	1,750,000	-	(1,750,000)	-100.0%
Ending Fund Balance	3,488,072	4,804,517	4,304,517	3,661,920	4,971,920	667,403	15.5%

Notes & Objectives

The County Facilities Tax Fund has been used to support capital projects within the City of Franklin which are related to or assist in the completion of County-owned facilities. In FY 2019, the \$1,750,000 appropriated from the fund went to support the 96W Trail project.

No appropriation is proposed for FY 2020 at this time, but will be amended in the future as the next set of capital projects are prioritized and financing determined.



City of Franklin, Tennessee

FY 2020 Operating Budget

Road Impact Fund

Budget Summary

	2017	2018	2019		2020	2019 v. 2020	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Beginning Fund Balance	5,019,848	5,889,789	11,339,848	11,339,848	15,662,229		
Revenues	7,217,613	11,706,536	8,034,276	7,505,591	10,000,438	1,966,162	24.5%
Expenditures	6,347,672	6,256,477	5,708,651	3,183,210	5,710,869	2,218	0.0%
Ending Balance	5,889,789	11,339,848	13,665,473	15,662,229	19,951,798		

Fund Summary

The Road Impact Fund is the special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects.

The budget anticipates \$5.7 million in expenditures, part in the form of a transfer to the debt service fund and part in the form of Road Impact Offset agreement payments. Additional funds may be transferred to Fund 310 to close out remaining road project capital deficits, but that decision will be made during FY 2019.



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the Road Impact Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the Road Impact Fund. It is supervised by personnel in the Finance Department.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$ %	
Beginning Fund Balance	5,019,848	5,889,789	11,339,848	11,339,848	15,662,229		
Revenues							
ROAD IMPACT FEES - ARTERIAL	7,180,150	11,585,500	4,829,296	4,564,757	5,845,201	1,015,905	21.0%
ROAD IMPACT FEES - COLLECTOR	-	-	3,154,980	2,719,732	3,955,237	800,257	100.0%
INTEREST INCOME	27,363	121,036	50,000	221,101	200,000	150,000	300.0%
OTHER			-	-	-	-	0.0%
Total Available Funds	7,217,613	11,706,536	8,034,276	7,505,591	10,000,438	1,966,162	24.5%
Expenses (Operations)							
TRANSFER TO DEBT SERVICE FUND	2,689,493	2,699,646	2,708,651	2,708,651	2,710,869	2,218	0.1%
TRANSFER TO CAPITAL FUND	2,000,000	3,000,000	-	-	-	-	0.0%
CAPITAL PROJECTS	27,000		-	-	-	-	0.0%
ROAD IMPACT OFFSET AGREEMENTS	1,631,179	556,831	3,000,000	474,559	3,000,000	-	0.0%
Total Expenditures	6,347,672	6,256,477	5,708,651	3,183,210	5,710,869	2,218	0.0%
Ending Fund Balance	5,889,789	11,339,848	13,665,473	15,662,229	19,951,798		

Notes & Objectives

The revenue forecast for FY 2020 is an estimate based upon historic averages and year-to-date activity. It is heavily dependent upon the timing of new development. Should development permits be pulled sooner than anticipated (or delayed), amounts may be higher (or lower) than forecast.

Expenses are both highly predictable and unpredictable. On the one hand, the transfer to the Debt Service Fund is set annually. But payments back to developers who have met the conditions of Road Impact Offset Agreements depend greatly on the speed of development and if the offset is necessary.



City of Franklin, Tennessee

FY 2020 Operating Budget

Hotel/Motel Tax Fund

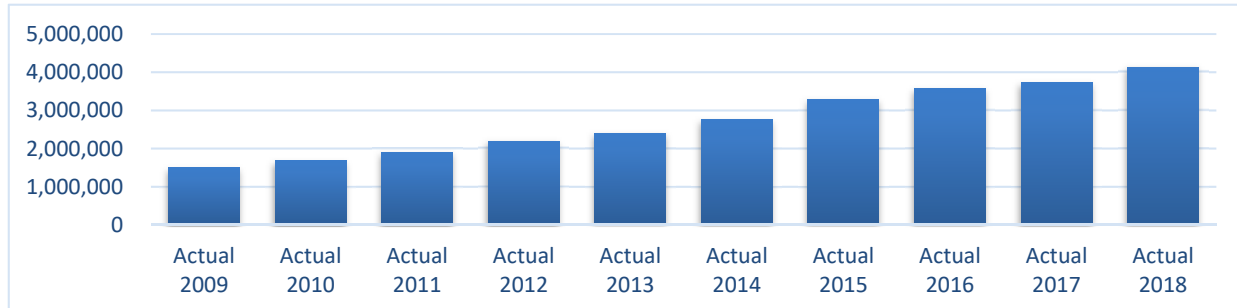
Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	2,634,109	3,827,284	5,722,086	5,722,086	7,013,952		
Revenues	3,721,055	4,136,321	3,744,327	3,936,425	4,051,849	307,522	8.2%
Expenditures	2,527,880	2,241,519	2,557,059	2,644,559	2,381,204	-175,855	-6.9%
Ending Balance	3,827,284	5,722,086	6,909,354	7,013,952	8,684,598		

Fund Summary

A special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel /Motel Tax is 4%. The fund is used to pay debt service (previously on the Cool Springs Conference Center and now the Harlinsdale and Battlefield parks). Also, the funds are used for tourism. The budget includes 1% of the 4% tax (based on collections in calendar year 2018) to support the Williamson County Convention and Visitors Bureau.

Receipts in the hotel/motel fund largely met expectations as the chart below demonstrates.





City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the Hotel/Motel Tax Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the Hotel/Motel Tax Fund. It is supervised by personnel in the Finance Department.



City of Franklin, Tennessee

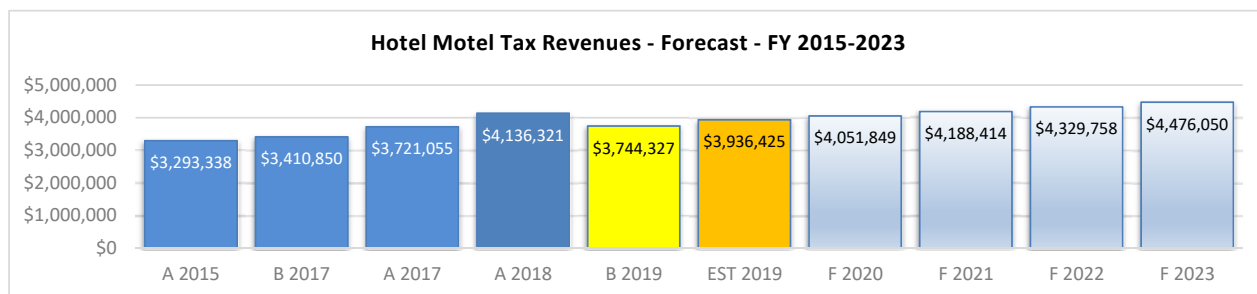
FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Beginning Fund Balance	2,634,109	3,827,284	5,722,086	5,722,086	7,013,952		
Revenues							
HOTEL/MOTEL TAXES	3,710,589	4,097,695	3,733,827	3,772,531	3,901,849	168,022	4.5%
INTEREST INCOME	10,466	38,626	10,500	163,894	150,000	139,500	1328.6%
CONTRIBUTIONS-OTHERS	-	-	-	-	-	-	
Total Available Funds	3,721,055	4,136,321	3,744,327	3,936,425	4,051,849	307,522	8.2%
Expenses							
CONTRACTUAL SERVICES	40,994	29,290	25,000	25,000	25,000	-	0.0%
REPAIR & MAINT. SERVICES	1,551	7,920	-	-	-	-	0.0%
OPERATING SUPPLIES	93,015	55,360	-	-	-	-	0.0%
COOL SPRINGS CONF. CENT.	(92,792)	(221,860)	-	-	-	-	0.0%
CONTRACTED SERVICES	849,271	926,602	979,813	979,813	1,028,804	48,991	5.0%
TRANSFER TO DEBT SERV. FUND	1,119,916	1,118,668	1,112,960	1,112,960	1,113,114	154	0.0%
TRANSFER TO CAPITAL PROJECTS	195,000	-	-	-	-	-	0.0%
LAND ACQUISITION	214,285	214,286	214,286	214,286	214,286	-	0.0%
PARKS & RECREATION FACILITIES	106,640	111,253	225,000	312,500	-	(225,000)	-100.0%
Total Expenditures	2,527,880	2,241,519	2,557,059	2,644,559	2,381,204	(175,855)	-6.9%
Ending Fund Balance	3,827,284	5,722,086	6,909,354	7,013,952	8,684,598		

Notes & Objectives

The Hotel-Motel Fund is forecast to grow significantly over the next several fiscal years as revenues on the whole are forecast to continue growing and expenses are steady. We believe that this trend will continue as the overall revenue per room continues to grow, hotels continue to be built, occupancy rates remain low and the region, driven by the high room rates within Nashville show no signs of abating. The chart below shows estimated revenues FY 2015-FY 2023.



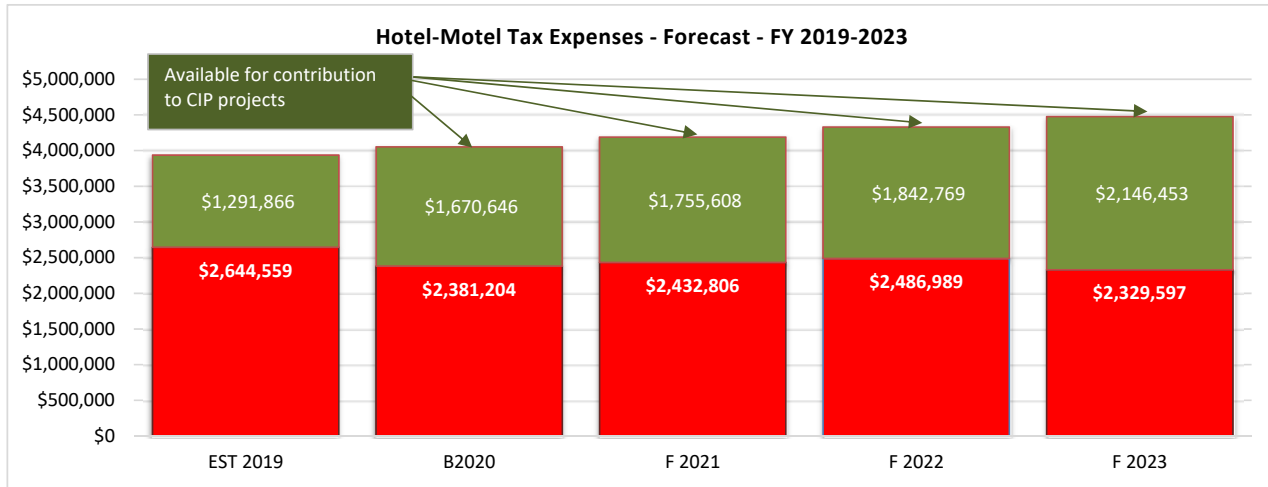
On the expense side, known (fixed cost) expenses in the next five years include debt service and the 1% contribution to the Williamson County Convention & Visitor's Bureau.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget



Given this forecast, there should be sufficient recurring revenues to continue paying for some but not necessarily all recreation and tourist capital projects proposed within the City of Franklin.



City of Franklin, Tennessee

FY 2020 Operating Budget

In Lieu of Parkland Fund

Budget Summary

	2017	2018	2019		2020	2019 v. 2020	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Beginning Fund Balance	4,425,966	4,584,138	6,141,130	6,141,130	7,716,130		
Revenues	158,172	2,062,394	1,440,000	1,575,000	1,570,000	130,000	9.0%
Expenditures		505,402	-	-	-	0	100.00%
Ending Balance	4,584,138	6,141,130	7,581,130	7,716,130	9,286,130		

Fund Summary

The In Lieu of Parkland Fund was created in FY 2015 for the purpose of satisfying requirements of Section 5.5.4 of the City of Franklin Zoning Ordinance.

Funds can be used only for the acquisition or development of public parks, greenways/blueways, open space sites, and related facilities.



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the In Lieu of Parkland Fund. It is supervised by personnel in the Parks and Finance Departments.

Staffing by Position

There are no staff formally associated with the In Lieu of Parkland Fund. It is supervised by personnel in the Parks and Finance Departments.



City of Franklin, Tennessee

FY 2020 Operating Budget

Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference	
						\$	%
Beginning Fund Balance	4,425,966	4,584,138	6,141,130	6,141,130	7,716,130		
Revenues							
In Lieu of Parkland Receipts	137,454	2,010,056	1,430,000	1,500,000	1,500,000	70,000	4.9%
Interest Income	20,718	52,338	10,000	75,000	70,000	60,000	600.0%
Total Available Funds	158,172	2,062,394	1,440,000	1,575,000	1,570,000	130,000	9.0%
Expenses (Operations)							
Land Acquisition		505,402		-	-	-	100.0%
Total Expenditures	-	505,402	-	-	-	-	100.0%
Ending Fund Balance	4,584,138	6,141,130	7,581,130	7,716,130	9,286,130		

Notes & Objectives

The first receipts into the fund were recorded in FY 2015. There is no additional history before this fiscal year. Estimates are based upon analysis of projects currently within the development process in the City which are eligible to pay In Lieu of Parkland Fees.

This fund is available for capital projects pertaining to public parks, greenways/blue ways and open space. Funds have been reserved for future use and will be recommended as a funding source for parks projects contained within the BOMA FY 2019-2028 Capital Improvements Project prioritizations.

The \$505,402 shown above in expenditures in 2018 was used for Land Acquisition at the new Southeast Park/Complex.



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Debt Service Fund



City of Franklin, Tennessee - FY 2020 Budget Request **Debt Service Fund**

Outline

- Purpose of Department**
- Debt Service Schedule – All G.O. Bonds**
- Existing Debt Service for FY 2020**



City of Franklin, Tennessee - FY 2020 Budget Request **Debt Service Fund**

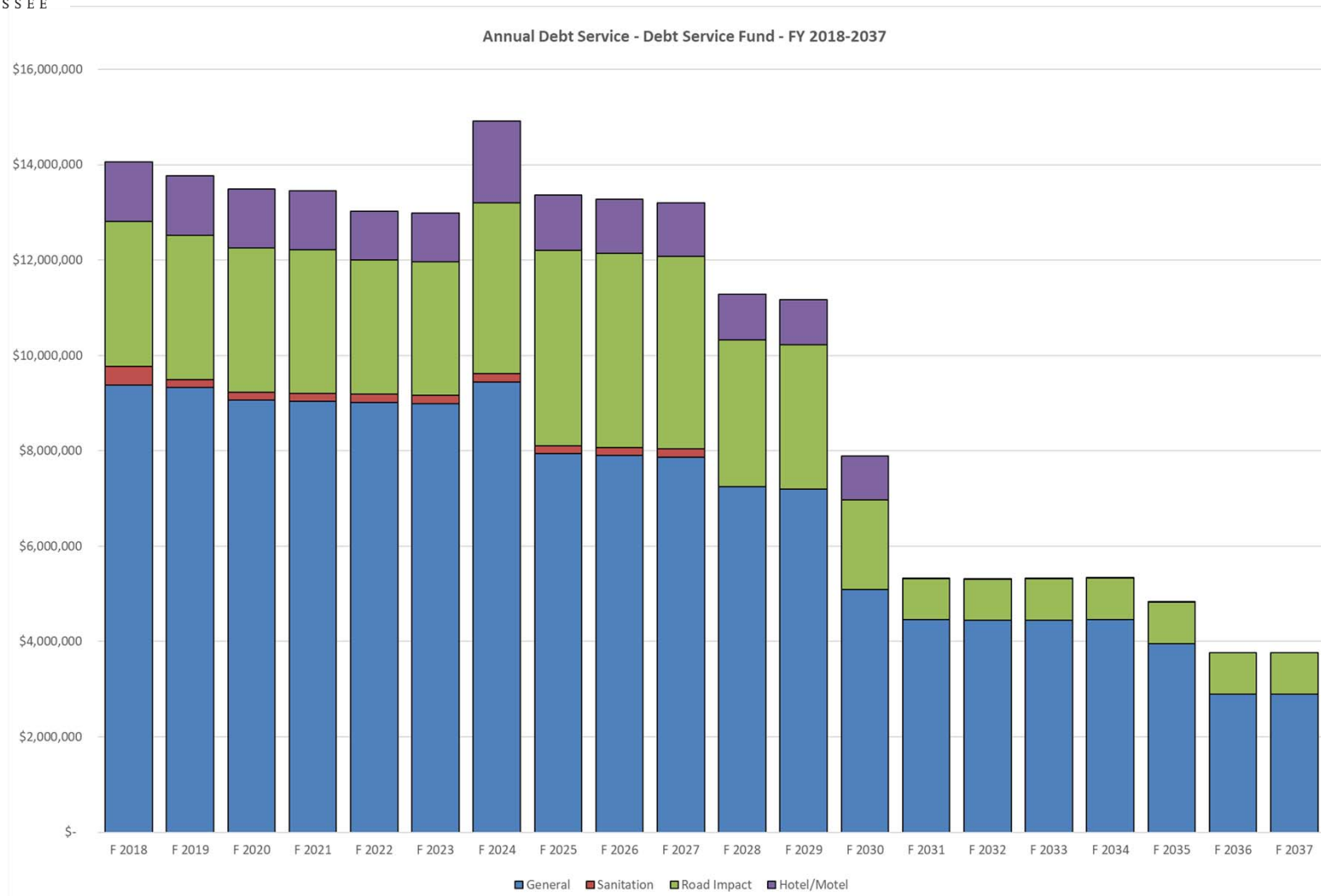
Purpose of Fund

In the FY 2010 budget, annual debt service previously paid by the General Fund was moved to this consolidated Debt Service Fund. While a portion of property tax is allocated directly to this fund to pay for General Fund's portion of debt service, transfers are made from the Sanitation & Environmental Services, Road Impact, and Hotel/Motel Tax funds to pay their respective shares of the debt service in accordance with policies and intentions delineated by the Board of Mayor & Aldermen.



City of Franklin, Tennessee - FY 2020 Budget Request

Debt Service Fund





City of Franklin, Tennessee - FY 2020 Budget Request

Debt Service Fund

Budget Request:

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Beginning Fund Balance	5,000	90,197	106,587	106,587	102,169		
Revenues							
TOTAL LOCAL TAXES	7,503,769	8,505,949	8,620,102	8,682,201	8,464,681	(155,421)	-1.8%
TOTAL INTERGOVERNMENTAL	846,359	843,028	870,720	883,648	835,606	(35,114)	-4.0%
TOTAL USE OF MONEY & PROP	4,354	16,390	5,000	5,000	5,000	-	0.0%
TOTAL OTHER REVENUE	4,627,463	4,291,704	4,188,795	4,188,795	4,191,166	2,371	0.1%
Total Available Funds	12,981,945	13,657,071	13,684,617	13,759,644	13,496,453	(188,164)	-1.4%
Expenses (Debt Service by Fund)							
General	8,029,359	9,120,354	9,327,839	9,327,839	9,064,594	(263,245)	-2.8%
Sanitation	628,454	273,390	167,184	167,184	167,183	(1)	0.0%
Road Impact	3,000,344	3,009,364	3,029,255	3,029,255	3,019,321	(9,934)	-0.3%
Hotel Motel	1,238,592	1,237,574	1,239,785	1,239,785	1,239,461	(324)	0.0%
Total Expenditures	12,896,748	13,640,681	13,764,063	13,764,063	13,490,559	(273,503)	-2.0%
Ending Fund Balance	90,197	106,587	27,141	102,169	108,061		

The Debt Service Fund for FY 2020 does not include the new money and refunding of G.O. Bonds currently underway. This budget will be amended once final bids are received and actual repayment schedules are known.

All that is shown herein is debt which has been issued to date. Below is FY 2020 G.O. Debt Service by fund. Water & Wastewater Debt is budgeted separately under the Water Management Department budget.



City of Franklin, Tennessee

FY 2020 Operating Budget

Debt Service Fund

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	5,000	90,197	106,587	106,587	102,169		
Revenues	12,981,945	13,657,071	13,684,617	13,759,644	13,496,453	-188,164	-1.38%
Expenditures	12,896,748	13,640,681	13,764,063	13,764,063	13,490,559	-273,503	-1.99%
Ending Balance	90,197	106,587	27,141	102,169	108,061		

Fund Summary

In the FY2010 budget, annual debt service previously paid by the General Fund was moved to this consolidated Debt Service Fund. While a portion of property tax is allocated directly to this fund to pay for General Fund's portion of debt service, transfers are made from the Sanitation & Environmental Services, Road Impact, and Hotel/Motel Tax funds to pay their respective shares of the debt service in accordance with policies and intentions delineated by the Board of Mayor & Aldermen.

Debt Management Policy Ratios

Appendix E of this document provides the City's adopted Debt Management Policy. The City of Franklin has had an adopted debt management policy since June 2009. Over the ensuing decade, this policy has been revised and amended to keep pace with changing economic and fiscal conditions. The policy was last reviewed and revised by the Board of Mayor and Alderman in December 2017.

Section V of this policy covers Debt Affordability. There are three ratios the City strives to balance in its overall execution and management of debt:

2) Direct Debt of Operating Revenues of less than or equal to 3x

FY 2019 Operating Revenues (All Funds):
\$ 151,997,610
3x FY 2019 Operating Revenues
\$ 455,992,830
Current Bonded Debt (all funds)
\$ 175,530,375
Direct Debt as x of Operating Revenues
1.2

Measure: Favorable

1) Direct Debt as a % of Full Value less than or equal to 1.75 %

Full Value of Franklin: (FY 2018)
\$ 15,550,483,075
1.75% of Full Value:
\$ 272,133,454
Current Bonded Debt (all funds)
\$ 175,530,375
As % of Full Value: 1.13%

Measure: Favorable

3) Total Governmental Funds Debt Service as a % of expenditures less than or equal to 25%

Total Governmental Funds Debt Service:
\$ 13,764,063
Total Governmental Funds Expenditures (All Funds Expenditures LESS Water & Wastewater Funds)
\$ 123,843,799
Gov. Funds Debt Service as % of Gov. Funds Expenditures
11.1%

Measure: Favorable



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the Debt Service Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

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City of Franklin, Tennessee

FY 2020 Operating Budget

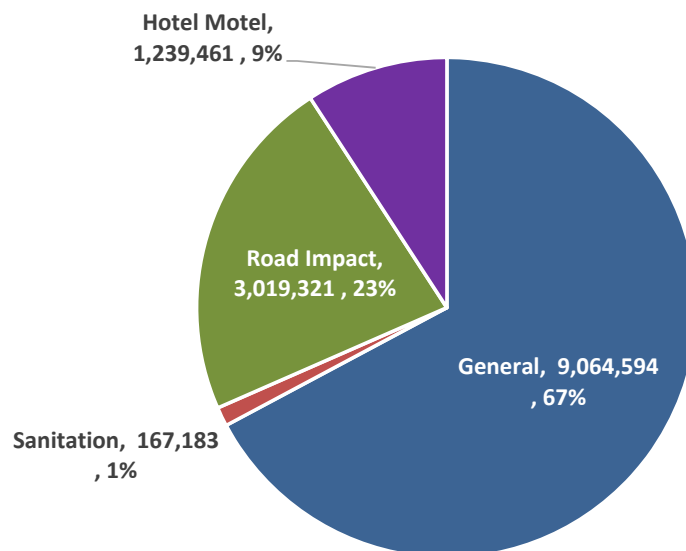
Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Beginning Fund Balance	5,000	90,197	106,587	106,587	102,169		
Revenues							
TOTAL LOCAL TAXES	7,503,769	8,505,949	8,620,102	8,682,201	8,464,681	(155,421)	-1.8%
TOTAL INTERGOVERNMENTAL	846,359	843,028	870,720	883,648	835,606	(35,114)	-4.0%
TOTAL USE OF MONEY & PROPE	4,354	16,390	5,000	5,000	5,000	-	0.0%
TOTAL OTHER REVENUE	4,627,463	4,291,704	4,188,795	4,188,795	4,191,166	2,371	0.1%
Total Available Funds	12,981,945	13,657,071	13,684,617	13,759,644	13,496,453	(188,164)	-1.4%
Expenses (Debt Service by Fund)							
General	8,029,359	9,120,354	9,327,839	9,327,839	9,064,594	(263,245)	-2.8%
Sanitation	628,454	273,390	167,184	167,184	167,183	(1)	0.0%
Road Impact	3,000,344	3,009,364	3,029,255	3,029,255	3,019,321	(9,934)	-0.3%
Hotel Motel	1,238,592	1,237,574	1,239,785	1,239,785	1,239,461	(324)	0.0%
Total Expenditures	12,896,748	13,640,681	13,764,063	13,764,063	13,490,559	(273,503)	-2.0%
Ending Fund Balance	90,197	106,587	27,141	102,169	108,061		

Notes & Objectives

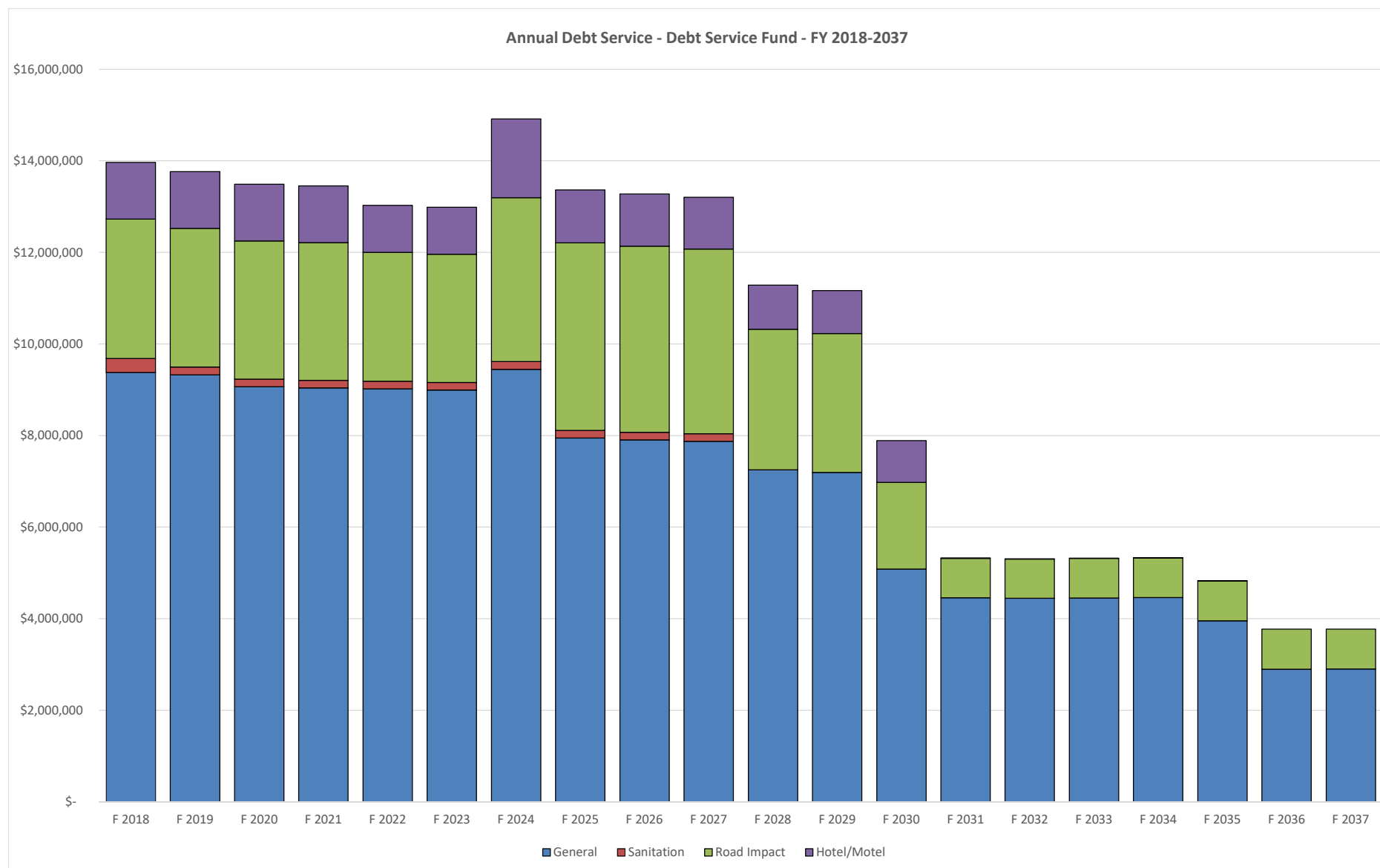
The Debt Service Fund for FY 2020 does not include the new money and refunding of G.O. Bonds currently underway. This budget will be amended once final bids are received and actual repayment schedules are known.

All that is shown herein is debt which has been issued to date. Below is FY 2020 G.O. Debt Service by fund. Water & Wastewater Debt is budgeted separately under the Water Management Department budget.



Debt Service Fund - General Obligation / Governmental Funds Debt Schedule

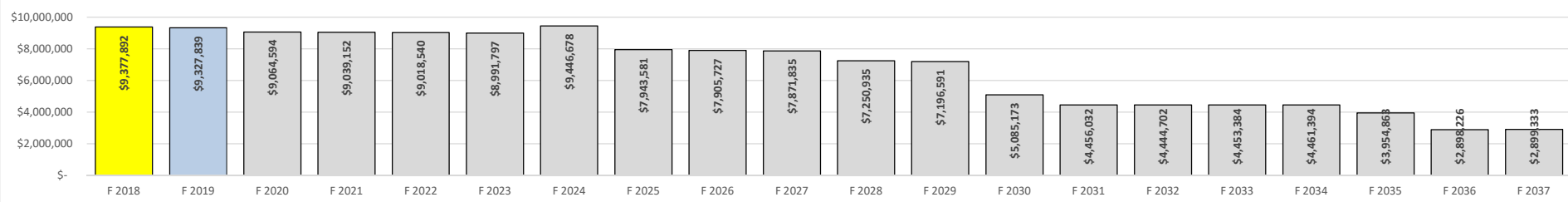
The chart below shows annual debt service for General Obligation Bonds for the City of Franklin, FY 2018-2037. Four funds - General, Sanitation, Road Impact and Hotel/Motel provide funding to service debt. Water & Wastewater Debt service is budgeted within the Water & Wastewater Fund.



Debt Service Fund - General Fund Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2037)	Total Outstanding (2020-2037)
PRINCIPAL										
Bonds 2007 - \$20m (Various)	2007	\$ 11,400,000							\$ 11,400,000	\$ 11,400,000
Bonds 2009 - \$44m (Various, including Police HQ)	2009A / 2009B	\$ 28,600,000	\$ 1,391,000	\$ 1,433,250	\$ 1,475,500	\$ 1,521,000	\$ 1,566,500	\$ 1,618,500	\$ 10,900,500	\$ 17,082,000
Bonds 2010 - \$16.59 (Refund 2004 Bonds & Harlinsdale)	2010	\$ 10,451,700	\$ 781,200	\$ 806,400	\$ 828,450	\$ 856,800	\$ 888,300	\$ 926,100	\$ 963,900	\$ 4,463,550
Bonds 2010 - \$15.725 (Hillsboro, 3rd Ave Ext, Columbia Stscoe)	2010	\$ 3,931,250							\$ 3,931,250	\$ 3,931,250
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	\$ 9,225,000	\$ 600,650	\$ 612,950	\$ 627,300	\$ 639,600	\$ 653,950	\$ 668,300	\$ 2,816,700	\$ 5,405,850
Bonds 2013 - \$10m (Pension Bonds)	2013	\$ 10,000,000	\$ 955,000	\$ 970,000	\$ 1,000,000	\$ 1,030,000	\$ 1,060,000	\$ 1,090,000	\$ 1,125,000	\$ 5,305,000
Bonds 2013 - \$7.405m (Public Works Bldg, Carlisle)	2013	\$ 7,405,000	\$ 315,000	\$ 320,000	\$ 325,000	\$ 330,000	\$ 340,000	\$ 350,000	\$ 4,565,000	\$ 5,910,000
Bonds 2015 - \$15m (Various)	2015	\$ 14,925,000	\$ 532,325	\$ 562,175	\$ 582,075	\$ 601,975	\$ 631,825	\$ 661,675	\$ 10,352,975	\$ 12,830,525
Bonds 2017 - \$23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	\$ 21,848,400	\$ 868,660	\$ 644,062	\$ 673,516	\$ 707,691	\$ 746,576	\$ 780,155	\$ 17,408,132	\$ 20,316,070
PRINCIPAL		\$ 117,786,350	\$ 5,443,835	\$ 5,348,837	\$ 5,511,841	\$ 5,687,066	\$ 5,887,151	\$ 6,094,730	\$ 63,463,457	\$ 86,644,245
INTEREST										
Bonds 2007 - \$20m (Various)	2007	Variable	\$ 454,860	\$ 454,860	\$ 454,860	\$ 454,860	\$ 454,860	\$ 454,860	\$ 3,904,016	\$ 5,723,456
Bonds 2009 - \$44m (Various, including Police HQ)	2009A / 2009B	2009 A - 2.5% / 2009 B 4.45% - 5.7%	\$ 1,013,951	\$ 952,052	\$ 886,839	\$ 818,228	\$ 745,220	\$ 667,678	\$ 2,163,583	\$ 5,281,548
Bonds 2010 - \$16.59 (Refund 2004 Bonds & Harlinsdale)	2010	2.0% - 4.0%	\$ 208,247	\$ 184,811	\$ 160,619	\$ 135,765	\$ 101,493	\$ 65,961	\$ 28,917	\$ 492,755
Bonds 2010 - \$15.725 (Hillsboro, 3rd Ave Ext, Columbia Stscoe)	2010	4.625% - 5.375%	\$ 198,932	\$ 198,932	\$ 198,932	\$ 198,932	\$ 198,932	\$ 198,932	\$ 842,322	\$ 1,638,051
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	2.13%	\$ 140,995	\$ 128,200	\$ 115,145	\$ 101,783	\$ 88,159	\$ 74,231	\$ 151,517	\$ 530,835
Bonds 2013 - \$10m (Pension Bonds)	2013	1.0% - 3.5%	\$ 208,313	\$ 183,510	\$ 164,410	\$ 134,410	\$ 106,600	\$ 74,800	\$ 39,375	\$ 519,595
Bonds 2013 - \$7.405m (Public Works Bldg, Carlisle)	2013	2.0% - 4.0%	\$ 192,618	\$ 192,619	\$ 192,620	\$ 179,918	\$ 173,418	\$ 166,818	\$ 996,054	\$ 1,708,828
Bonds 2015 - \$15m (Various)	2015	3.0% - 5.0%	\$ 528,037	\$ 501,420	\$ 478,933	\$ 461,471	\$ 431,372	\$ 399,781	\$ 2,376,991	\$ 4,148,548
Bonds 2017 - \$23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	2.73%	\$ 733,016	\$ 919,654	\$ 887,451	\$ 853,775	\$ 818,391	\$ 781,062	\$ 6,126,686	\$ 9,467,365
INTEREST			\$ 3,678,969	\$ 3,716,058	\$ 3,539,809	\$ 3,339,142	\$ 3,118,445	\$ 2,884,123	\$ 16,629,461	\$ 29,510,981
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 255,088	\$ 262,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 175,536	\$ 227,312
PAYING AGENT & OTHER DEBT FEES			\$ 255,088	\$ 262,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 175,536	\$ 227,312
			\$ 9,377,892	\$ 9,327,839	\$ 9,064,594	\$ 9,039,152	\$ 9,018,540	\$ 8,991,797	\$ 80,268,454	\$ 116,382,538
TOTAL EXPENDITURES			\$ 9,377,892	\$ 9,327,839	\$ 9,064,594	\$ 9,039,152	\$ 9,018,540	\$ 8,991,797	\$ 80,268,454	\$ 116,382,538

Annual Debt Service - General Fund - FY 2018-2037





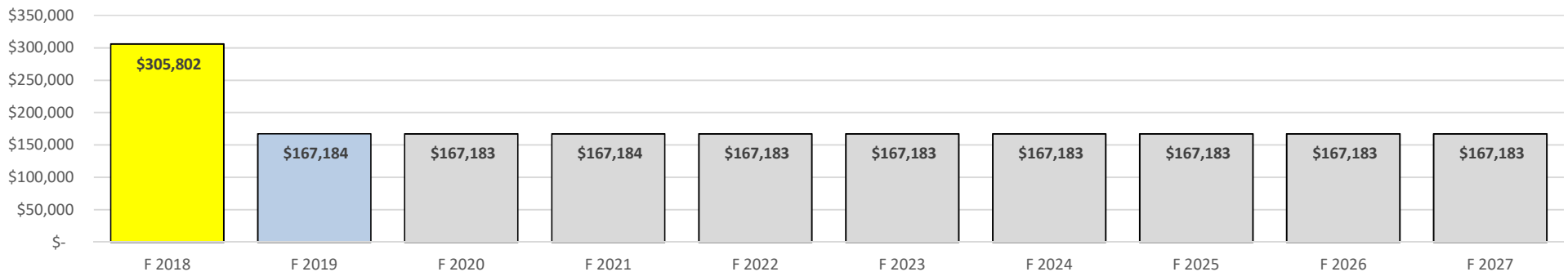
City of Franklin, Tennessee

FY 2020 Operating Budget

Debt Service Fund - Sanitation Fund Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2027)	Total Outstanding (2020-2027)
PRINCIPAL										
Bonds 2001 - \$2m (Century Court 2)	2003	\$ 2,000,000	\$ 173,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds 2017 - \$25.12M (Hillsboro/Roads)	2017	\$ 1,271,600	\$ 81,340	\$ 110,938	\$ 116,484	\$ 122,309	\$ 128,424	\$ 134,845	\$ 478,155	\$ 980,217
PRINCIPAL		\$ 3,271,600	\$ 254,340	\$ 110,938	\$ 116,484	\$ 122,309	\$ 128,424	\$ 134,845	\$ 478,155	\$ 980,217
INTEREST										
Bonds 2001 - \$2m (Century Court 2)	2003	Variable	\$ 467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds 2017 - \$25.12M (Hillsboro/Roads)	2017	2.73%	\$ 45,905	\$ 56,246	\$ 50,699	\$ 44,875	\$ 38,759	\$ 32,338	\$ 190,579	\$ 357,250
INTEREST			\$ 46,372	\$ 56,246	\$ 50,699	\$ 44,875	\$ 38,759	\$ 32,338	\$ 190,579	\$ 357,250
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 5,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PAYING AGENT & OTHER DEBT FEES			\$ 5,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES			\$ 305,802	\$ 167,184	\$ 167,183	\$ 167,184	\$ 167,183	\$ 167,183	\$ 668,734	\$ 1,337,467

Annual Debt Service - Sanitation Fund - FY 2018-2027



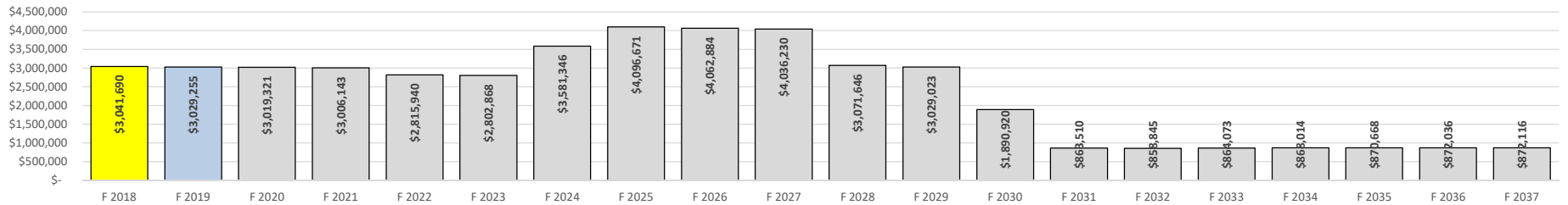


City of Franklin, Tennessee
FY 2020 Operating Budget

Debt Service Fund - Road Impact Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2037)	Total Outstanding (2020-2037)
PRINCIPAL										
Bonds 2005 - \$4.5m (McEwen ROW) - 45%	2005	\$ 2,025,000	\$ 155,250	\$ 159,750	\$ 166,500	\$ 173,250			\$ -	\$ 339,750
Bonds 2007 - \$20m (Various) - 43%	2007	\$ 8,600,000							\$ 8,600,000	\$ 8,600,000
Bonds 2009 - \$44m (Various) - 34.6%	2009A / 2009B	\$ 15,224,000	\$ 740,440	\$ 762,930	\$ 785,420	\$ 809,640	\$ 833,860	\$ 861,540	\$ 5,802,420	\$ 9,092,880
Bonds 2010 - \$15.725m (3rd Ave, Hillsboro) - 50%	2010	\$ 6,290,000							\$ 6,290,000	\$ 6,290,000
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	\$ 11,475,000	\$ 747,150	\$ 762,450	\$ 780,300	\$ 795,600	\$ 813,450	\$ 831,300	\$ 3,503,700	\$ 6,724,350
PRINCIPAL		\$ 43,614,000	\$ 1,642,840	\$ 1,685,130	\$ 1,732,220	\$ 1,778,490	\$ 1,647,310	\$ 1,692,840	\$ 24,196,120	\$ 31,046,980
INTEREST										
Bonds 2005 - \$4.5m (McEwen ROW) - 45%	2005	Variable	\$ 21,451	\$ 15,590	\$ 9,519	\$ 3,214				\$ 12,733
Bonds 2007 - \$20m (Various) - 43%	2007	Variable	\$ 343,140	\$ 343,140	\$ 343,140	\$ 343,140	\$ 343,140	\$ 343,140	\$ 2,944,999	\$ 4,317,559
Bonds 2009 - \$44m (Various) - 34.6%	2009A / 2009B	2009 A - 2.5% / 2009 B 4.45% - 5.7%	\$ 539,734	\$ 506,784	\$ 472,071	\$ 435,549	\$ 396,686	\$ 355,410	\$ 1,151,691	\$ 2,811,407
Bonds 2010 - \$15.725m (3rd Ave, Hillsboro) - 50%	2010	4.625% - 5.375%	\$ 318,292	\$ 318,292	\$ 318,292	\$ 318,292	\$ 318,292	\$ 318,292	\$ 1,347,718	\$ 2,620,886
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	2.13%	\$ 175,383	\$ 159,469	\$ 143,229	\$ 126,608	\$ 109,662	\$ 92,336	\$ 188,474	\$ 660,309
INTEREST			\$ 1,398,000	\$ 1,343,275	\$ 1,286,251	\$ 1,226,803	\$ 1,167,780	\$ 1,109,178	\$ 5,632,882	\$ 10,422,894
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 8,980	\$ 12,380
PAYING AGENT & OTHER DEBT FEES			\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 8,980	\$ 12,380
TOTAL EXPENDITURES			\$ 3,041,690	\$ 3,029,255	\$ 3,019,321	\$ 3,006,143	\$ 2,815,940	\$ 2,802,868	\$ 29,837,982	\$ 41,482,254

Annual Debt Service - Road Impact Fund - FY 2018-2037



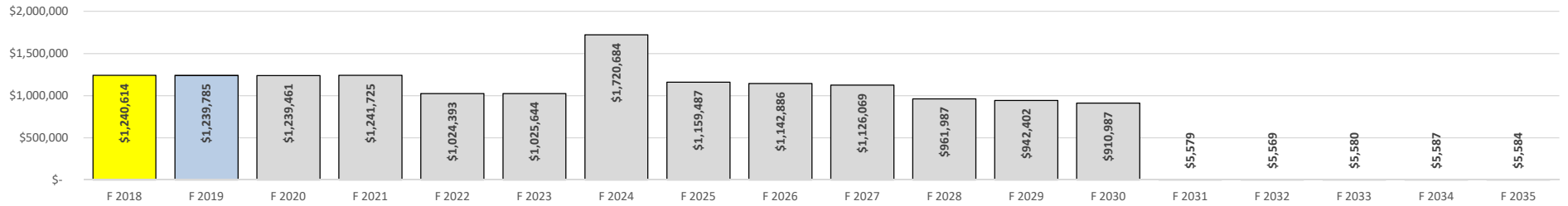


City of Franklin, Tennessee
FY 2020 Operating Budget

Debt Service Fund - Hotel / Motel Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2035)	Total Outstanding (2020-2035)
PRINCIPAL										
Bonds 2005 - \$4.5m (Country Club) - 55%	2005	\$ 2,475,000	\$ 189,750	\$ 195,250	\$ 203,500	\$ 211,750			\$ -	\$ 415,250
Bonds 2009 - \$44m (Harlinsdale, Battlefield) - .4%	2009A / 2009B	\$ 176,000	\$ 8,560	\$ 8,820	\$ 9,080	\$ 9,360	\$ 9,640	\$ 9,960	\$ 67,080	\$ 105,120
Bonds 2010 - \$15.725m (Streetscape) - 50%	2010	\$ 5,503,750							\$ 5,503,750	\$ 5,503,750
Bonds 2010 - \$16.59m (Refund Harlinsdale) - 37.0%	2010 (Refund)	\$ 6,138,300	\$ 458,800	\$ 473,600	\$ 486,550	\$ 503,200	\$ 521,700	\$ 543,900	\$ 566,100	\$ 2,621,450
Bonds 2012 - \$22.5m Refunding	2009 / 2012 (Refund)	\$ 1,800,000	\$ 117,200	\$ 119,600	\$ 122,400	\$ 124,800	\$ 127,600	\$ 130,400	\$ 549,600	\$ 1,054,800
Bonds 2015 - \$15m (Hillsboro & 3rd Ave Only)	2015	\$ 75,000	\$ 2,675	\$ 2,825	\$ 2,925	\$ 3,025	\$ 3,175	\$ 3,325	\$ 52,025	\$ 64,475
PRINCIPAL		\$ 16,168,050	\$ 776,985	\$ 800,095	\$ 824,455	\$ 852,135	\$ 662,115	\$ 687,585	\$ 6,738,555	\$ 9,764,845
INTEREST										
Bonds 2005 - \$4.5m (Country Club) - 55%	2005	Variable	\$ 26,218	\$ 19,054	\$ 11,634	\$ 3,929			\$ -	\$ 15,563
Bonds 2009 - \$44m (Harlinsdale, Battlefield) - .4%	2009A / 2009B	2009 A - 2.5% / 2009 B 4.45% - 5.7%	\$ 6,240	\$ 5,859	\$ 5,457	\$ 5,035	\$ 4,586	\$ 4,109	\$ 13,314	\$ 32,502
Bonds 2010 - \$15.725m (Streetscape) - 50%	2010	4.625% - 5.375%	\$ 278,505	\$ 278,505	\$ 278,505	\$ 278,505	\$ 278,505	\$ 278,505	\$ 1,179,251	\$ 2,293,271
Bonds 2010 - \$16.59m (Refund Harlinsdale) - 37.0%	2010 (Refund)	2.0% - 4.0%	\$ 122,304	\$ 108,540	\$ 94,332	\$ 79,735	\$ 59,607	\$ 38,739	\$ 16,983	\$ 289,396
Bonds 2012 - \$22.5m Refunding	2009 / 2012 (Refund)	2.13%	\$ 27,511	\$ 25,015	\$ 22,467	\$ 19,860	\$ 17,202	\$ 14,484	\$ 29,564	\$ 103,578
Bonds 2015 - \$15m (Hillsboro & 3rd Ave Only)	2015	3.0% - 5.0%	\$ 2,653	\$ 2,520	\$ 2,407	\$ 2,319	\$ 2,168	\$ 2,009	\$ 11,945	\$ 20,847
INTEREST			\$ 463,431	\$ 439,492	\$ 414,802	\$ 389,383	\$ 362,068	\$ 337,846	\$ 1,251,058	\$ 2,755,156
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 198	\$ 198	\$ 204	\$ 207	\$ 210	\$ 213	\$ 2,790	\$ 3,624
PAYING AGENT & OTHER DEBT FEES			\$ 198	\$ 198	\$ 204	\$ 207	\$ 210	\$ 213	\$ 2,790	\$ 3,624
TOTAL EXPENDITURES			\$ 1,240,614	\$ 1,239,785	\$ 1,239,461	\$ 1,241,725	\$ 1,024,393	\$ 1,025,644	\$ 7,992,403	\$ 12,523,625

Annual Debt Service - Hotel/Motel Tax Fund - FY 2018-2035





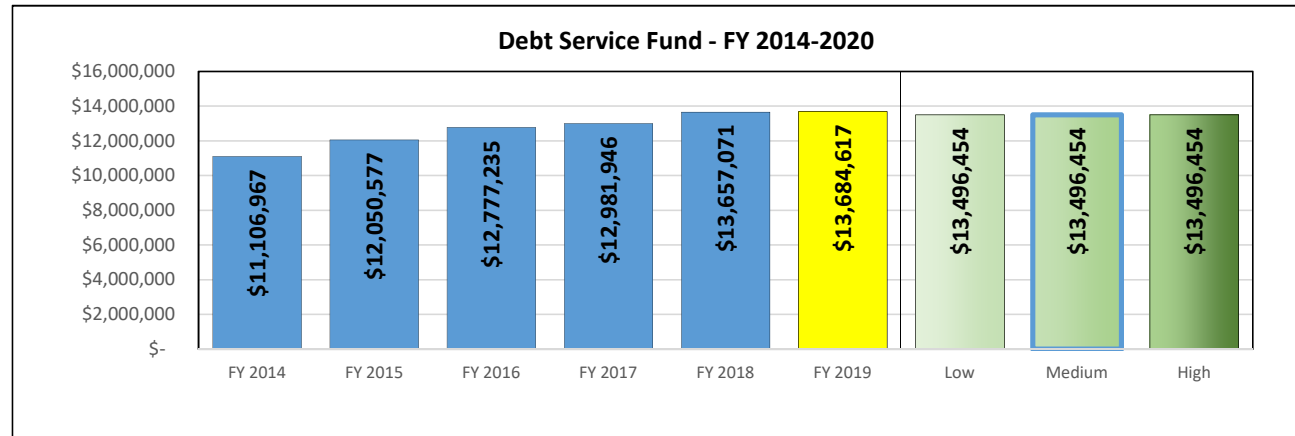
City of Franklin

Revenue Model

Fund:	Debt Service Fund	Percent of All Revenues	8.8%
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Debt Service Fund: The Debt Service Fund was created in FY 2010 for the purpose of accounting for resources set aside to fund debt service (payments of long term debt principal, interest, and related costs). All funds which have debt service are accounted for within this fund - General, Road Impact, Sanitation and Hotel / Motel.

FY 2020 revenues for the Debt Service Fund will be revised during the next few months once plans are finalized for next G.O. Bond Issuance for various projects contained in the 2019-2028 CIP.



	Actual					Budget	Forecast (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
PROPERTY TAXES COLLECTED	5,357,261	6,350,472	7,338,632	6,710,855	8,505,949	8,620,102	8,464,681	8,464,681	8,464,681	3-yr Average
REBATE ON BAB / RZEDB	832,179	838,508	840,316	846,359	843,028	870,720	835,606	835,606	835,606	\$ 13,138,751
INTEREST INCOME	2,205	1,514	3,296	4,355	16,390	5,000	5,000	5,000	5,000	1.4%
BOND PROCEEDS	0	0	0	0	0	0	-	-	-	5-Yr Average
TRANSFER FROM GENERAL FUND	0	0	0	792,914	0	0	-	-	-	\$ 12,514,759
TRANSFER FROM WATER	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1.9%
TRANSFER FROM SEWER	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
TRANSFER FROM SOLID WASTE	570,537	584,509	599,772	618,054	273,390	167,184	167,184	167,184	167,184	
TRANSFER FROM ROAD IMPACT	3,227,856	2,960,579	2,674,006	2,689,493	2,699,646	2,708,651	2,710,869	2,710,869	2,710,869	
TRANSFER FROM HOTEL/MOTEL	1,116,929	1,114,995	1,121,213	1,119,916	1,118,668	1,112,960	1,113,114	1,113,114	1,113,114	
Totals	\$ 11,106,967	\$ 12,050,577	\$ 12,777,235	\$ 12,981,946	\$ 13,657,071	\$ 13,684,617	\$ 13,496,454	\$ 13,496,454	\$ 13,496,454	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.



City of Franklin
Monthly Reports for April 2019
EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax

The local sales tax remittance from the State of Tennessee for January 2019 sales (received by the City in March 2019) was \$2,682,262 compared to \$2,503,593 for the same month in 2018, a monthly year over year increase of \$178,669 or 7.1%. In comparison, sales tax collections for the State of Tennessee were up 5.3%.

March receipts (January sales) are the seventh month of the FY 2019 fiscal year for both the City of Franklin and the State of Tennessee.

Schedule 2: Building Permits

2019 year-to-date is less than 2018 by 37.1%, and compared to 2019 budget is less by 34.8%.

Schedule 3: Road Impact Fees *

Combined 2019 year-to-date compared to 2018 is 36.6% less, and compared to 2019 budget is less by 7.9%. By quadrant, Arterial Road Impact 2019 year-to-date compared to 2018 is 60.3% less, and compared to 2019 budget is less by 4.6%. Coll Area 1 2019 year-to-date compared to 2019 budget is 41.6% more; Coll Area 2 2019 year-to-date compared to 2019 budget is 96.4% more; Coll Area 3 2019 year-to-date compared to 2019 budget is 51.8% less; Coll Area 4 2019 year-to-date compared to 2019 budget is 82.6% less.

Schedule 4: Facilities Tax (City) *

2019 year-to-date compared to 2018 is 50.4% less, and compared to 2019 budget is more by 9.4%.

Schedule 5: Facilities Tax (County) *

2019 year-to-date compared to 2018 is 29.4% less, and compared to 2019 budget is 45.1% less.

Schedule 6: Gasoline Taxes (State Street Aid Fund)

The gasoline tax remittance from the State of Tennessee for January 2019 sales (received by the City in March 2019) was \$200,580 compared to \$183,474 for the same month in 2018, an increase of \$17,106 or 9.3%.

For budget comparisons, the City anticipated collections of \$225,655 for January 2019, a difference of \$25,074 less, or 11.1%.

Schedule 7: Conference Center

The City's ½ share of the profit for February 2019 was \$60,530. In February 2018, the City's ½ share of the profit was \$88,228.

*** Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.**



City of Franklin

Finance Department - Monthly Reports

Schedule 1:

Local Sales Tax

Fund

General

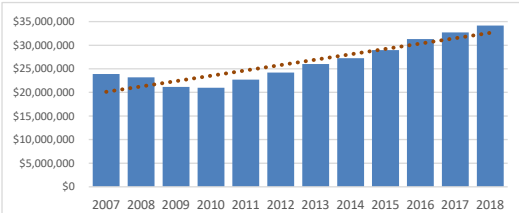
Account:

110-31300-00000

Summary: Tennessee Code Annotated 67-6-702 authorizes the levy of a local sales tax. The maximum rate authorized is 2.75%. The current rate increased from 2.25% to the maximum of 2.75% effective April 1, 2018. The tax is applied only to the first \$1,600 of any single article of personal property. The City receives 1/2 of the 2.75% rate collected within the City. Williamson County receives the other 1/2, plus an administrative fee of 1% of the City's 1/2 of the tax. Beginning with April 2018 taxes, the City contributes its share of the .5% increase to the County's School Debt Service. The County withholds the contribution for school debt service from the amount remitted to the City. Finance will track the 36 month contribution period, to end with March 2021 sales (to be received in May 2021).

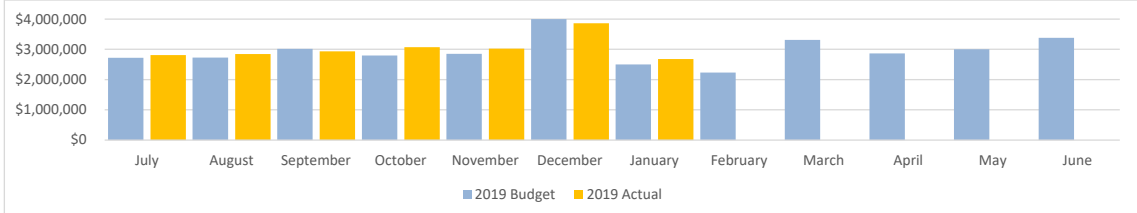
Monthly Report for April 2019: The local sales tax remittance from the State of Tennessee for January 2019 sales (received by the City in March 2019) was \$2,682,262 compared to \$2,503,593 for the same month in 2018, a monthly year over year increase \$178,669, or 7.1% more. In comparison, sales tax collections for the State of Tennessee were up 5.27%. March receipts (January sales) are the seventh month of the FY 2019 fiscal year for both the City of Franklin and the State of Tennessee. The additional local option sales tax rate of 0.50%, for a total local rate of 2.75%, became effective April 1, 2018. The City of Franklin has pledged its 2nd half share of this additional tax to School Debt Service for a period of 3 years. For January 2019, the funds foregone by the City and contributed to Schools is \$515,180. Total contribution to date to Schools from the City's portion is \$5,783,296.

Yearly Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year	Contribution to County School Debt .5% Apr 2018- Mar 2021
2007	\$23,885,264	\$1,879,561	8.5%	
2008	\$23,185,434	(\$699,830)	-2.9%	
2009	\$21,152,554	(\$2,032,880)	-8.8%	
2010	\$20,969,821	(\$182,733)	-0.9%	
2011	\$22,720,666	\$1,750,845	8.3%	
2012	\$24,197,413	\$1,476,747	6.5%	
2013	\$25,995,733	\$1,798,320	7.4%	
2014	\$27,254,742	\$1,259,009	4.8%	
2015	\$28,943,994	\$1,689,252	6.2%	
2016	\$31,309,366	\$2,365,372	8.2%	
2017	\$32,694,268	\$1,384,902	4.4%	
2018	\$34,151,972	\$1,457,704	4.5%	\$1,692,308
Average Increase (Decrease)		\$ 1,012,189	3.9%	\$ 1,692,308

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2018 Budget	% Inc./ (Dec.) from 2018 Budget	Contribution to County School Debt .5% Apr 2018-Mar 2021
July	\$2,735,435	\$2,724,633	\$2,811,663	\$76,228	2.8%	\$87,030	3.2%	\$556,794
August	\$2,739,864	\$2,726,441	\$2,848,326	\$108,462	4.0%	\$121,885	4.5%	\$559,579
September	\$2,748,694	\$3,014,896	\$2,933,410	\$184,716	6.7%	(\$81,486)	-2.7%	\$571,226
October	\$2,699,862	\$2,800,288	\$3,068,712	\$368,850	13.7%	\$268,424	9.6%	\$568,736
November	\$2,934,718	\$2,853,971	\$3,026,420	\$91,702	3.1%	\$172,449	6.0%	\$587,805
December	\$3,902,304	\$4,141,913	\$3,865,896	(\$36,408)	-0.9%	(\$276,017)	-6.7%	\$731,667
January	\$2,503,594	\$2,502,943	\$2,682,262	\$178,668	7.1%	\$179,319	7.2%	\$515,180
February	\$2,315,764	\$2,232,457						
March	\$2,938,636	\$3,310,026						
April	\$2,804,120	\$2,866,454						
May	\$2,864,887	\$3,005,021						
June	\$2,964,094	\$3,378,296						
	\$34,151,972	\$35,557,339	\$21,236,689	\$138,888	4.8%	\$67,372	2.3%	\$4,090,987
	<i>Total</i>	<i>Total</i>	<i>Total</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Total</i>
				\$972,218		\$471,604		
				<i>Total</i>		<i>Total</i>		



City of Franklin

Finance Department - Monthly Reports

Schedule 2:

Building Permits

Fund

General Fund

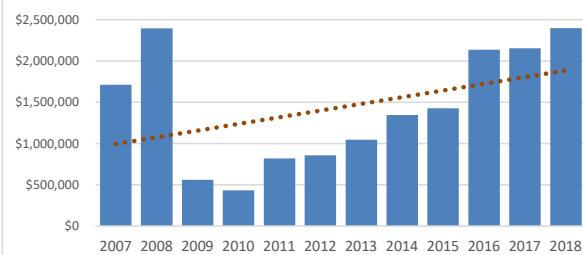
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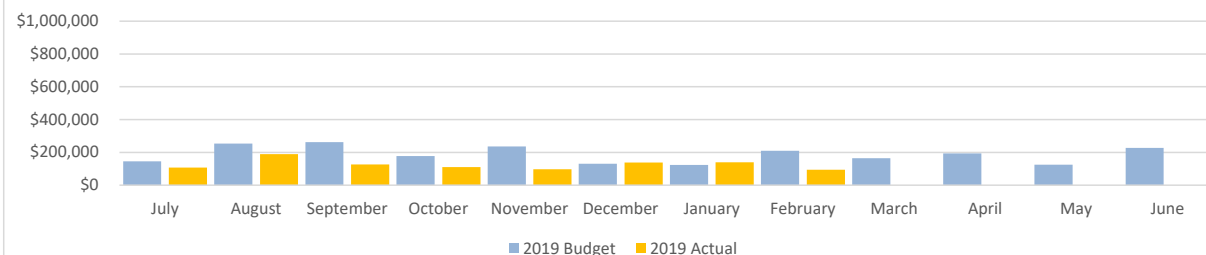
Summary: A part of General Fund Revenues, these fees are paid to the City to offset and pay for the staffing costs borne by the City to extend services due to construction growth. There has been growth in both residential and commercial sides of development. This revenue has been difficult to predict by month because permits are often obtained and fees paid in advance of construction.

Monthly Report for April 2019: 2019 year-to-date is less than 2018 by 37.1%, and compared to 2019 budget is less by 34.8%.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	\$1,710,865	\$482,656	39.3%
2008	\$2,395,129	\$684,264	40.0%
2009	\$559,112	(\$1,836,017)	-76.7%
2010	\$430,901	(\$128,211)	-22.9%
2011	\$820,111	\$389,210	90.3%
2012	\$855,409	\$35,298	4.3%
2013	\$1,046,947	\$191,538	22.4%
2014	\$1,343,978	\$297,031	28.4%
2015	\$1,426,188	\$82,210	6.1%
2016	\$2,136,322	\$710,134	49.8%
2017	\$2,153,262	\$16,940	0.8%
2018	\$2,399,364	\$246,102	11.4%

Average Increase (Decrease) \$ 97,596 16.1%

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$151,308	\$145,855	\$107,435	(\$43,873)	-29.0%	(\$38,420)	-26.3%
August	\$263,053	\$253,572	\$189,940	(\$73,113)	-27.8%	(\$63,632)	-25.1%
September	\$272,790	\$262,958	\$127,084	(\$145,706)	-53.4%	(\$135,874)	-51.7%
October	\$184,369	\$177,724	\$110,782	(\$73,587)	-39.9%	(\$66,942)	-37.7%
November	\$245,485	\$236,637	\$97,666	(\$147,819)	-60.2%	(\$138,971)	-58.7%
December	\$135,762	\$130,869	\$137,807	\$2,045	1.5%	\$6,938	5.3%
January	\$127,933	\$123,322	\$139,163	\$11,230	8.8%	\$15,841	12.8%
February	\$217,391	\$209,556	\$94,925	(\$122,466)	-56.3%	(\$114,631)	-54.7%
March	\$170,457	\$164,314					
April	\$200,312	\$193,093					
May	\$130,209	\$125,516					
June	\$240,295	\$227,972					

\$2,339,364	\$2,251,388	\$1,004,802	(\$74,161)	-37.1%	(\$66,961)	-34.8%
Total	Total	Total	Average	Average	Average	Average
			(\$593,289)		(\$535,691)	
			Total		Total	



City of Franklin

Finance Department - Monthly Reports

Schedule 3:

Road Impact Fees

Fund

Road Impact

Account:

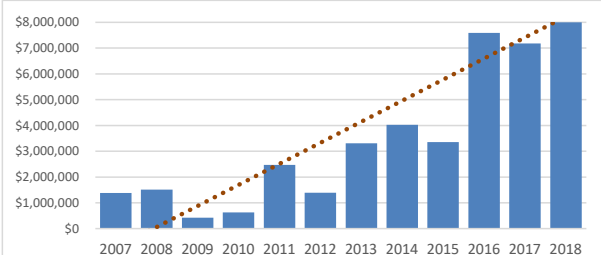
128-(32800-32804)-00000

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

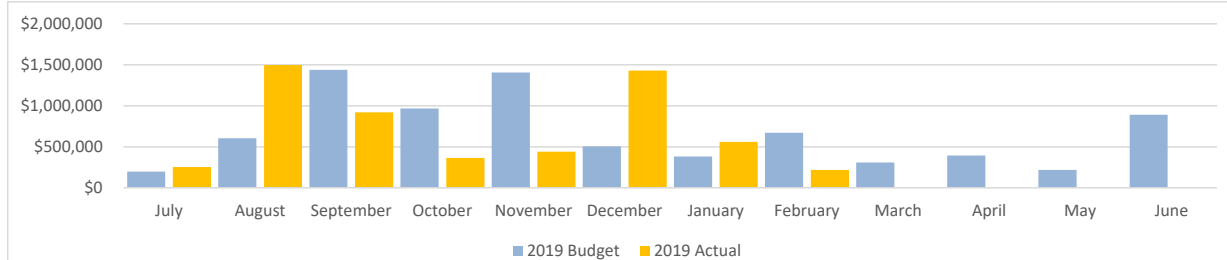
Monthly Report for April 2019: 2019 year-to-date compared to 2018 is 36.6% less, and compared to 2019 budget is less by 7.9%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	\$1,381,660	\$72,116	5.5%
2008	\$1,509,963	\$128,303	9.3%
2009	\$426,916	(\$1,083,047)	-71.7%
2010	\$629,194	\$202,278	47.4%
2011	\$2,466,846	\$1,837,652	292.1%
2012	\$1,391,645	(\$1,075,201)	-43.6%
2013	\$3,306,075	\$1,914,430	137.6%
2014	\$4,021,752	\$715,677	21.6%
2015	\$3,358,431	(\$663,321)	-16.5%
2016	\$7,586,724	\$4,228,293	125.9%
2017	\$7,180,150	(\$406,574)	-5.4%
2018	\$11,585,500	\$4,405,350	61.4%

Average Increase (Decrease) \$ 856,330 47.0%

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$286,769	\$197,630	\$252,693	(\$34,076)	-11.9%	\$55,063	27.9%
August	\$875,735	\$603,523	\$1,496,451	\$620,716	70.9%	\$892,928	148.0%
September	\$2,088,489	\$1,439,305	\$918,650	(\$1,169,839)	-56.0%	(\$520,655)	-36.2%
October	\$1,402,083	\$966,261	\$365,085	(\$1,036,998)	-74.0%	(\$601,176)	-62.2%
November	\$2,038,926	\$1,405,148	\$440,428	(\$1,598,498)	-78.4%	(\$964,720)	-68.7%
December	\$733,067	\$505,201	\$1,429,104	\$696,037	94.9%	\$923,903	182.9%
January	\$554,671	\$382,258	\$560,956	\$6,285	1.1%	\$178,698	46.7%
February	\$975,568	\$672,324	\$218,728	(\$756,840)	-77.6%	(\$453,596)	-67.5%
March	\$448,969	\$309,412					
April	\$571,231	\$393,670					
May	\$315,984	\$217,764					
June	\$1,294,008	\$891,780					
	\$11,585,500 Total	\$7,984,276 Total	\$5,682,095 Total	(\$409,152) Average (\$3,273,213) Total	-36.6% Average	(\$61,194) Average (\$489,555) Total	-7.9% Average



City of Franklin

Finance Department - Monthly Reports

Schedule 3A:

Road Impact Fees

Fund

Road Impact

Account:

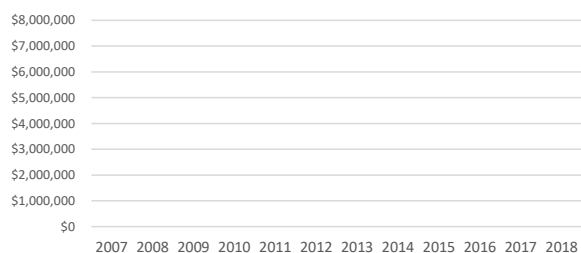
128-32800-00000

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

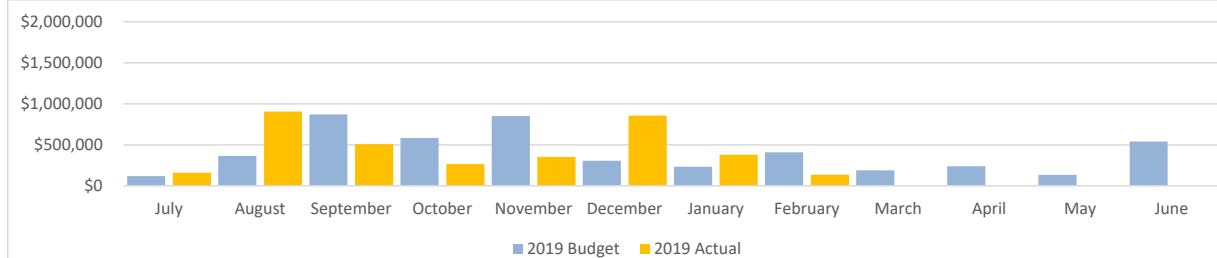
Monthly Report for April 2019: 2019 year-to-date compared to 2018 is 60.3% less, and compared to 2019 budget is less by 4.6%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007			
2008			
2009			
2010			
2011			
2012	Breakdown between Quadrants began in FY 2019.		
2013			
2014			
2015			
2016			
2017			
2018		\$0	

Average Increase (Decrease) \$ -

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$286,769	\$119,537	\$158,320	(\$128,449)	-44.8%	\$38,783	32.4%
August	\$875,735	\$365,041	\$905,319	\$29,584	3.4%	\$540,278	148.0%
September	\$2,088,489	\$870,565	\$507,202	(\$1,581,287)	-75.7%	(\$363,363)	-41.7%
October	\$1,402,083	\$584,444	\$265,677	(\$1,136,406)	-81.1%	(\$318,767)	-54.5%
November	\$2,038,926	\$849,905	\$353,686	(\$1,685,240)	-82.7%	(\$496,219)	-58.4%
December	\$733,067	\$305,571	\$855,136	\$122,069	16.7%	\$549,565	179.8%
January	\$554,671	\$231,209	\$378,228	(\$176,443)	-31.8%	\$147,019	63.6%
February	\$975,568	\$406,656	\$136,113	(\$839,455)	-86.0%	(\$270,543)	-66.5%
March	\$448,969	\$187,148					
April	\$571,231	\$238,112					
May	\$315,984	\$131,715					
June	\$1,294,008	\$539,394					
	\$11,585,500	\$4,829,297	\$3,559,681	(\$674,453)	-60.3%	(\$21,656)	-4.6%
	Total	Total	Total	Average	Average	Average	Average
				(\$5,395,627)		(\$173,247)	
				Total		Total	



City of Franklin

Finance Department - Monthly Reports

Schedule 3B:

Coll Area 1

Fund

Road Impact

Account:

128-32801-00000

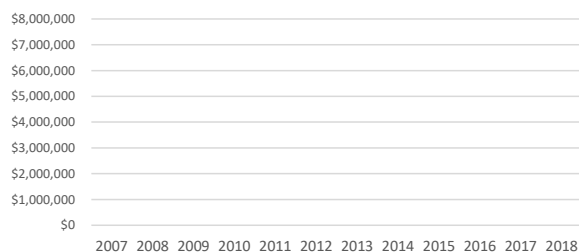
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 1 - Area north of Murfreesboro Road/3rd Avenue South and east of East Main Street/Franklin Road and within the corporate boundaries of the city.

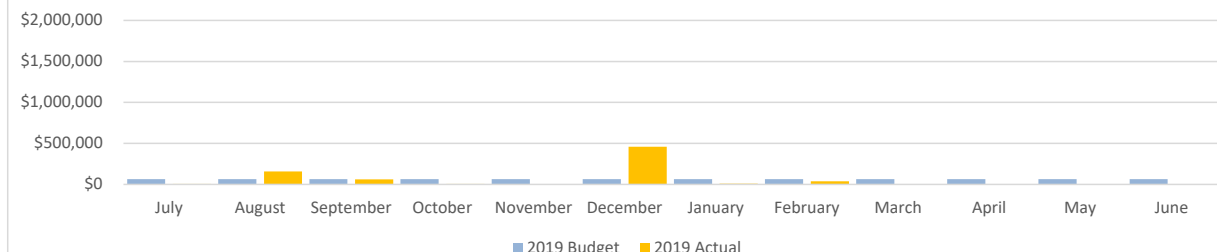
Monthly Report for April 2019: 2019 year-to-date compared to 2019 budget is more by 41.6%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	Breakdown between Quadrants began in FY 2019.	\$0	
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$0	\$65,729	\$6,680	\$6,680		(\$59,049)	-89.8%
August	\$0	\$65,729	\$159,505	\$159,505		\$93,776	142.7%
September	\$0	\$65,729	\$62,651	\$62,651		(\$3,078)	-4.7%
October	\$0	\$65,729	\$5,352	\$5,352		(\$60,377)	-91.9%
November	\$0	\$65,729	\$3,340	\$3,340		(\$62,389)	-94.9%
December	\$0	\$65,729	\$459,764	\$459,764		\$394,035	599.5%
January	\$0	\$65,729	\$10,020	\$10,020		(\$55,709)	-84.8%
February	\$0	\$65,729	\$37,391	\$37,391		(\$28,338)	-43.1%
March	\$0	\$65,729					
April	\$0	\$65,728					
May	\$0	\$65,728					
June	\$0	\$65,728					

Average Increase (Decrease)

\$

-

\$0
Total

\$788,745
Total

\$744,703
Total

\$93,088
Average
\$744,703
Total

Average

\$27,359
Average
\$218,871
Total

41.6%
Average



City of Franklin

Finance Department - Monthly Reports

Schedule 3C:

Coll Area 2

Fund

Road Impact

Account:

128-32802-00000

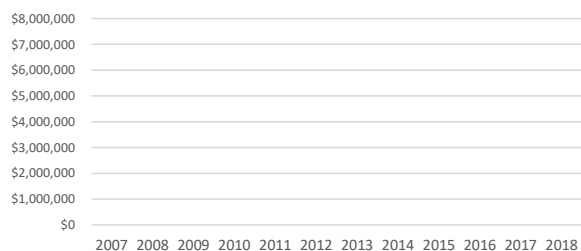
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 2 - Area south of Murfreesboro Road/3rd Avenue South and east of Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

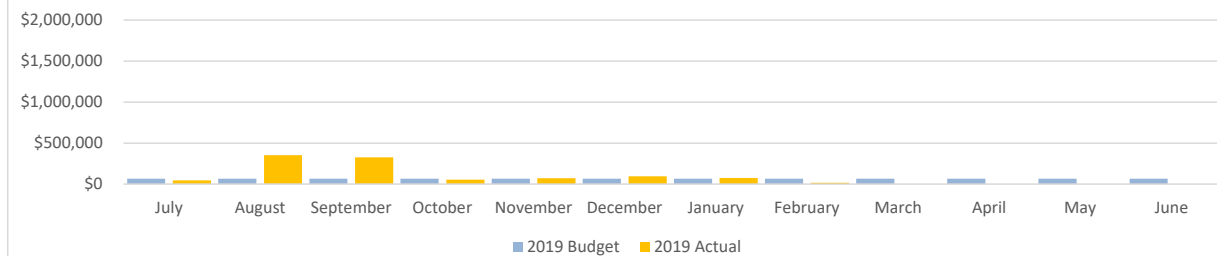
Monthly Report for April 2019: 2019 year-to-date compared to 2019 budget is more by 96.4%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	Breakdown between Quadrants began in FY 2019.		
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018		\$0	

Average Increase (Decrease) \$ -

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$0	\$65,729	\$44,005	\$44,005		(\$21,724)	-33.1%
August	\$0	\$65,729	\$352,909	\$352,909		\$287,180	436.9%
September	\$0	\$65,729	\$326,636	\$326,636		\$260,907	396.9%
October	\$0	\$65,729	\$55,244	\$55,244		(\$10,485)	-16.0%
November	\$0	\$65,729	\$70,042	\$70,042		\$4,313	6.6%
December	\$0	\$65,729	\$94,164	\$94,164		\$28,435	43.3%
January	\$0	\$65,729	\$74,426	\$74,426		\$8,697	13.2%
February	\$0	\$65,729	\$15,164	\$15,164		(\$50,565)	-76.9%
March	\$0	\$65,729					
April	\$0	\$65,728					
May	\$0	\$65,728					
June	\$0	\$65,728					

\$0	\$788,745	\$1,032,590	\$129,074		\$63,345	96.4%
Total	Total	Total	Average	Average	Average	Average
			\$1,032,590		\$506,758	
			Total		Total	



City of Franklin

Finance Department - Monthly Reports

Schedule 3D:

Coll Area 3

Fund

Road Impact

Account:

128-32803-00000

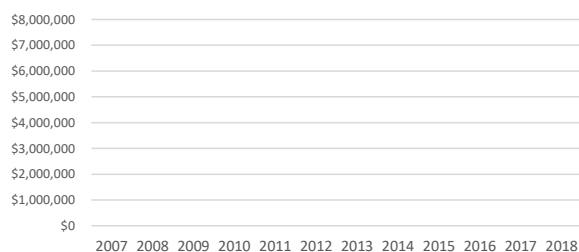
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 3 - Area south of New Highway 96W and west of 5th Avenue South and Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

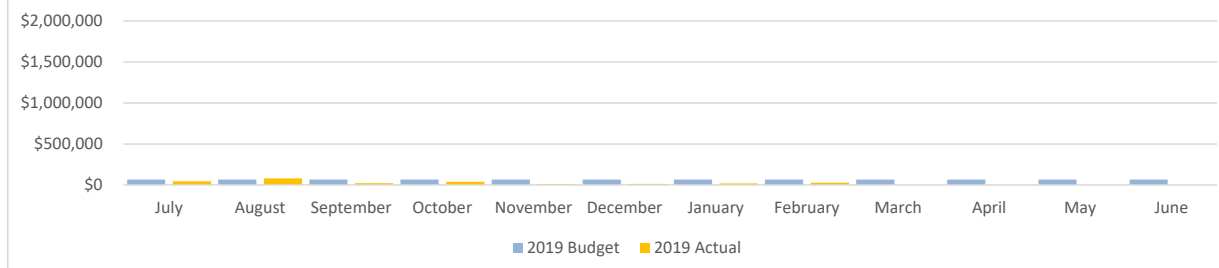
Monthly Report for April 2019: 2019 year-to-date compared to 2019 budget is less by 51.8%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	Breakdown between Quadrants began in FY 2019.		
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018		\$0	

Average Increase (Decrease) \$ -

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$0	\$65,729	\$43,688	\$43,688		(\$22,041)	-33.5%
August	\$0	\$65,729	\$78,718	\$78,718		\$12,989	19.8%
September	\$0	\$65,729	\$22,161	\$22,161		(\$43,568)	-66.3%
October	\$0	\$65,729	\$38,812	\$38,812		(\$26,917)	-41.0%
November	\$0	\$65,729	\$10,020	\$10,020		(\$55,709)	-84.8%
December	\$0	\$65,729	\$13,360	\$13,360		(\$52,369)	-79.7%
January	\$0	\$65,729	\$20,040	\$20,040		(\$45,689)	-69.5%
February	\$0	\$65,729	\$26,720	\$26,720		(\$39,009)	-59.3%
March	\$0	\$65,729					
April	\$0	\$65,728					
May	\$0	\$65,728					
June	\$0	\$65,728					

\$0	\$788,745	\$253,519	\$31,690		(\$34,039)	-51.8%
Total	Total	Total	Average	Average	Average	Average
			\$253,519		(\$272,313)	
			Total		Total	



City of Franklin

Finance Department - Monthly Reports

Schedule 3E:	Coll Area 4	Fund	Road Impact	Account:	128-32804-00000
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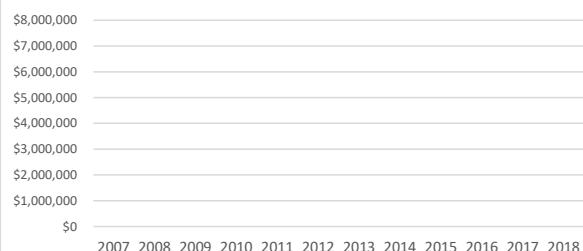
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 4 - Area north of New Highway 96W, 5th Avenue North, Main Street and west of East Main Street and Franklin Road and within the corporate boundaries of the city.

Monthly Report for April 2019: 2019 year-to-date compared to 2019 budget is less by 82.6%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

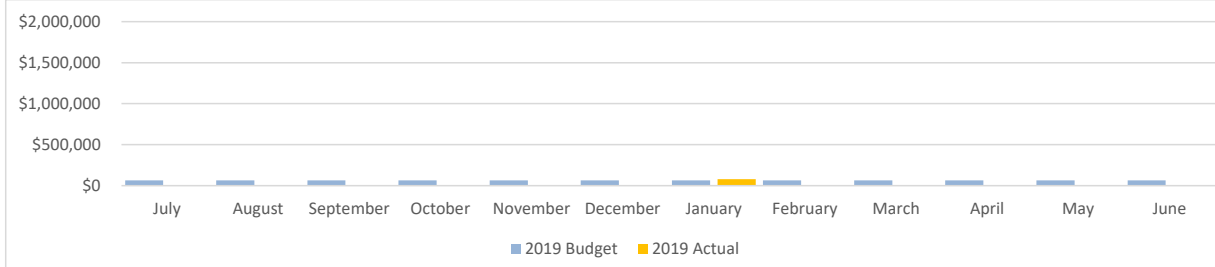
Yearly Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007			
2008			
2009			
2010			
2011			
2012	Breakdown between Quadrants began in FY 2019.		
2013			
2014			
2015			
2016			
2017			
2018		\$0	

Average Increase (Decrease) \$ -

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$0	\$65,729	\$0	\$0		(\$65,729)	-100.0%
August	\$0	\$65,729	\$0	\$0		(\$65,729)	-100.0%
September	\$0	\$65,729	\$0	\$0		(\$65,729)	-100.0%
October	\$0	\$65,729	\$0	\$0		(\$65,729)	-100.0%
November	\$0	\$65,729	\$3,340	\$3,340		(\$62,389)	-94.9%
December	\$0	\$65,729	\$6,680	\$6,680		(\$59,049)	-89.8%
January	\$0	\$65,729	\$78,242	\$78,242		\$12,513	19.0%
February	\$0	\$65,729	\$3,340	\$3,340		(\$62,389)	-94.9%
March	\$0	\$65,729	\$0	\$0			
April	\$0	\$65,728	\$0	\$0			
May	\$0	\$65,728	\$0	\$0			
June	\$0	\$65,728	\$0	\$0			

\$0	\$788,745	\$91,602	\$11,450		(\$54,279)	-82.6%
Total	Total	Total	Average	Average	Average	Average
			\$91,602		(\$434,230)	
			Total		Total	



City of Franklin

Finance Department - Monthly Reports

Schedule 4:

Facilities Tax (City)

Fund

Facilities Tax

Account:

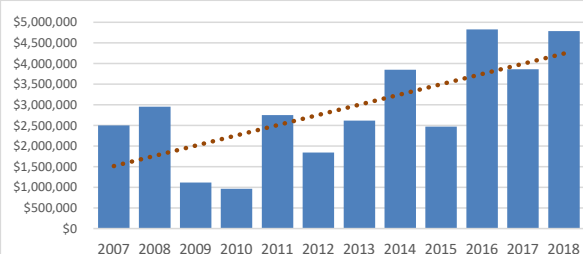
130-31600-00000

Summary: A special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended only on police, fire, sanitation, and parks and recreation.

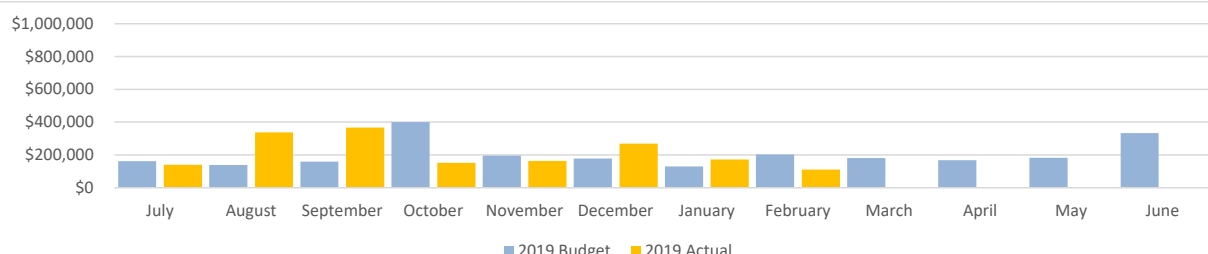
Monthly Report for April 2019: 2019 year-to-date compared to 2018 is 50.4% less, and compared to 2019 budget is more by 9.4%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY19 Month by Month Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	\$2,500,000	\$500,000	25.0%
2008	\$2,956,284	\$456,284	18.3%
2009	\$1,115,914	(\$1,840,370)	-62.3%
2010	\$963,748	(\$152,166)	-13.6%
2011	\$2,748,927	\$1,785,179	185.2%
2012	\$1,845,690	(\$903,237)	-32.9%
2013	\$2,617,339	\$771,649	41.8%
2014	\$3,848,783	\$1,231,444	47.0%
2015	\$2,468,473	(\$1,380,310)	-35.9%
2016	\$4,827,968	\$2,359,495	95.6%
2017	\$3,864,453	(\$963,515)	-20.0%
2018	\$4,788,042	\$923,589	23.9%

Average Increase (Decrease) **\$232,337** **22.7%**

Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$202,536	\$161,854	\$140,513	(\$62,023)	-30.6%	(\$21,341)	-13.2%
August	\$649,402	\$138,733	\$337,384	(\$312,018)	-48.0%	\$198,651	143.2%
September	\$635,277	\$158,463	\$367,428	(\$267,849)	-42.2%	\$208,965	131.9%
October	\$437,274	\$401,233	\$152,305	(\$284,969)	-65.2%	(\$248,928)	-62.0%
November	\$516,609	\$195,071	\$163,543	(\$353,066)	-68.3%	(\$31,528)	-16.2%
December	\$321,669	\$177,773	\$269,292	(\$52,377)	-16.3%	\$91,519	51.5%
January	\$222,051	\$129,410	\$172,649	(\$49,402)	-22.2%	\$43,239	33.4%
February	\$470,643	\$203,546	\$110,467	(\$360,176)	-76.5%	(\$93,079)	-45.7%
March	\$211,194	\$180,848					
April	\$282,850	\$167,370					
May	\$163,847	\$182,572					
June	\$674,690	\$333,611					

\$4,788,042	\$2,430,484	\$1,713,581	(\$217,735)	-50.4%	\$18,437	9.4%
Total	Total	Total	Average	Average	Average	Average
			(\$1,741,880)		\$147,498	
			Total		Total	



City of Franklin

Finance Department - Monthly Reports

Schedule 5:

Facilities Tax (County)

Fund

Facilities Tax (County)

Account:

132-31600-00000

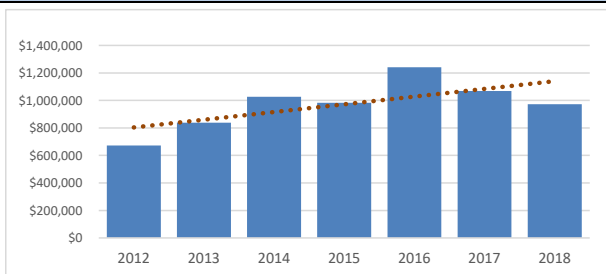
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used for the purpose of providing public facilities, the need for which is reasonably related to new development. The County uses 100% of its amount for public school purposes.

Monthly Report for April 2019: 2019 year-to-date compared to 2018 is 29.4% less, and compared to 2019 budget is 45.1% less.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

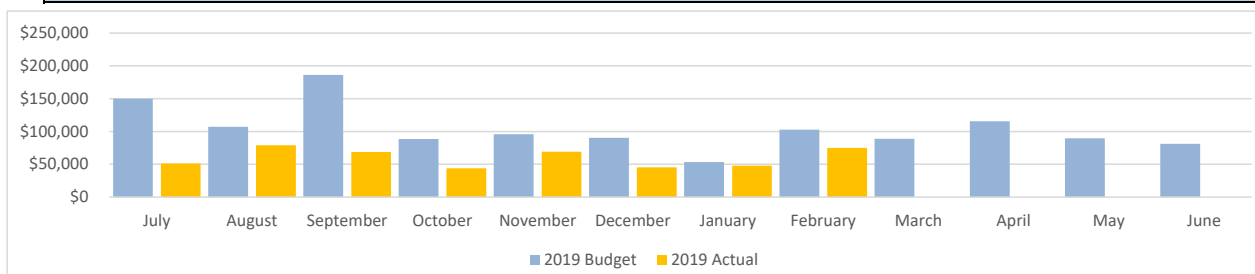
Yearly Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	County Facilities Tax receipts began in FY 2012.		
2008			
2009			
2010			
2011			
2012	\$672,961	\$672,961	100.0%
2013	\$838,523	\$165,562	24.6%
2014	\$1,026,933	\$188,410	22.5%
2015	\$982,605	(\$44,328)	-4.3%
2016	\$1,241,241	\$258,636	26.3%
2017	\$1,068,030	(\$173,211)	-14.0%
2018	\$971,814	(\$96,216)	-9.0%

Average Increase (Decrease) \$ 138,831 20.9%

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2018 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$116,590	\$149,964	\$51,187	(\$65,403)	-56.1%	(\$98,777)	-65.9%
August	\$83,476	\$107,371	\$79,084	(\$4,392)	-5.3%	(\$28,287)	-26.3%
September	\$144,825	\$186,282	\$68,790	(\$76,035)	-52.5%	(\$117,492)	-63.1%
October	\$68,704	\$88,371	\$43,831	(\$24,873)	-36.2%	(\$44,540)	-50.4%
November	\$74,568	\$95,913	\$69,138	(\$5,430)	-7.3%	(\$26,775)	-27.9%
December	\$70,293	\$90,415	\$45,344	(\$24,949)	-35.5%	(\$45,071)	-49.8%
January	\$41,526	\$53,413	\$47,808	\$6,282	15.1%	(\$5,605)	-10.5%
February	\$80,051	\$102,966	\$74,888	(\$5,163)	-6.4%	(\$28,078)	-27.3%
March	\$69,078	\$88,852					
April	\$89,893	\$115,625					
May	\$69,604	\$89,528					
June	\$63,206	\$81,300					
	\$971,814 Total	\$1,250,000 Total	\$480,071 Total	(\$24,995) Average (\$199,962) Total	-29.4% Average	(\$49,328) Average (\$394,624) Total	-45.1% Average



City of Franklin

Finance Department - Monthly Reports

Schedule 6:

Gasoline Tax

Fund

Street Aid

Account:

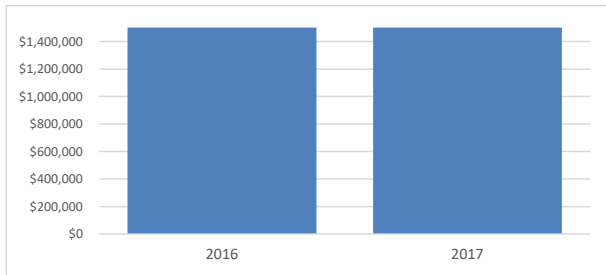
121-33220-00000

Summary: As part of Street Aid Fund Revenues, the City receives a share of the state shared gasoline tax. Gas taxes increased effective July 1, 2017 as part of the IMPROVE Act to help fund state road projects. The tax increased by 4 cents on July 1, and will increase by 1 cent for each of the next two years. The tax on diesel will increase a total of 10 cents over the next 3 years.

Monthly Report for April 2019: The gasoline tax remittance from the State of Tennessee for January 2019 sales (received by the City in March 2019) was \$200,580 compared to \$183,474 for the same month in 2018, an increase of \$17,106 or 9.3%.

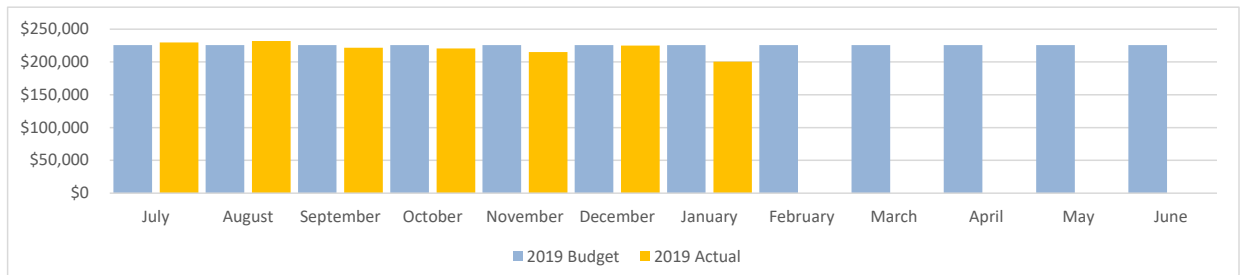
For budget comparisons, the City anticipated collections of \$225,655 for January 2019, a difference of \$25,074 less, or 11.1%.

Yearly Summary



Fiscal Year	Amount	\$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
	Increase in Gas Tax began July 2017.		
2016	\$1,959,796		
2017	\$1,971,070	\$11,274	0.6%
2018	\$2,520,503	\$549,433	27.9%

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	\$ Inc./ (Dec.) from 2017 Actual	% Inc./ (Dec.) from 2018 Actual	\$ Inc./ (Dec.) from 2019 Budget	% Inc./ (Dec.) from 2019 Budget
July	\$214,667	\$225,655	\$229,765	\$15,098	7.0%	\$4,110	1.8%
August	\$229,773	\$225,655	\$232,096	\$2,323	1.0%	\$6,441	2.9%
September	\$224,891	\$225,655	\$221,623	(\$3,268)	-1.5%	(\$4,031)	-1.8%
October	\$209,165	\$225,655	\$220,706	\$11,541	5.5%	(\$4,948)	-2.2%
November	\$204,013	\$225,655	\$215,260	\$11,247	5.5%	(\$10,394)	-4.6%
December	\$207,853	\$225,655	\$225,152	\$17,299	8.3%	(\$502)	-0.2%
January	\$183,474	\$225,655	\$200,580	\$17,106	9.3%	(\$25,074)	-11.1%
February	\$180,219	\$225,655					
March	\$214,223	\$225,655					
April	\$210,942	\$225,655					
May	\$226,246	\$225,655					
June	\$215,037	\$225,655					
Total	\$2,520,503	\$2,707,855	\$1,545,183	\$10,192	4.8%	(\$4,914)	-2.2%
	<i>Total</i>	<i>Total</i>	<i>Total</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>



City of Franklin

Finance Department - Monthly Reports

Schedule 7:

Conference Center Profit/(Loss)

Fund

Hotel/Motel

Account:

150-84910-47100

Summary: As part of Hotel/Motel, the City receives half of the profit/(loss) from the Conference Center.

Monthly Report for April 2019: The profit for February 2019 was \$60,530 compared to a profit of \$88,228 for the same month in 2018, a decrease of \$27,698.

MONTHLY - Conference Center Financials Jul 18-Dec 18

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Total
Gross Revenue	492,195	612,483	723,636	1,041,368	751,123	619,487	623,067	795,028					5,658,387
House Profit	(55,739)	59,945	107,894	403,784	231,952	115,227	129,014	229,252					1,221,329
Less: Fixed Expenses	19,479	20,515	(11,327)	64,745	66,791	66,190	64,417	68,441					359,251
Net Income	(75,218)	39,433	117,014	339,039	165,161	49,037	64,597	160,811					859,874
Less: FF&E Reserve 5%	24,610	30,530	36,276	52,068	37,581	30,663	31,153	39,751					282,632
Net Cash Flow	(99,828)	8,903	80,738	286,971	127,580	18,374	33,444	121,060					577,242
City 1/2	(49,914)	4,452	40,369	143,486	63,790	9,187	16,722	60,530	-	-	-	-	288,621

MONTHLY - Conference Center Financials Jul 17-Jun 18

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Total
Gross Revenue	465,874	579,342	543,784	776,464	684,854	523,683	428,613	829,338	723,466	685,533	567,984	661,919	7,470,854
House Profit	(17,108)	74,417	41,308	219,747	143,037	(41,850)	(23,214)	234,043	138,041	106,491	57,100	126,900	1,058,912
Less: Fixed Expenses	19,120	19,121	19,121	28,855	20,094	19,121	20,094	16,121	24,971	16,159	19,394	19,479	241,650
Net Income	(36,228)	55,296	22,187	190,892	122,943	(60,971)	(43,308)	217,922	113,070	90,332	37,706	107,421	817,262
Less: FF&E Reserve 5%	23,294	28,967	27,189	38,823	34,243	26,184	21,431	41,467	36,174	34,276	28,399	33,096	373,543
Net Cash Flow	(59,522)	26,329	(5,002)	152,069	88,700	(87,155)	(64,739)	176,455	76,896	56,056	9,307	74,325	443,719
City 1/2	(29,761)	13,165	(2,501)	76,035	44,350	(43,578)	(32,370)	88,228	38,448	28,028	4,654	37,163	221,860

MONTHLY Differences - Conference Center Financials

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
City 1/2 Difference	(20,153)	(8,713)	42,870	67,451	19,440	52,765	49,092	(27,698)				