



Executive Committee Meeting Agenda | Dec. 21, 2023

1. **Call to Order | Randy Heady, Chairman**
 - a. Prayer
 - b. Pledge of Allegiance
2. **Roll Call | Sherry Thurman**
3. **Approval of Consent Agenda | Randy Heady, Chairman**
 - a. UCDD Executive Committee Meeting Minutes – October 18, 2023
 - b. UCHRA Executive Committee Meeting Minutes – October 18, 2023
 - c. UCHRA/CAIC Board of Directors Meeting Minutes – December 21, 2022
 - d. UCHRA Board of Directors Meeting Minutes – December 21, 2022
 - e. Revision to UCDD Loan Program Credit Reporting Policy
 - f. Van Buren County Head Start Report
 - August and September Financial Reports
 - Program 51 Budgets
 - Monthly Activity Reports
 - Credit Card Reports
 - In-Kind Reports
 - Coronavirus Mitigation Update
 - Early Childhood Learning and Knowledge Center Overview Fact Sheet
 - Child Care Facility Inspection Report
 - Fall 2023 SNIP Survey
 - Tennessee Department of Health Immunization Audit
 - Annual Fire and Alarm Inspections
 - 2024-2025 Strategic Plan and Self-Assessment
 - T/TA Plan Narrative
 - g. Dashboards
 - h. Overview of Satisfaction Survey
4. **UCDD Loans | Mindy Tramel, Loan Officer**
 - a. Donna's Reflexology and Vitamins
 - b. Aqua Pools Construction, LLC
5. **Action Items | Randy Heady, Chairman**
 - a. Upper Cumberland Development District Audit
 - b. Cumberland Area Investment Corporation Audit
 - c. Cumberland Regional Development Corporation Audit
 - d. Upper Cumberland Human Resource Agency Audit
6. **Nomination Committee Report | Randy Heady, Chairman**
7. **Election of Officers | Randy Heady, Chairman**
8. **Adjourn | Randy Heady, Chairman**

**Upper Cumberland Development District
Executive Committee Meeting**

DRAFT MINUTES		OCTOBER 18, 2023	9:00 A.M.	COOKEVILLE, TN
MEETING CALLED BY	Chairman Randy Heady			
TYPE OF MEETING	UCDD Executive Committee Meeting			
FACILITATOR	Chairman Randy Heady			
NOTE TAKER	Sherry Thurman			
MEMBERS PRESENT	Greg Mitchell, Dale Reagan, Allen Foster, Matt Adcock, Jimmy Johnson, Randy Heady, Lloyd Williams, Steve Jones, Steven Barlow, Stephen Bilbrey, Sam Gibson, Randy Porter, Jeff Mason, David Sullivan, Alisa Farmer, Terry Bell, Jerry Lowery			
MEMBERS ABSENT	Andy Duggin, Luke Collins, R. J. Crawford, Josh Miller, Harvey Stowers, Jerry Wilmore, Curtis Hayes, Laurin Wheaton, Stephen Babcock, Ryle Chastain, Marvin Lusk, Denny Robinson, Representative Cameron Sexton, Senator Paul Bailey			
		CALL TO ORDER / PRAYER / PLEDGE OF ALLEGIANCE	CHAIRMAN RANDY HEADY	
CALL TO ORDER	Chairman Randy Heady called the meeting to order.			
PRAYER	Chairman Randy Heady asked County Executive Randy Porter to opened the meeting with prayer.			
PLEDGE OF ALLEGIANCE	The Pledge of Allegiance was cited.			
		ROLL CALL		
ROLLCALL	Sherry Thurman called the roll and the attendance is recorded above. There was a quorum of the committee members present.			
		APPROVAL OF CONSENT AGENDA	CHAIRMAN RANDY HEADY	
DISCUSSION	Chairman Randy Heady asked everyone to keep Marvin Lusk in their prayers due to his recent sickness and surgery.			
	Chairman Randy Heady advised that the consent agenda consist of the following: <ul style="list-style-type: none"> • Executive Committee meeting minutes – August 16, 2023 A motion was made to approve the Consent Agenda.			
ACTION	<u>Motion to Approve</u> Motion made by: Jeff Mason Motion seconded by: Steve Jones Chairman Randy Heady asked for discussion or comments on the motion. Motion carried unanimously.			

<p>DISCUSSION/ ACTION</p>	<p>purchased; first lien on skid steer; first lien on equipment for the purchased trucks; first lien on a 2015 Ford F5D CB bucket truck.</p> <p>A motion was made to approve the loan request.</p>
<p>ACTION</p>	<p><u>Motion to Approve</u> Motion made by: Greg Mitchell Motion seconded by: Jerry Lowery</p> <p>Chairman Randy Heady asked for discussion or comments on the motion.</p> <p>Motion carried with a roll call vote. Seventeen board members voted yes.</p>
	<p>ACTION ITEMS CHAIRMAN RANDY HEADY</p> <ul style="list-style-type: none"> • 2023 AAAD Annual Report • 2023 Comprehensive Economic Development Strategy Update • CEDS Resolution 23-10-1
<p>DISCUSSION</p>	<p>Executive Director Mark Farley gave an update on the Action Items.</p> <ul style="list-style-type: none"> • <u>2023 AAAD Annual Report</u> The AAAD Annual Report is a report that is required by contract to compile every year. Executive Director Farley highlighted a couple of the AAAD programs. The home delivered meals program served 689 clients and delivered 125,000 meals over the last year across all fourteen counties. The guardianship program served 92 clients. The AAAD report will be submitted to the Tennessee Commission on Aging. • <u>2023 Comprehensive Economic Development Strategy Update</u> The UCDD is required to complete the Comprehensive Economic Development Strategy (CEDS) every five years and update the plan every year. No goals or strategies have been changed this year. We highlighted some accomplishments that happened in the region this past year. • <u>Resolution 23-10-1</u> The CEDS Update and Resolution 23-10-1 will be submitted to the Economic Development Administration. <p>A motion was made to approve the Action Items as presented.</p>
<p>ACTION</p>	<p><u>Motion to Approve</u> Motion made by: Randy Porter Motion seconded by: Steve Jones</p> <p>Chairman Randy Heady asked for discussion or comments on the motion.</p> <p>Motion carried with a roll call vote. Seventeen board members voted yes.</p>
	<p>PROGRAM UPDATES MARK FARLEY, EXECUTIVE DIRECTOR</p>
<p>DISCUSSION</p>	<p>Executive Director Mark Farley advised that the UCDD submitted a project proposal for Recompete through the Economic Development Administration. If the proposal is approved, it will open the door for the agency to apply for an implementation of the program. We would apply for more capacity for day cares and add capacity in the communities for economic development.</p> <p>Executive Director Mark Farley advised that the UCDD was awarded a substance abuse planning grant through the Appalachian Regional Commission to work with six states to try and create a workforce, friendly initiative. We would be working with employers, partnering with the Tennessee State</p>

<p>DISCUSSION</p>	<p>Chamber of Commerce, as well as 3-4 more state chambers, and other entities in Tennessee, Kentucky, West Virginia, Virginia, North Carolina, and Georgia. The goal is to start with six states and expand to all thirteen states. UCDD is serving as the lead entity in the process of trying to develop the program.</p> <p>Executive Director Mark Farley advised that agencies and nonprofits in our region submitted applications for the Opioid Abatement funds from the state. UCHRA requested approximately five million dollars on behalf of all fourteen counties. We proposed putting certified peer recovery specialist in all fourteen counties. If funded, there will be someone dedicated in each community to help individuals come through recovery or help them get treatment.</p> <p>Executive Director Mark Farley advised that we have developed a pilot program which we are testing in Putnam County. We have certified peer recovery specialist that are trained to help with substance abuse and they are crossed trained with public transportation. They will have access to public transportation vehicles to transport individuals that need to go to treatment, support group, etc. The state is very excited about the idea.</p>
<p>DISCUSSION</p>	<p>Tommy Lee advised that a few months ago we discussed the Broadband Ready Community grant. This is a non-competitive grant through the State of Tennessee Economic and Community Development. The grant is for counties but if the cities have a project that they would like to include they can contact their county executive/mayor and get involved with their application. Applications are now open and the deadline to apply is November 15, 2023. The grant is not for installation of broadband but to enhance already existing broadband infrastructure.</p> <p>Executive Director Mark Farley advised that if county/city mayors cannot think of any projects, UCDD can come up with some ideas that might be of interest to everyone. The grants are \$100,000 at a 5% match.</p> <p>Executive Director Mark Farley advised that the Upper Cumberland is very fortunate to have DTC, Twin Lakes, and Ben Lomand and the coverage that they provide to our region. These companies are three of the leading voices in Broadband in the state.</p>
	<p align="center">EXECUTIVE DIRECTOR REPORT MARK FARLEY, EXECUTIVE DIRECTOR</p>
<p>DISCUSSION</p>	<p>Executive Director Mark Farley asked the board to mark their calendar for the following meetings:</p> <ul style="list-style-type: none"> • The December 20th annual meeting. We may meet prior to the annual meeting to present the audits. • The NADO/ARC 2024 conference tentatively will be held March 10th – 13th, 2024 in Washington, D.C. These dates depend on the congressional calendar.
	<p align="center">REGIONAL PARTNERS CHAIRMAN RANDY HEADY</p>
<p>DISCUSSION</p>	<p>Chairman Randy Heady asked for updates from the regional partners.</p> <ul style="list-style-type: none"> • Josh Wilkerson with USDA Rural Development advised that as of October 1st USDA is in the new 2024 fiscal year. Interest rates have increased as of October 1st. The water and environmental programs increased to 3.125 and

<p>DISCUSSION</p>	<p>the community facilities program increased to 3.75. USDA is actively looking for projects for the loan and grant programs. If there are projects for this year or next year contact Mr. Wilkerson.</p> <ul style="list-style-type: none"> • Robert Becker with the Tennessee Department of Environment and Conservation advised that Tennessee State Parks is receiving comments on the comprehensive state system wide plan. Tennessee State Parks will be hosting 53 public hearings across the state. If more information is needed contact Mr. Becker. • Jennie Spurlock with Congressman John Rose’s office reported we are receiving phone calls and busy trying to appoint a Speaker of the House. District Director Rebecca Foster was instrumental in assisting some people a safe passage out of Israel. • Blake Neeley with Senator Marsha Blackburn’s office reported Senator Blackburn is working with colleagues to make sure we end the six-billion-dollar payment to Iran. If anyone knows of someone that is in Israel refer them to Senator Blackburn’s office. The office has redrawn the field representatives map and we will be gaining an Upper Cumberland focus field rep in the near future. Blake will no longer cover Putnam and Overton counties but will cover White, Warren, and Van Buren counties. • Michelle Price with the Tennessee State Fire Marshal’s office announced that the State Fire Marshal’s office is getting ready to kickoff the volunteer fire fighter education equipment training grant. The grant program has been in effect for three years and we have given out \$6.1 million in grant funds. This year there will be \$10 million available statewide. The total is broken down evenly into the three grand divisions. Upper Cumberland will be competing against the Middle Tennessee area for \$3.3 million and there is no local match. The grant process is kicking off on November 1st and will be open for the month of November. There will be a webinar on Monday night, November 6th, at 6:00 p.m. to walk everyone through the application. The grant covers anything equipment. It doesn’t cover anything with a motor, no buildings, no vehicles but anything else is an eligible item. <p>Mrs. Price announced that a rescue grant will be available in January, 2024. There is no local match for the grant. Fire departments that provide both fire and rescue services are eligible to apply as long as they did not receive any funds in the first round.</p>
	<p>OLD BUSINESS CHAIRMAN RANDY HEADY</p>
<p>DISCUSSION</p>	<p>No old business was presented for discussion.</p>
	<p>NEW BUSINESS CHAIRMAN RANDY HEADY</p>
<p>DISCUSSION/ ACTION</p>	<p>Chairman Randy Heady announced that he would like to ask for volunteers to serve on the nomination committee to appoint officers for FY 2024. The committee will present recommendations to the full board at the annual meeting. The meeting will be held via Zoom. Chairman Heady appointed Greg Mitchell, Matt Adcock, and Jerry Lowery to serve on the committee.</p>
	<p>PUBLIC COMMENTS CHAIRMAN RANDY HEADY</p>
<p>DISCUSSION</p>	<p>Executive Director Mark Farley asked the board for recommendations for Legislator of the Year. The legislators will be honored at the December annual</p>

ACTION	meeting. A motion was made to nominate Senator Ken Yager.	
	<u>Motion to Approve</u> Motion made by: Jimmy Johnson Motion seconded by: Steve Jones	
ACTION	A motion was made to nominate Representative Michael Hale.	
ACTION	<u>Motion to Approve</u> Motion made by: Jeff Mason Motion seconded by: David Sullivan Chairman Randy Heady asked for other nominations. Nomination ceased. Motions carried unanimously.	
	ADJOURN	CHAIRMAN RANDY HEADY
ACTION	Chairman Randy Heady advised that he would accept a motion to adjourn. <u>Motion to Adjourn:</u> Motion made by: Jimmy Johnson Motion seconded by: Randy Porter The UCDD Executive Committee voted unanimously to adjourn the October 18th, 2023 meeting.	
CONCLUSION 9:37 a.m.		

Randy Heady, Chairman

Jimmy Johnson, Secretary

**Upper Cumberland Human Resource Agency
Executive Committee Meeting**

DRAFT MINUTES	OCTOBER 18, 2023	9:38 A.M.	COOKEVILLE, TN
MEETING CALLED BY	Chairman Randy Heady		
TYPE OF MEETING	UCHRA Executive Committee Meeting		
FACILITATOR	Chairman Randy Porter		
NOTE TAKER	Sherry Thurman		
MEMBERS PRESENT	Greg Mitchell, Dale Reagan, Allen Foster, Matt Adcock, Jimmy Johnson, Randy Heady, Lloyd Williams, Steve Jones, Steven Barlow, Stephen Bilbrey, Sam Gibson, Randy Porter, Jeff Mason, John Potts, David Sullivan, Terry Bell, Jerry Lowery		
MEMBERS ABSENT	Josh Miller, Laurin Wheaton, Ryle Chastain, Denny Robinson, Representative Cameron Sexton, Senator Paul Bailey		
	CALL TO ORDER	CHAIRMAN RANDY HEADY	
CALL TO ORDER	Chairman Randy Heady called the meeting to order.		
	ROLL CALL		
ROLLCALL	Sherry Thurman called the roll and the attendance is recorded above. There was a quorum of the committee members present.		
	APPROVAL OF CONSENT AGENDA	CHAIRMAN RANDY HEADY	
DISCUSSION	<p>Chairman Randy Heady advised that the consent agenda consist of the following:</p> <ul style="list-style-type: none"> • Executive Committee Meeting Minutes – August 16, 2023 • Policy Council Report <p>A motion was made to approve the Consent Agenda.</p>		
ACTION	<p><u>Motion to Approve</u> Motion made by: Jeff Mason Motion seconded by: Greg Mitchell Chairman Randy Heady asked for discussion or comments on the motion. Motion carried unanimously.</p>		
	UCHRA FINANCIAL REPORT	GINGER STOUT, FINANCE DIRECTOR	
DISCUSSION	<p>Ginger Stout presented the UCHRA financial report for July 1, 2023 through August 31, 2023.</p> <p>A motion was made to approve the financial report.</p>		
ACTION	<p><u>Motion to Approve</u> Motion made by: Randy Porter Motion seconded by: Steve Jones</p>		

ACTION	Chairman Randy Heady asked for discussion or comments on the motion. Motion carried unanimously.
	VAN BUREN COUNTY HEAD START REPORT MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	<p>Executive Director Mark Farley presented and discussed the agenda items for the Van Buren County Head Start Program.</p> <ol style="list-style-type: none"> a. June Financial Reports <ul style="list-style-type: none"> • Final Budget • Monthly Activity Report • Credit Card Report • In-Kind Report b. Department of Health and Human Services Notice of Award c. Fall 2023-2024 Executive Summary – Strengths, Needs and Interest Parent Survey d. Grievance Complaint Policy e. Caring for Our Children Basics Health and Safety Foundation for Early Care and Education <p>A motion was made to approve the Van Buren Head Start Report.</p>
ACTION	<p><u>Motion to Approve</u> Motion made by: Dale Reagan Motion seconded by: David Sullivan</p> <p>Chairman Randy Heady asked for discussion or comments on the motion. Motion carried unanimously.</p>
	CSBG UPDATE LANELLE GODSEY, DEPUTY DIRECTOR/ COMMUNITY SERVICES DIRECTOR
DISCUSSION	<p>LaNelle Godsey gave an update on the CSBG program.</p> <ul style="list-style-type: none"> • The dashboards for July, August and September, 2023 were presented. In September, services started dropping due to utilizing all the funds. October 1st started a new program year for the majority of the programs. We have been busy serving clients with LIHEAP and will continue to stay busy until the end of the year. • UCHRA received noticed from the state that the agency will be receiving ten trucks of food by the end of the year. UCHRA’s warehouse cannot hold this amount of food. The agency is planning to have mega distribution events in all the counties in November and December. The events will be held on the same dates and times of the regular commodities event. The agency commodity truck will not hold enough food for the distribution events. We wanted to ask the board to help us find someone in each county that could provide a truck with a liftgate or forklift to be used to take the food from the UCHRA warehouse to the county event. We reached out to Senator Paul Bailey and he can potentially help with White, Putnam, Van Buren, Cumberland, Warren, and Smith counties. LaNelle, Sherry Bilbrey or the County Coordinator will be reaching out to everyone to see of ways we can get the food to each county event.

	ACTION ITEMS	CHAIRMAN RANDY HEADY
	a. FY 2024 UCHRA Governing Board	
DISCUSSION	<p>Executive Director Mark Farley advised that the City Mayors voted and selected the City Mayors that will serve on the UCHRA Governing Board for 2024. The board members are: North Region – Laurin Wheaton, Mayor of Cookeville and Lloyd Williams, Mayor of Gainesboro; West Region – John Potts, Mayor of Gordonsville and Josh Miller, Mayor of Smithville; and the South Region – Alisa Farmer, Mayor of Spencer and Jerry Lowery, Mayor of Sparta.</p> <p>A motion was made to approve the Actions Items as presented.</p>	
ACTION	<p><u>Motion to Approve</u> Motion made by: Randy Porter Motion seconded by: David Sullivan</p> <p>Chairman Randy Heady asked for discussion or comments on the motion.</p> <p>Motion carried with a roll call vote. Sixteen members voted yes and one member not present for the vote.</p>	
	PROGRAM UPDATES	MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	<p>Executive Director Mark Farley advised that the past couple of years the agency has been very involved in the Empower Upper Cumberland and with our core partners. The Tennessee Department of Human Services and Commissioner Clarence Carter held a Fatherhood Conference a couple weeks ago. The state is getting ready to roll out a series of grants and programs trying to get fathers back involved in their homes. Some of the surplus from the TANIF dollars may be used for the program. There are four components of their initiative that they will be rolling out. At the end of the year or the start of 2024, DHS would like to roll out three grant programs. They want to build programs across the state to address the lack of fathers in the homes; conduct a messaging campaign; and do research. We have started forming partnerships to possibly apply for the funding when announced. If anyone knows of any groups or nonprofits that have tried to do the fatherhood initiative or is interested have them contact us.</p> <p>Executive Director Mark Farley advised that the transportation department is getting ready to kickoff new software. For the next few months there may be some disruptions in service but we are confident once the new software is in place it will be simpler.</p> <p>Holly Montooth gave an update on the new Ecolane software. The new software will optimize routes and schedules, reduce wait time and ensure timely pickups for the rider. Staff will be trained November 6th – 9th and it will be implemented the following week.</p> <p>Tyler Asher introduced Brooke McDonald, new employee with the Small Business Development Center. Jodi Pitts will be working in a different role with the intern program with Tennessee Tech.</p>	
	EXECUTIVE DIRECTOR REPORT	MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	No executive director report was presented for discussion.	

	OLD BUSINESS	CHAIRMAN RANDY HEADY
DISCUSSION	No old business was presented for discussion.	
	NEW BUSINESS	CHAIRMAN RANDY HEADY
DISCUSSION	No new business was presented for discussion.	
	PUBLIC COMMENTS	CHAIRMAN RANDY HEADY
DISCUSSION	There were no public comments presented.	
	ADJOURN	CHAIRMAN RANDY HEADY
DISCUSSION	Chairman Randy Heady advised that he would accept a motion to adjourn.	
ACTION	<p><u>Motion to Adjourn:</u> Motion made by: Steve Jones Motion seconded by: Jimmy Johnson</p> <p>The UCHRA Executive Committee voted unanimously to adjourn the October 18, 2023 meeting.</p>	
CONCLUSION 9:54 a.m.		

Randy Heady, Chairman

Sam Gibson, Secretary

Upper Cumberland Development District | Upper Cumberland Human Resource Agency |
 Cumberland Area Investment Corporation
 Board of Directors Annual Meeting

DRAFT MINUTES	DECEMBER 21, 2022	11:00 A.M.	UPPER CUMBERLAND DEVELOPMENT DISTRICT COOKEVILLE, TN
MEETING CALLED BY	Chairman Randy Heady		
TYPE OF MEETING	UCDD/CAIC/UCHRA Board of Directors Annual Meeting		
FACILITATOR	Chairman Randy Heady		
NOTE TAKER	Sherry Thurman		

AGENDA TOPICS

11:00 A.M.	WELCOME CALL TO ORDER	CHAIRMAN RANDY HEADY
DISCUSSION	<p>Chairman Randy Heady welcomed everyone to the board of directors annual meeting.</p> <p>Chairman Randy Heady called the meeting to order.</p>	
	INTRODUCTIONS	MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	<p>Executive Director Mark Farley called the roll for the board of directors.</p> <p>Board members present for the meeting: Dale Reagan, Doug Young, Allen Foster, Ethan Hadley, Matt Adcock, Josh Miller, Jimmy Johnson, Randy Heady, Lloyd Williams, Steve Jones, Sam Gibson, Randy Porter, John Martin, Laurin Wheaton, Amy New, Jeff Mason, John Potts, David Sullivan, Alisa Farmer, Terry Bell, Trent Prater, Sue Anderson, Marvin Lusk, Don Alexander, Denny Robinson, Jerry Lowery, Rodger McCann, Representative Cameron Sexton, Senator Paul Bailey.</p> <p>Executive Director Mark Farley introduced James Dunn, Executive Director of the Tennessee Commission on Aging and Disability.</p> <p>Mr. Dunn thanked the legislators for their support of the aging programs. He advised that the Monterey Senior Center was one of the centers that applied for a statewide aging grant. Mr. Dunn presented an \$8,000 check to Bridgette Delk with the Monterey Senior Center.</p> <p>Executive Director Mark Farley presented Ms. Delk with a plaque for the 2022 Senior Center of the Year.</p>	
	EXECUTIVE DIRECTOR REPORT	MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	Executive Director Mark Farley introduced and recognized the regional partners, Policy Council, and the Upper Cumberland legislators for all their	

<p>DISCUSSION</p>	<p>work throughout the year.</p> <p>Executive Director Mark Farley presented the FY 2021-2022 UCDD/UCHRA Annual Report to the board.</p> <p>Executive Director Mark Farley advised that the 2021-2022 audit was presented to the board earlier today which showed that the Upper Cumberland Development District and the Upper Cumberland Human Resource Agency are in excellent financial shape.</p> <p>Executive Director Mark Farley highlighted some of the things the agencies are doing across the region:</p> <ul style="list-style-type: none"> • Embracing a new mindset for reducing poverty – Empower Upper Cumberland • Increasing our substance abuse resources • Providing alternatives – Three-day reporting centers in Smith, Warren and Putnam counties. • More responsive transportation options • Stronger commitment to vulnerable populations • Record Community Development Investments • Setting Business Development Best Practices
	<p>PRESENTATION TO DR. MYRA WEST WHITE COUNTY EXECUTIVE DENNY ROBINSON</p>
<p>DISCUSSION</p>	<p>Denny Robinson, White County Executive recognized and presented an award to Dr. Myra West for her service to the region.</p>
	<p>RECOGNITIONS MARK DUDNEY</p>
<p>DISCUSSION</p>	<p>Mark Dudney announced the 2022 awards for the communities, winners of the local and statewide rodeo competition, and the UCDD/UCHRA employees of the year.</p> <p><u>Housing Complex of the Year</u> Fairgrounds Apartments in Fentress County</p> <p><u>Community of the Year</u> Cumberland County</p> <p><u>2022 Rodeo Winners</u> Joe Bitter - Maintenance at the UCHRA Rodeo and 2nd place at the Tennessee Public Transportation Association Lisa Woodard – 1st place Cutaway at the local rodeo Billy Gilbert – 1st place van division at the local rodeo Johnny Maynard – 3rd place Tennessee Public Transportation Association</p> <p><u>Employees of the Year</u> Mary Harris, UCDD/UCHRA Administrative Services Sarah Martin, Area Agency on Aging and Disability, UCDD</p>

DISCUSSION	<p>Penny Hix, Clay County, UCHRA Heather Dragon, Community Intervention, UCHRA Teresa Kemper, Community Intervention, UCHRA Linda Barker, Community Services, UCHRA Kathy Dodd, DeKalb County, UCHRA Tyler Asher, Economic Development, UCDD Amy Reels, Housing Services, UCDD Leanne Payne, Jackson County, UCHRA Misty Lytle, Macon County, UCHRA Sue Brown, Overton County, UCHRA Silas Stoddart, Planning and Community Development, UCDD Deanne Emmons, Public Transportation, UCHRA Laura Haynes, Public Transportation, UCHRA Melissa Haney, Putnam County, UCHRA Marcia Riddle, Relative Caregiver, UCDD Rebecca Acre, Warren County, UCHRA</p> <p>Executive Director Mark Farley presented special awards to the following employees: <u>Special Awards</u> James Gribble, 2022 UC Spirit Award Sherry Bilbrey, Rebecca Harris Diamond Award</p>
	<p>GUEST SPEAKER CHAIRMAN RANDY HEADY THE HONORABLE CAMERON SEXTON, SPEAKER OF THE HOUSE</p>
DISCUSSION	<p>Chairman Randy Heady presented Cameron Sexton, Speaker of the House with the 2022 Legislator of the Year Award.</p> <p>Speaker Cameron Sexton thanked the legislative body for their work for the State of Tennessee.</p> <p>Speaker Sexton gave an update on legislative items for 2023:</p> <ul style="list-style-type: none"> • F&E taxes for small businesses • roads, infrastructure and rail • Third Grade Retention Bill • Increasing the age for children starting kindergarten • State Shared Sales Tax.
	<p>WISH YOU WERE HERE SEGMENT CHAIRMAN RANDY HEADY</p>
DISCUSSION	<p>Tommy Lee advised that Wish You Were Here television series was a partnership with the Upper Cumberland Development District, WCTE, Tennessee Tech Center for Rural Innovation, Upper Cumberland Tourism Association, and the Tennessee Department of Tourism. The purpose of the series was to bring people into the region and convince them to spend money. Season 1 consisted of eight episodes that covered over forty locations across the Upper Cumberland region. Each county was featured twice during Season</p>

DISCUSSION	<p>1. The first season was funded by the Economic Development Administration. The season finale will air on Thursday, December 22nd, at 7:00 p.m., on WCTE. There will be a second season in 2023 and it will be funded by the United States Department of Agriculture.</p> <p>Chairman Randy Heady thanked the UCDD and UCHRA for all that they do for the counties.</p>	
	MEETING ADJOURN	CHAIRMAN RANDY HEADY
DISCUSSION	Chairman Randy Heady asked for a motion to adjourn.	
ACTION	<p><u>Motion to Adjourn:</u> Motion made by: Randy Porter Motion seconded by: Matt Adcock</p> <p>The board of directors voted unanimously to adjourn.</p>	
12:03 P.M.	MEETING ADJOURNED	CHAIRMAN RANDY HEADY

Chairman Randy Heady

Jimmy Johnson, Secretary

**Upper Cumberland Human Resource Agency | Upper Cumberland Development District |
Cumberland Area Investment Corporation
Board of Directors Annual Meeting**

DRAFT MINUTES	DECEMBER 21, 2022	11:00 A.M.	UPPER CUMBERLAND DEVELOPMENT DISTRICT COOKEVILLE, TN
MEETING CALLED BY	Chairman Randy Heady		
TYPE OF MEETING	UCDD/CAIC/UCHRA Board of Directors Annual Meeting		
FACILITATOR	Chairman Randy Heady		
NOTE TAKER	Sherry Thurman		

AGENDA TOPICS

11:00 A.M.	WELCOME CALL TO ORDER	CHAIRMAN RANDY HEADY
DISCUSSION	<p>Chairman Randy Heady welcomed everyone to the board of directors annual meeting.</p> <p>Chairman Randy Heady called the meeting to order.</p>	
	INTRODUCTIONS	MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	<p>Executive Director Mark Farley called the roll for the board of directors.</p> <p>Board members present for the meeting: Dale Reagan, Doug Young, Allen Foster, Ethan Hadley, Matt Adcock, Josh Miller, Jimmy Johnson, Randy Heady, Lloyd Williams, Steve Jones, Sam Gibson, Randy Porter, John Martin, Laurin Wheaton, Amy New, Jeff Mason, John Potts, David Sullivan, Alisa Farmer, Terry Bell, Trent Prater, Sue Anderson, Marvin Lusk, Don Alexander, Denny Robinson, Jerry Lowery, Rodger McCann, Representative Cameron Sexton, Senator Paul Bailey.</p> <p>Executive Director Mark Farley introduced James Dunn, Executive Director of the Tennessee Commission on Aging and Disability.</p> <p>Mr. Dunn thanked the legislators for their support of the aging programs. He advised that the Monterey Senior Center was one of the centers that applied for a statewide aging grant. Mr. Dunn presented an \$8,000 check to Bridgette Delk with the Monterey Senior Center.</p> <p>Executive Director Mark Farley presented Ms. Delk with a plaque for the 2022 Senior Center of the Year.</p>	
	EXECUTIVE DIRECTOR REPORT	MARK FARLEY, EXECUTIVE DIRECTOR
DISCUSSION	Executive Director Mark Farley introduced and recognized the regional partners, Policy Council, and the Upper Cumberland legislators for all their	

<p>DISCUSSION</p>	<p>work throughout the year.</p> <p>Executive Director Mark Farley presented the FY 2021-2022 UCDD/UCHRA Annual Report to the board.</p> <p>Executive Director Mark Farley advised that the 2021-2022 audit was presented to the board earlier today which showed that the Upper Cumberland Development District and the Upper Cumberland Human Resource Agency are in excellent financial shape.</p> <p>Executive Director Mark Farley highlighted some of the things the agencies are doing across the region:</p> <ul style="list-style-type: none"> • Embracing a new mindset for reducing poverty – Empower Upper Cumberland • Increasing our substance abuse resources • Providing alternatives – Three-day reporting centers in Smith, Warren and Putnam counties. • More responsive transportation options • Stronger commitment to vulnerable populations • Record Community Development Investments • Setting Business Development Best Practices
	<p>PRESENTATION TO DR. MYRA WEST WHITE COUNTY EXECUTIVE DENNY ROBINSON</p>
<p>DISCUSSION</p>	<p>Denny Robinson, White County Executive recognized and presented an award to Dr. Myra West for her service to the region.</p>
	<p>RECOGNITIONS MARK DUDNEY</p>
<p>DISCUSSION</p>	<p>Mark Dudney announced the 2022 awards for the communities, winners of the local and statewide rodeo competition, and the UCDD/UCHRA employees of the year.</p> <p><u>Housing Complex of the Year</u> Fairgrounds Apartments in Fentress County</p> <p><u>Community of the Year</u> Cumberland County</p> <p><u>2022 Rodeo Winners</u> Joe Bitter - Maintenance at the UCHRA Rodeo and 2nd place at the Tennessee Public Transportation Association Lisa Woodard – 1st place Cutaway at the local rodeo Billy Gilbert – 1st place van division at the local rodeo Johnny Maynard – 3rd place Tennessee Public Transportation Association</p> <p><u>Employees of the Year</u> Mary Harris, UCDD/UCHRA Administrative Services Sarah Martin, Area Agency on Aging and Disability, UCDD</p>

<p>DISCUSSION</p>	<p>Penny Hix, Clay County, UCHRA Heather Dragon, Community Intervention, UCHRA Teresa Kemper, Community Intervention, UCHRA Linda Barker, Community Services, UCHRA Kathy Dodd, DeKalb County, UCHRA Tyler Asher, Economic Development, UCDD Amy Reels, Housing Services, UCDD Leanne Payne, Jackson County, UCHRA Misty Lytle, Macon County, UCHRA Sue Brown, Overton County, UCHRA Silas Stoddart, Planning and Community Development, UCDD Deanne Emmons, Public Transportation, UCHRA Laura Haynes, Public Transportation, UCHRA Melissa Haney, Putnam County, UCHRA Marcia Riddle, Relative Caregiver, UCDD Rebecca Acre, Warren County, UCHRA</p> <p>Executive Director Mark Farley presented special awards to the following employees: <u>Special Awards</u> James Gribble, 2022 UC Spirit Award Sherry Bilbrey, Rebecca Harris Diamond Award</p>
	<p>GUEST SPEAKER CHAIRMAN RANDY HEADY THE HONORABLE CAMERON SEXTON, SPEAKER OF THE HOUSE</p>
<p>DISCUSSION</p>	<p>Chairman Randy Heady presented Cameron Sexton, Speaker of the House with the 2022 Legislator of the Year Award.</p> <p>Speaker Cameron Sexton thanked the legislative body for their work for the State of Tennessee.</p> <p>Speaker Sexton gave an update on legislative items for 2023:</p> <ul style="list-style-type: none"> ● F&E taxes for small businesses ● roads, infrastructure and rail ● Third Grade Retention Bill ● Increasing the age for children starting kindergarten ● State Shared Sales Tax.
	<p>WISH YOU WERE HERE SEGMENT CHAIRMAN RANDY HEADY</p>
<p>DISCUSSION</p>	<p>Tommy Lee advised that Wish You Were Here television series was a partnership with the Upper Cumberland Development District, WCTE, Tennessee Tech Center for Rural Innovation, Upper Cumberland Tourism Association, and the Tennessee Department of Tourism. The purpose of the series was to bring people into the region and convince them to spend money. Season 1 consisted of eight episodes that covered over forty locations across the Upper Cumberland region. Each county was featured twice during Season</p>

<p>DISCUSSION</p>	<p>1. The first season was funded by the Economic Development Administration. The season finale will air on Thursday, December 22nd, at 7:00 p.m., on WCTE. There will be a second season in 2023 and it will be funded by the United States Department of Agriculture.</p> <p>Chairman Randy Heady thanked the UCDD and UCHRA for all that they do for the counties.</p>	
	<p>MEETING ADJOURN</p>	<p>CHAIRMAN RANDY HEADY</p>
<p>DISCUSSION</p>	<p>Chairman Randy Heady asked for a motion to adjourn.</p>	
<p>ACTION</p>	<p><u>Motion to Adjourn:</u> Motion made by: Randy Porter Motion seconded by: Matt Adcock</p> <p>The board of directors voted unanimously to adjourn.</p>	
<p>12:03 P.M.</p>	<p>MEETING ADJOURNED</p>	<p>CHAIRMAN RANDY HEADY</p>

Chairman Randy Heady

Sam Gibson, Secretary

Credit Reporting Policy

Upper Cumberland Development District

Cumberland Area Investment Corporation

The purpose of the Credit Reporting Policy of the Upper Cumberland Development District/Cumberland Area Investment Corporation is to ensure credit reporting is applied equally and fairly to all qualified loans in UCDD's and CAIC's loan portfolio. The policy was established to:

1. Ensure the accuracy and integrity of information being furnished about consumers
2. Allow consumers to formally dispute the correctness of certain information that is furnished about them to Credit Reporting Agencies (CRA) directly with the data furnisher.

WHAT IS REPORTED

All active loans in our portfolio will be reported regardless of account status. Credit reporting procedures are applied equally to all loans; in no case shall procedures be modified and applied on a loan-by-loan basis.

In order to maintain the accuracy and integrity of the consumer files, historical consumer credit information must be reported in a factual and objective manner. Paid derogatory accounts, such as collections, should be reported as paid; they should not be deleted. It is imperative that inaccurate data be corrected and only inaccurate accounts be deleted from the credit reporting agencies' file.

UCDD/CAIC will "clearly and conspicuously" provide consumers with an address to dispute data reported.

Information may not be furnished that we know- or consciously avoid knowing- is inaccurate.

Loans made to Industrial Development Boards will not be reported to the credit bureaus. **Loans made to Corporations or Limited Liability Companies where the individuals or members are not obligated on the Promissory Note will only report the credit history of the company not the associated individuals.**

DATA REPORTING

UCDD/CAIC is a member of the Credit Builders Alliance (CBA), a nonprofit organization established to help non-traditional financial and asset building institutions serving low and moderate income individuals build client credit and financial access in order to grow their businesses and/or personal assets. CBA provides community lenders the ability to report loan repayment data to the major Credit Reporting Agencies (CRA) such as Experian, Equifax, and Transunion.

Standard data reporting format known as "Metro 2" is used to report data to the consumer Credit Reporting Agencies via CBA. Metro 2 is the current standard format for reporting consumer credit. It meets all the requirements of the Fair Credit Reporting Act (FCRA), the Fair Credit Billing Act (FCBA), and

the Equal Credit Opportunity Act (ECOA). It allows most accurate and complete information on consumers' credit history.

The Metro 2 file is generated by UCDD/CAIC loan servicing software "PIDC Portfol Economic Development Software". Consumer credit is reported on a monthly basis and must be submitted to the CBA website by the 7th business day of each month reporting the prior month's activity (see Appendix A, operating procedure for details on submitting Metro 2 file to CBA). To correct information on a specific consumer between monthly reports, a Midmonth Correction Metro 2 file can be sent from UCDD/CAIC to CBA with just information on that consumer.

PIDC Portfol Economic Development Software is used exclusively for managing UCDD/CAIC loan portfolio; all payments are posted to Portfol upon receipt, ensuring accuracy of the account status being reported. By using the established loan management software Portfol, the reporting of inaccurate or duplicative information is minimized.

In order to ensure the consumer is identified properly, checks and balances are put in place regarding entry of data to the loan management software. Each month following a consumer "loan closing" the Metro 2 file associated with this consumer is examined for accuracy. Specific attention is given to all identifying information, ensuring it is the same as reported in the original loan application. Any inaccuracy should be corrected before the Metro 2 file is submitted to the Credit Reporting Agencies via CBA.

RECORDS RETENTION

UCDD/CAIC will maintain its records for seven years after note expires. Records must contain enough information to substantiate the accuracy of any information furnished that is subject to direct dispute. At a minimum, invoices (electronic or hard copy), Portfol journal entry reports and monthly credit reporting logs must be maintained for each consumer.

STAFF TRAINING & CERTIFICATION

All staff responsible for reporting data to Credit Reporting Agencies via CBA are recommended to obtain Fair Credit Reporting Act (FCRA) Certification with the Consumer Data Industry (CDIA) before performing any tasks related to consumer credit reporting. CBA maintains FCRA Certification with the CDIA.

COMPLIANCE

FCRA Certified staff will keep abreast of changes and/or participate in training provided by the Consumer Data Industry Association (CDIA) to ensure compliance with requirements in the Fair Credit Reporting Act (FCRA).

HANDLING DISPUTED CREDIT INFORMATION

Direct Disputes:

Upon receipt of direct dispute notice UCDD/CAIC will:

1. Acknowledge receipt of notice;
2. Conduct a reasonable investigation with respect to the disputed information;
3. Review all relevant information provided by the consumer with the dispute notice;
4. Complete its investigation of the dispute and report the results of the investigation to the consumer within 30 days.

All dispute notices must contain sufficient information to identify the account in dispute; the specific information disputed; an explanation of the basis for the dispute; and all supporting information, such as bank statements, cancelled checks, receipts, etc. UCDD/CAIC reasonably requires substantiating the basis of the dispute.

If the investigation finds the information reported inaccurate, UCDD/CAIC will promptly notify Credit Builders Alliance (CBA) of the determination, CBA will assist in providing the credit bureaus with corrected information. All inaccurate information must be corrected in Portfol to update subsequent Metro 2 reports. To update Credit Reporting Agencies with corrected information on a specific borrower between monthly reports, a Midmonth Correction Metro 2 file can be sent to CBA with information of that consumer's corrected data. However, if UCDD chooses to wait until the next credit reporting cycle, the Metro 2 file will reflect the correct information.

e-OSCAR (Online Solution for Complete and Accurate Reporting) Disputes:

e-OSCAR is a web-based, Metro 2 compliant, automated system that enables Data Furnishers and Credit Reporting Agencies (CRAs) to respond to consumer credit history disputes in a streamlined and efficient manner. e-OSCAR is a communication tool – a credit bureau will open a case in e-OSCAR when it receives a consumer dispute to communicate the dispute to the creditor in question who is then responsible to re-verify the information being disputed and log their re-verification response through e-OSCAR.

CBA has been approved to act as an agent on behalf of community lenders. As such, CBA manages a centralized master e-OSCAR account with each community lender as a sub-account. By managing e-OSCAR centrally, CBA saves community lenders significant staff time and training while still being able to respond efficiently.

CBA will monitor the e-OSCAR account daily on UCDD's/CAIC's behalf. Anytime CBA receives a dispute on behalf of UCDD/CAIC, staff will receive an email from CBA within 1 business day.

Trained CBA staff will assist UCDD/CAIC in verifying the information and correcting it if necessary within the 30 day period.

In addition to disputes via e-OSCAR, UCDD/CAIC is responsible to respond directly to consumer disputes per the FACT ACT Direct Dispute Rule effective starting July 2010. UCDD/CAIC will investigate disputes unless it determines the dispute is irrelevant or frivolous based on the following exemptions. If UCDD/CAIC determines that a direct consumer dispute requires investigation, UCDD/CAIC can request assistance from CBA staff on how to verify information. If UCDD/CAIC determines it is necessary to correct information related to a direct dispute, UCDD/CAIC will update Portfol and inform CBA staff to ensure that correction is correctly transferred to Credit Reporting Agencies.

Exemptions (no investigation required):

1. If the consumer dispute does not relate to:
 - a. the consumer's liability for debt with the furnisher;
 - b. the terms of that debt;
 - c. the consumer's performance or conduct concerning an account or relationship with the furnisher; or
 - d. any other information regarding an account that bears on the seven characteristics listed in the definition of "consumer report".
2. If the consumer does not submit direct dispute notice to:
 - a. an address provided by the furnisher that is included on a consumer report;
 - b. an address "clearly and conspicuously" specified by the furnisher for submitted direct disputes that is provided to the consumer in writing or electronically; or
 - c. any business address of the furnisher if the furnisher has not provided an address by one of the other two methods.
3. The consumer's dispute notice does not contain the required content.
4. The consumer's dispute notice does not contain identifying information such as name, DOB, SSN, Phone #, and address.
5. Information derived from public records, such as judgments, bankruptcies, liens, and other legal matters.
6. Information related to fraud alerts or active duty alerts.
7. Information provided to a consumer reporting agency by another furnisher.
8. Reasonably believes the dispute comes from a "credit repair organization".
9. Reasonably believes the dispute to be "frivolous or irrelevant". A dispute qualifies as frivolous or irrelevant if:
 - a. The consumer did not provide sufficient information to investigate the dispute as required;
 - b. The direct dispute is "substantially the same" as a prior dispute (whether submitted directly or through a credit bureau) with respect to which UCDD/CAIC has already satisfied the applicable requirements. A dispute with additional information submitted is not substantially the same; or
 - c. The dispute relates to one or more exemptions already listed.

Upon making a determination that a dispute is frivolous or irrelevant, the consumer must be notified of the determination within five business days by mail (or other method authorized by the consumer). The notice must include the reason for the determination and identify the information that the consumer must submit to trigger the UCDD's/CAIC's obligation to investigate the dispute.

Disputed information, once removed from the consumer file, cannot be reinserted unless it is found to be accurate at a later date.

DATA VERIFICATION

In addition to the ongoing Metro 2 file reviews outlined elsewhere in this policy, it is imperative that periodic evaluations of our practices occur. Therefore, UCDD/CAIC will review and verify random samples of information in conjunction with the annual audit.

Adopted this 16th day of August 2023, by the Upper Cumberland Development District and Cumberland Area Investment Corporation Board of Directors.

Mark Farley, Executive Director

Randy Heady, Chairman

APPENDIX A

Guidelines:

- Primary Borrower Criteria:
 - Corporation - majority owner will be listed as primary borrower.
 - LLC - First signer on the LLC documents will be listed as primary borrower.
- Co-Borrower Criteria:
 - Business is always listed as co-borrower unless d/b/a

Operating procedure:

Submitting information to Credit Reporting Agency (CRA):

1. Generate Metro2 file using Portfol Loan Management Software
 - a. From the main menu select Processing & Reporting tab.
 - b. Click on Accounting to expand the selection. Once expanded click on Portfolio Mgt. to expand the selection.
 - c. Click on Export Credit Report, a new window will be displayed.
 - d. Confirm process month ending date. This should be the last day of the month for the preceding month.
 - e. Click on Validate button. If validation is unsuccessful, correct any errors that occur. Do not proceed until the validation is successful.
 - f. Click on Preview Overrides button. Review all manual overrides. Several loans have manual overrides enabled Field 9, they are overridden to: 10 ("Business Loan (indiv personally liable)"), these are ok. Any other manual override should be investigated and corrected if necessary. Do not proceed until manual override report is reviewed and confirmed.
 - g. Confirm path in step 3 - File Export box; the path should point to E:\ Data\Loan Funds\PORTFOL \Credit Reporting\Metro2Export. Click on **Export** button. Examine report produced carefully. Special attention should be paid to new loans and delinquent loans.
2. Upload Metro2 file to secure CBA site, at https address provided by CBA. Login and upload the file. You will receive an email shortly after acknowledging receipt of the file.

Note: The procedure listed above may change if Portfol updates the software.

Overrides:

If Portfol does not report Metro 2 Account Type Code= 10 you need to override the code. *Metro 2 field #9 - Account Type Code = 10 (Business Loan -individual personally liable)*

December 2023 Head Start Action Items Executive Summary

August and September Financial Reports

- Program 51 Budgets
- Monthly Activity Reports
- Credit Card Reports
- In-kind Reports

Coronavirus Mitigation Update

Early Childhood Learning and Knowledge Center Overview Fact Sheet

Child Care Facility Inspection Report

Fall 2023 SNIP Survey

Tennessee Department of Health Immunization Audit

Annual Fire and Alarm Inspections

2024-2025 Strategic Plan and Self-Assessment

T/TA Plan Narrative

**HEADSTART PROGRAM 51
7/01/2023-6/30/2024**

Sep-23

POSITION	BUDGET	MONTHLY	YTD EXP	BALANCE
a. PERSONNEL				
Child Health and Developmental Services Personnel				
1. Program Managers & Content Area Experts	-	-	-	-
2. Teachers/Infant Toddler Teachers	56,635.00	5,407.76	11,756.00	44,879.00
3. Family Child Care Personnel		-	-	-
4. Home Visitors		-	-	-
5. Teacher Aides & Other Education Personnel	100,368.00	9,689.68	21,083.04	79,284.96
6. Health/Mental Health Services Personnel		-	-	-
7. Disabilities Services Personnel	30,668.00	1,678.41	5,511.90	25,156.10
8. Nutrition Services Personnel		-	-	-
9. Other Child Services Personnel	82,559.00	7,234.96	17,342.75	65,216.25
Transition Specialist		-		-
Family and Community Partnerships Personnel				
10. Program Managers & Content Area Experts	33,732.00	2,811.00	7,027.50	26,704.50
11. Other Family & Comm Partnerships Personnel	33,228.00	2,615.64	6,705.24	26,522.76
Program Design and Management Personnel				
12. Executive Director		-	-	-
13. Head Start/ Early Head Start Director	62,962.00	5,246.80	15,117.00	47,845.00
14. Managers		-	-	-
15. Staff Development		-	-	-
16. Clerical Personell		-	-	-
17. Fiscal Personnel		-		
18. Other Adminstrative Personell	25,692.00	2,501.28	5,502.81	20,189.19
Other Personnel				
19. Maintenance Personnel		-	-	-
20. Transportation Personnel		-	-	-
21. Other Personnel	23,958.00	2,295.98	4,991.27	18,966.73
TOTAL PERSONNEL	449,802.00	39,481.51	95,037.51	354,764.49
b. FRINGE BENEFITS				
1. Social Security(FICA),State Disability, Unemploy	35,984.00	3,020.96	7,223.24	28,760.76
2. Health/Dental/Life Insurance	43,924.00	3,522.24	8,805.60	35,118.40
3. Retirement	26,989.00	3,083.42	7,326.88	19,662.12
4. Other Fringe		-	-	-
TOTAL FRINGE BENEFITS	106,897.00	9,626.62	23,355.72	83,541.28
c. TRAVEL				
1. Staff Out-Of-Town Travel	100.00	-	-	100.00
TOTAL TRAVEL	100.00	-	-	100.00
d. EQUIPMENT				

1. Office Equipment		-	-	-
2. Classroom/Outdoor/Home-based/FCC	34,120.00	-	-	34,120.00
3. Vehicle Purchase		-	-	-
4. Other Equipment	29,450.00	-	-	29,450.00
5. Equipment Maintenance/Repair		-	-	-
TOTAL EQUIPMENT	63,570.00	-	-	63,570.00
e. SUPPLIES				
1. Office Supplies	3,500.00	24.57	289.20	3,210.80
2. Child and Family Services Supplies	13,500.00	196.55	573.03	12,926.97
3. Food Service Supplies	2,000.00	70.03	111.21	1,888.79
4. Other Supplies	6,500.00	354.12	370.07	6,129.93
TOTAL SUPPLIES	25,500.00	645.27	1,343.51	24,156.49
f. CONTRACTUAL				
1. Administrative Services(Legal,Accounting)		-	-	-
2. Health/Disabilities Services	15,896.00	853.99	1,905.67	13,990.33
3. Food Service	2,000.00	-	-	2,000.00
4. USDA	-	-	-	-
5. Training & Technical Assistance	10,000.00	1,580.00	1,580.00	8,420.00
6. Family Child Care		-	-	-
7. Delegate Agency Costs		-	-	-
8. Other Contracts		-	-	-
TOTAL CONTRACTUAL	27,896.00	2,433.99	3,485.67	24,410.33
g. CONSTRUCTION				
1. New Construction		-	-	-
2. Major Renovation		-	-	-
3. Acquisitin of Buildings/Modular Units		-	-	-
TOTAL CONSTRUCTION		-	-	-
h. OTHER				
1. Depreciation/Use Allowance		-	-	-
2. Rent		-	-	-
3. Mortgage		-	-	-
4. Utilities, Telephone	13,000.00	1,632.37	3,403.78	9,596.22
5. Building & Child Liability Insurance	6,500.00	1,109.93	1,109.93	5,390.07
6. Building Maintenance/Repair and Other Occupanc	137,270.00	225.00	18,094.93	119,175.07
7. Incidental Alterations/Renovations		-	-	-
8. Local Travel	100.00	-	-	100.00
9. Nutrition Services	15,391.00	264.47	278.19	15,112.81
10. Child Services Consultants	-	-	-	-
11. Volunteers		-	-	-
12. Substitutes(if not paid benefits)		-	-	-
13. Parent Services	7,000.00	101.16	4,299.14	2,700.86
14. Accounting & Legal Services		-	-	0.00
15. Publications/Advertising/Printing	2,500.00	100.00	198.28	2,301.72
16. Training or Staff Development	15,000.00	-	384.56	14,615.44
17A. Vehicle Operations	21,000.00	3,735.84	4,606.92	16,393.08
17B. Administrative Cost	500.00	5.20	6.19	493.81
19. Education Incentive-Teachers	-	-	-	-
20. Training Initiatives	-	-	-	-
21. Program Improvements	-	-	-	-
TOTAL OTHER	218,261.00	7,173.97	32,381.92	185,879.08

i. TOTAL DIRECT CHARGES	892,026.00	59,361.36	155,604.33	736,421.67
j. Indirect Costs	75,133.00	9,138.15	20,310.13	54,822.87
TOTALS - ALL BUDGET CATEGORIES	967,159.00	68,499.51	175,914.46	791,244.54
IN-KIND	197,955.00	7,441.88	18,299.58	179,655.42

Monthly Expenses	\$77,548.42
<u>Minus Admin Overage</u>	<u>7819.59</u>
Total Drawdown	\$69,728.83

Director of Finance & Administration

Date

HEADSTART PROGRAM 51
7/01/2023-6/30/2024

Aug-23

POSITION	BUDGET	MONTHLY	YTD EXP	BALANCE
a. PERSONNEL				
Child Health and Developmental Services Personnel				
1. Program Managers & Content Area Experts	-	-		-
2. Teachers/Infant Toddler Teachers	56,635.00	5,172.64	6,348.24	50,286.76
3. Family Child Care Personnel		-	-	-
4. Home Visitors		-	-	-
5. Teacher Aides & Other Education Personnel	100,368.00	9,263.76	11,393.36	88,974.64
6. Health/Mental Health Services Personnel		-	-	-
7. Disabilities Services Personnel	30,668.00	2,555.66	3,833.49	26,834.51
8. Nutrition Services Personnel		-	-	-
9. Other Child Services Personnel	82,559.00	7,152.19	10,107.79	72,451.21
Transition Specialist		-		-
Family and Community Partnerships Personnel				
10. Program Managers & Content Area Experts	33,732.00	2,811.00	4,216.50	29,515.50
11. Other Family & Comm Partnerships Personnel	33,228.00	2,811.60	4,089.60	29,138.40
Program Design and Management Personnel				
12. Executive Director		-	-	-
13. Head Start/ Early Head Start Director	62,962.00	5,246.80	9,870.20	53,091.80
14. Managers		-	-	-
15. Staff Development		-	-	-
16. Clerical Personell		-	-	-
17. Fiscal Personnel		-		
18. Other Adminstrative Personell	25,692.00	2,001.02	3,001.53	22,690.47
Other Personnel				
19. Maintenance Personnel		-	-	-
20. Transportation Personnel		-	-	-
21. Other Personnel	23,958.00	2,196.16	2,695.29	21,262.71
TOTAL PERSONNEL	449,802.00	39,210.83	55,556.00	394,246.00
b. FRINGE BENEFITS				
1. Social Security(FICA), State Disability, Unemploy	35,984.00	2,976.19	4,202.28	31,781.72
2. Health/Dental/Life Insurance	43,924.00	3,522.24	5,283.36	38,640.64
3. Retirement	26,989.00	3,086.50	4,243.46	22,745.54
4. Other Fringe		-	-	-
TOTAL FRINGE BENEFITS	106,897.00	9,584.93	13,729.10	93,167.90
c. TRAVEL				
1. Staff Out-Of-Town Travel	100.00	-	-	100.00
TOTAL TRAVEL	100.00	-	-	100.00
d. EQUIPMENT				
1. Office Equipment		-	-	-

2. Classroom/Outdoor/Home-based/FCC	34,120.00	-	-	34,120.00
3. Vehicle Purchase		-	-	-
4. Other Equipment	29,450.00	-	-	29,450.00
5. Equipment Maintenance/Repair		-	-	-
TOTAL EQUIPMENT	63,570.00	-	-	63,570.00
e. SUPPLIES				
1. Office Supplies	3,500.00	199.45	264.63	3,235.37
2. Child and Family Services Supplies	13,500.00	334.48	376.48	13,123.52
3. Food Service Supplies	2,000.00	41.18	41.18	1,958.82
4. Other Supplies	6,500.00	15.95	15.95	6,484.05
TOTAL SUPPLIES	25,500.00	591.06	698.24	24,801.76
f. CONTRACTUAL				
1. Administrative Services(Legal,Accounting)		-	-	-
2. Health/Disabilities Services	15,896.00	695.85	1,051.68	14,844.32
3. Food Service	2,000.00	-	-	2,000.00
4. USDA	-	-	-	-
5. Training & Technical Assistance	10,000.00	-	-	10,000.00
6. Family Child Care		-	-	-
7. Delegate Agency Costs		-	-	-
8. Other Contracts		-	-	-
TOTAL CONTRACTUAL	27,896.00	695.85	1,051.68	26,844.32
g. CONSTRUCTION				
1. New Construction		-	-	-
2. Major Renovation		-	-	-
3. Acquisitin of Buildings/Modular Units		-	-	-
TOTAL CONSTRUCTION		-	-	-
h. OTHER				
1. Depreciation/Use Allowance		-	-	-
2. Rent		-	-	-
3. Mortgage		-	-	-
4. Utilities, Telephone	13,000.00	1,187.97	1,771.41	11,228.59
5. Building & Child Liability Insurance	6,500.00	-	-	6,500.00
6. Building Maintenance/Repair and Other Occupand	137,270.00	17,359.93	17,869.93	119,400.07
7. Incidental Alterations/Renovations		-	-	-
8. Local Travel	100.00	-	-	100.00
9. Nutrition Services	15,391.00	13.72	13.72	15,377.28
10. Child Services Consultants	-	-	-	-
11. Volunteers		-	-	-
12. Substitutes(if not paid benefits)		-	-	-
13. Parent Services	7,000.00	266.43	4,197.98	2,802.02
14. Accounting & Legal Services		-	-	0.00
15. Publications/Advertising/Printing	2,500.00	-	98.28	2,401.72
16. Training or Staff Development	15,000.00	229.00	384.56	14,615.44
17A. Vehicle Operations	21,000.00	796.08	871.08	20,128.92
17B. Administrative Cost	500.00	-	0.99	499.01
19. Education Incentive-Teachers	-	-	-	-
20. Training Initiatives	-	-	-	-
21. Program Improvements	-	-	-	-
TOTAL OTHER	218,261.00	19,853.13	25,207.95	193,053.05

i. TOTAL DIRECT CHARGES	892,026.00	69,935.80	96,242.97	795,783.03
j. Indirect Costs	75,133.00	7,612.62	11,171.98	63,961.02
TOTALS - ALL BUDGET CATEGORIES	967,159.00	77,548.42	107,414.95	859,744.05
IN-KIND	197,955.00	7,441.88	10,857.70	187,097.30

Monthly Expenses	\$77,548.42
<u>Minus Admin Overage</u>	<u>6078.05</u>
Total Drawdown	\$71,470.37

Director of Finance & Administration

Date



Monthly Report

ITEMS TO BE BROUGHT TO THE ATTENTION OF THE CENTRAL OFFICE STAFF (Code each by item #)

- | | | | | |
|-------------------|------------------|--------------|------------------------|----------------------|
| 1. Administration | 4. Education | 7. Health | 10. Social Services | 13. Transition |
| 2. Personnel | 5. Disabilities | 8. Nutrition | 11. Parent Involvement | 14. Miscellaneous |
| 3. Facilities | 6. Mental Health | 9. Licensing | 12. Transportation | 15. General Comments |

Area	Comments		
Date: 9/1/23-9/30/23			
Special Activities, Events and/or Trainings of the Month			
Description	Dates	Attendees #	Notes
Family Reading Night Dinosaur theme	9/15/23	5	
Van Buren Imagination Library Meeting	9/19/23		
Muffins for Moms, and Noodles for Nana	9/20/23	14	
Donuts for Dads, and Pizza for Pops	9/21/23	0	
Drug Coalition Meeting	9/27/23	9	
List of Public School Contacts and Visits			
Person(s)	Dates	Purpose	
Julie Vance	9/7	DHS Licensing	
Tonya Pettit	9/7, 9/14	SpED	
Mark Loftis	9/11	ACTS Mental Health	
Sherry Bilbrey	9/12	UCHRA	
Nestor Chavez	9/12	UCHRA	
LaNelle Godsey	9/5, 9/12	UCHRA	
Brandon Powell	9/12, 9/14	SLPa	
Candace Brewer	9/14, 9/21	OT	
Monica Sullivan	9/14	VanBuren School System	
Virginia Baker	9/14	VanBuren School System	
Tracy Howe	9/21	DHS Licensing	
Sparta Rotary Club	9/22	Shoe Donations	
Christa White	9/27	CACFP	
Upcoming Special Activities, Events and/or Trainings			
Description	Dates		
Male Involvement Meeting	10/12/23		
Family Reading Night	10/26/23		
Trunk or Treat	10/27/23		
St. Jude Trike-a-thon-	10/27/23		
Little Caesar Alumni Fundraiser	10/27/23		

STATISTICAL INFORMATION FOR THE MONTH (Report numbers for the month not cumulative)

Home Visits by Center Edu. Staff: 0	Medical Trips # of Children: 5	Dental Trip # of Children: 2
Monthly Volunteer Total: 0	Parent Meetings/Trainings:1	# Present:Attendance: 14
Total Enrollment: 32	Operational Days:18	Withdrawn: 8 Added: 3
Monthly Total Present: 519	Monthly ADA: 87.46%	Meals B:491 L:492 S:466

Distribute to: 1 Copy to Central Office Staff 1 Copy to be filed at the Center

September 2023
 (Month/Year)

Carrie Swafford
 (Staff Member Completing Report)

Van Buren
 (County or Center)



Monthly Report

ITEMS TO BE BROUGHT TO THE ATTENTION OF THE CENTRAL OFFICE STAFF (Code each by item #)

- | | | | | |
|-------------------|------------------|--------------|------------------------|----------------------|
| 1. Administration | 4. Education | 7. Health | 10. Social Services | 13. Transition |
| 2. Personnel | 5. Disabilities | 8. Nutrition | 11. Parent Involvement | 14. Miscellaneous |
| 3. Facilities | 6. Mental Health | 9. Licensing | 12. Transportation | 15. General Comments |

Area	Comments		
Date: 8/1/23- 8/31/23			
Special Activities, Events and/or Trainings of the Month			
Description	Dates	Attendees #	Notes
Phase-In/Orientation	7/31/23-8/3/23	28	Parents attended orientation; children were be present for school for one day.
Parent Committee Meeting	8/31/23	6	Parents discussed upcoming activities, etc.
List of Visits by Central Office Staff			
Person(s)	Dates	Purpose	Notes
Cassandra Davis	8/1-8/3	CAC	Presenting information to parents on Children's Advocacy Centers purpose.
Trooper Sean Markus	8/2	THP	Presenting car seat safety to parents.
Dr. Suzanne Hayze and Karen Bonilla	8/17	TDOH	Provided dental exams for Head Start children.
Paula May	8/17	UT Ext.	Presented to the children on the importance of brushing their teeth.
Christa White	8/21	CACFP	
Dr. Mark Loftis	8/29	Mental Health Obs.	
Jodi Fields and Denise Cooper	8/29	Lion's Club	Provided eye exams for Head Start Children.
List of Public School Contacts and Visits			
Person(s)	Dates	Purpose	
Braden Powell	8/18/23, 8/22/23, 8/24/23, 8/30/23	Speech & Language Services	LEA
Candace Brewer	8/28/23	Occupational Readiness	LEA
Upcoming Special Activities, Events and/or Trainings			
Description	Dates	Attendees #	Notes
Family Reading Night Dinosaur theme	9/15/23		
Van Buren Imagination Library Meeting	9/19/23		
Muffins for Moms, and Noodles for Nana	9/20/23		
Donuts for Dads, and Pizza for Pops	9/21/23		
Drug Coalition Meeting	9/27/23		

STATISTICAL INFORMATION FOR THE MONTH (Report numbers for the month not cumulative)

Home Visits by Center Edu. Staff: 0	Medical Trips # of Children: 1	Dental Trip # of Children: 9
Total Enrollment: 38	Operational Days: 17	Withdrawn: 2 Added: 4
Monthly Total Present:	Monthly ADA: 90.18%	Meals B: 488 L: 482 S: 455

Distribute to: 1 Copy to Central Office Staff 1 Copy to be filed at the Center

August 2023
 (Month/Year)

Arieanna Barron
 (Staff Member Completing Report)

Van Buren
 (County or Center)

**CREDIT CARD REPORT
SEPTEMBER 2023**

Vendor	Date	Item	Amount	Code
REGIONS BANK-WALMART	8/6/2023	3.6 VOLT 900 MAH NICAD REPLACEMENT BATTERY	44.00	E4
REGIONS BANK-ERSEA SUMMIT	8/7/2023	SEA SUMMIT: ELSIE BLAYLOCK, CARRIE SWAFFOR	970.00	F5
REGIONS BANK-WALMART	8/16/2023	COFFEE CREAMER	10.94	H13
		REPLACEMENT BATTERY	99.08	E4
REGIONS BANK-AED	8/16/2023	ADULT AED, INFANT/CHILD AED	178.00	F2
REGIONS BANK-AMAZON	8/17/2023	NITRILE GLOVES -1 CASE	39.99	F2
REGIONS BANK-AMAZON	8/17/2023	EXAM TABLE PAPER	45.82	E2
REGIONS BANK-AMAZON	8/17/2023	2- OFFICE 3 HOLE PUNCH	24.57	E1
REGIONS BANK-AMAZON	8/18/2023	8- NON-SLIP BATHROOM TUB SHOWERS ADHESIVE DECALS	83.51	E2
REGIONS-WALMART	8/18/2023	11- ZESTY RANCH GARDEN VEFFIE STRAWS, 3- INSTANT OATMENT VALUE PACK, 2-SEA SALT GARDEN VEGGIE STRAWS, 40 OZ JAR PEANUT BUTTER, 3-30 OZ GRAPE JELLY, 23 BREAD LOAFS, SOUR CREAM AND ONION VEGGIE STRAWS, 24 SEA SALT 7OZ VEGGIE STRAWS, 12-20 OZ WHITE BREAD, 2- SUNFLOWER BUTTER	221.29	H9
		2 HALF GALLON VANILLA ALMOND MILK	5.96	E3
STAPLES BUSINESS	8/18/2023	6-SCOTCH ADHESIVE PUTTY , 4 GOIRLLA SUPER GLUE, 6 46 IN LOBBY BROOM, AL HANDLE	87.88	E4
REGIONS BANK-AEROGARDEN	8/24/2023	GROW ANYTHING SEED POD KINT, HERB SEED POD KIT, SALAD SEED POD KIT	55.07	E2
REGIONS BANK-DROPBOX	8/27/2023	MONTHLY SUBSCRIPTION	14.98	F2
REGIONS BANK-WEBSTAUANT STORE	8/28/2023	DISPOSABLE WHITE APRON 100/BOX, BLUE MELAMINE NAPPIE BOWL	59.19	E3
		JANITORIAL TOWELS-4000/CASE	110.21	E4
REGIONS BANK-WALMART	8/30/2023	FRUIT CUPS, SANDWICH CRACKERS, VEGGIE STRAWS, BLUEBERRY FIG BARS, INSTANT OATMEAL PACKETS, GRAPE JELL, PEANUT BUTTER, SANDWICH BREAD	43.18	H9
		PODGE MATTE, MOLDING & RIM SEALANT	12.95	E4
		SNACK MUFFINS, SWEET TEA	19.26	H13
		VANILLA SOY MILK	4.88	E3
	Total		\$2,130.76	

CREDIT CARD REPORT

AUGUST 2023

Vendor	Date	Item	Amount	Code
LOWES CREDIT SERVICES	7/6/2023	1-LB 2 1/2 IN TN EXT SCR, COLONY 53.75IN X 20IN	203.63	H6
		WHT W, 5/4-6-8 STANDARD DECKING		
REGIONS BANK	7/8/2023	PRE SCHOOL KIDS EDUCATIONAL GUJARATI	15.99	E2
		BARAKHADI WLL CHART		
	7/8/2023	BE KIND PREMIUM MATTE METAL POSTERS,	50.99	E2
		MY FIRST GUJARATI ALPHABETS PICTURE BOOKS		
		WITH ENGLISH TRANSLATIONS, MY FIRST		
		GUJARATI SHAPES		
		INSPIRATIONAL SMALL HANDS CHANGE THE WORLD HANDPRING WILL DECALS STICKERS	9.99	E1
REGIONS BANK	7/14/2023	SANDWICH BOS X2, DOZEN CATERING COOKIESX2, CHIPS FOR 10 X2, 3 GALLONS TEA X2	229.00	H16
REGIONS BANK	7/24/2023	GAS FOR VAN	64.95	H17A
REGIONS BANK	7/28/2023	BULK 48PC DINOSAUR BOOKMARKS, DINOSAUR WRITING PROMPT CRAFT KIT, JURASSIC WORLD 3 TEMPORARY TATTOOS, DINOSAUR PHOTO BOOTH FRAME, JURASSIC WORLD DOMINION PAPER PLATES, LITTLE DINO BUBBLE BOTTLES, JURASSIC WORLD DOOR COVER, T REX PAPER CUPS, RUBBER BRACELETS, DR. SEUSS CLASSROOM DECORATIONG KIT, HIGH FIVE PENCIL TOP ERASERS, TREAT BAGS, TABLECLOTH, NAPKINS	220.51	H13
		CLASSROOM GIANT TREE WITH SEASONAL CUTOUT	12.98	E1
		FIELD TRIP REMINDER STICKERSX2	3.94	E2
REGIONS BANK-DROP BOX	7/27/2023	MONTHLY SUBSCRIPTION	14.98	F2
STAPLES BUSINESS	7/27/2023	DRUM UNIT	176.48	E1
CAPITAL ONE	7/28/2023	MUFFINS, 42 CLASSIC, BAG OF APPLES, BAG OF ORANGES, 2 GALLON TEA VARIETY PAC, CR CHEESE, BRACHS	80.92	H13
	8/4/2023	EGGS, DISH DRAINER, ORG LENT, BLK BEANS, PINTO , RED BEANS, CHICK PEAS	20.80	E3
		SWEET PEAS	13.72	H9
	8/11/2023	EGGS, YOGUART, DIS BOTTLEX4, COCONUT MILKX2	20.38	E3
		TAPE 5PC BRUSH SET,	15.95	E4
		PEROXIDE	1.00	F2
	Total		\$1,156.21	

HEADSTART INKIND
Sep-23

	PERSONNEL	PROF	GOODS & SERVICES	OCCUPANCY	EQUIP	MILEAGE	TOTAL
July	\$1,858.52	\$0.00	\$1,477.13	\$0.00	\$0.00	\$80.17	\$3,415.82
August	\$6,552.06	\$0.00	\$556.69	\$0.00	\$0.00	\$333.13	\$7,441.88
September	\$8,430.25	\$0.00	\$1,468.46	\$0.00	\$0.00	\$6,103.56	\$16,002.27
October	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
November	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
December	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
February	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
March	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
April	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
May	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
June	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
June Final	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$16,840.83	\$0.00	\$3,502.28	\$0.00	\$0.00	\$6,516.86	\$26,859.97

**HEADSTART INKIND
Aug-23**

	PERSONNEL	PROF	GOODS & SERVICES	OCCUPANCY	EQUIP	MILEAGE	TOTAL
July	\$1,858.52	\$0.00	\$1,477.13	\$0.00	\$0.00	\$80.17	\$3,415.82
August	\$6,552.06	\$0.00	\$556.69	\$0.00	\$0.00	\$333.13	\$7,441.88
September	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
October	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
November	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
December	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
February	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
March	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
April	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
May	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
June	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
June Final	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$8,410.58	\$0.00	\$2,033.82	\$0.00	\$0.00	\$413.30	\$10,857.70

VAN BUREN COUNTY HEAD START POLICIES AND PROCEDURES
HEALTH SERVICES

Health 6a: Coronavirus Mitigation	Pages: 5
Relates to 1302.47 Safety practices (b)(7)(iv) Caring for Our Children 7.0 Infectious Diseases TN Child Care Rule 1240-04-01-.12 a-d	Revised: 11/2023

SUBJECT: Coronavirus Mitigation

The guidance is based on what is currently known about the transmission of the coronavirus disease as provided by the Centers for Disease Control and Prevention (CDC). Coronavirus is a respiratory illness that can spread from person to person, especially between people who are physically near each other (within about 6 feet). People who are infected but do not show symptoms can also spread the virus to others. The CDC will update their guidance as additional information becomes available.

Coronavirus Guidance for Operating Early Care and Education/Child Care Programs

Currently authorized vaccines in the United States are highly effective at protecting vaccinated people against symptomatic and severe coronavirus. Fully vaccinated people are less likely to become infected and, if infected, to develop symptoms of coronavirus. They are at substantially reduced risk of severe illness and death from coronavirus compared with unvaccinated people.

Coronavirus Prevention Strategies
<p>Promoting Vaccination: VBCHS does not require coronavirus vaccination; however, all staff members are encouraged to be vaccinated to protect themselves, their own families, and the children they serve from becoming infected.</p>
<p>Promoting Mask Use: VBCHS does not require routine masking of children or adults. Adults exposed to the coronavirus are encouraged to wear a mask for ten days past last exposure. Employees returning to work post-coronavirus diagnosis are encouraged to mask for five days (days 6-10). During periods of high community transmission, employees are encouraged, but not required, to mask.</p> <ul style="list-style-type: none"> ● Based on CDC guidance, people who have a known exposure to someone with suspected or confirmed coronavirus are encouraged to be tested on day 6 post-exposure, and to wear a mask in public indoor settings for 10 days or until they receive a negative test result. As a reminder, VBCHS has free rapid testing kits available at our centers for staff and their families (while supplies last). ● Staff are encouraged to follow CDC guidance on masks for "Do's and Don'ts." Masks must cover the nose and mouth and fit snugly to prevent gaps. Gaiters and face shields may not be worn in place of masks. See CDC Use and Care of Masks

Handwashing and Respiratory Etiquette

All children, staff, and volunteers should engage in hand hygiene at the following times:

- Arrival to the facility and after breaks
- Before and after preparing food or drinks
- Before and after eating or handling food, or feeding children- Children should wash hand before and after mealtimes
- Before and after administering medication or medical ointment including sunscreen and salves.
- Before and after diapering

Location: Shared Drives>Agency>Education Procedures>Health and Safety Procedures

2

- After using the toilet or helping a child use the bathroom
- After coming in contact with bodily fluid
- Before and after assisting a child with first aid
- After playing outdoors
- Before and after sensory play when using a communal tub.
- After handling garbage
- After assisting children with handwashing, staff should also wash their hands.
- Anyone entering a classroom from another area of the building such as floaters traveling between rooms.
- See [CDC Wash your hands](#)

Daily Health Screening

Staff: Staff and visitors must complete a daily health check self-assessment before entering the building. We encourage staff to take their temperature before you come to work. Staff and visitors should read carefully through the VBCHS Staff coronavirus Screener as a part of the screening process (See attached).

Children: All children are required to have a health check each morning before entering the classroom. The health check may be completed outside an exterior door, or while the child is still seated in the family vehicle. Parents are encouraged to take their child's temperature before leaving home. If a parent does not have a thermometer.

Health Check Steps/Arrival

1. Greet the child and family.
2. The staff member should do a visual check of the child looking for any signs of illness and chat with the parent about the general health of the child.
3. Staff will check a child's temperature if the child appears unwell. If the temperature is over 100.4, the child may not attend class. If a child has not had direct contact with the thermometer, the thermometer does not have to be disinfected. If a child has direct contact with the thermometer, staff should use an alcohol wipe to clean the device.

Persons Who Have Tested Positive for Coronavirus

- Children and staff who have symptoms of infectious illness, such as influenza (flu) or coronavirus, should stay home. VBCHS will refer individuals with coronavirus symptoms to their healthcare provider for testing and care.
- Employees must stay home for five days when diagnosed with coronavirus. Day one is the day AFTER the positive diagnosis. After returning to work employees must wear a mask for 5 days.
- Children must stay home for ten days when diagnosed with coronavirus. Day one is the day AFTER the positive diagnosis.
- Team leaders should contact management staff by emailing the center's direct supervisor.
 - In the email, please include the name of the child or staff member that has coronavirus.
 - For a positive coronavirus case, please include the date of the positive test and if possible, the date when symptoms first began.
 - Staff and children that test positive must isolate for the prescribed time period.
- Management staff will decide if a center or classrooms needs to be closed due to coronavirus . ● If a child is found to be in close contact with a coronavirus case, the Team leader will send home the coronavirus parent letter informing parents of the positive case. The letter can be found at [6c Covid-19 Exposure Letter.docx](#)
- Clean and disinfect all areas used by the person who is sick, such as offices, bathrooms, and common areas.

Location: Shared Drives>Agency>Education Procedures>Health and Safety Procedures

3

- If more than 24 hours have passed since the person who was sick has been in the building additional cleaning and disinfection is not necessary. Disinfection is recommended in indoor community settings where there has been a suspected or confirmed case of coronavirus -19 within the last 24 hours. (CDC- [When and how to clean](#))

How will we handle a suspected case of coronavirus?

- If a child is at the center and begins to display coronavirus -like symptoms, the child should be taken to the isolation room where a staff member wearing a mask will supervise the child until the parent picks up the child.
- Under no circumstances is a child to be left unsupervised.
- Each center should have an established coronavirus isolation area.
- Follow the CDC guidelines here- [Operation Guidance for Early Childcare](#)

Ventilation: Along with other preventive actions, ventilation can reduce the likelihood of spreading disease. ● When possible, windows should be open to provide fresh air to the classroom.

- When children have gone for the day, teachers are encouraged to open the outside door to air out classrooms.
- Heating, Ventilation, and Air Conditioning units (HVAC) should have the fan mode set at “on” at all times.
- The classrooms/ facility will be cleaned thoroughly upon the conclusion of the scheduled day by Janitor/Maintenance staff; sanitized and disinfected with Viruserv foggers with Effersan tablets solution set to run via timer during closing hours for 2 hours to cover complete square footage thoroughly. Air purifiers added for enhanced air quality. Increased access to handwashing stations and/or hand sanitizer stations to decrease spread of germs. .
- Ventilation is important on buses. Keep vehicle windows open when it does not create a safety or health hazard. Having more windows open is more helpful, but even just cracking a few windows open is better than keeping all windows closed.
- See [Ventilation in Schools and Childcare Programs](#) or more information.

Coronavirus Prevention Strategies for Periods of High Community Transmission

High community transmission will be determined by reviewing each county’s positivity rate, the per-100,000 rate, and the number of hospitalizations and deaths.

Physical Distancing and Cohorting:

- Arrival and departure will take place outside the classroom at an exit door or in a pick-up/drop-off line.
- Children will not share art supplies or sensory tables. Teachers will plan for individual art supplies and sensory experiences.
- Children will be socially distanced to the extent possible while eating.
- Napping children will be placed as far apart as possible with 3 feet being the recommended distance. Masks should never be worn at naptime.

Location: Shared Drives>Agency>Education Procedures>Health and Safety Procedures

4

- Teachers are encouraged to spend a significant portion of the day outdoors.
- Buses with one route will be cleaned daily. Bus aides should space children as far apart as possible with siblings seated side by side.

Cleaning and Disinfecting

- Clean high-touch surfaces in shared space at least once a day or as often as determined necessary. Examples of high-touch surfaces include: pens, counters, doorknobs, light switches, handles, stair rails, door keypads, desks, keyboards, and phones. Special germ resistant film may be applied to door handles.
- Staff members will use the Cleaning and Sanitation Checklist to keep objects and surfaces as clean and free of pathogens as possible. A copy of the checklist will be found on the drive. ● Contamination of hands, toys and other objects in child care areas has played a role in the transmission of diseases in child care settings. All classrooms should have a “yuck bucket” to place mouthed toys or dirty toys until

the toys can be cleaned.

- Cot/cribs sheets, soft classroom toys and dress up clothing will be laundered weekly.
- Classroom carpets may be sprayed lightly and be allowed to air dry. Shampoo monthly and as needed.
- Only approved EPA Cleaner and Disinfectants may be used. VBCHS uses a bleach water solution. Staff may not bring cleaning products from home and must use those provided. For more information on mixing bleach solution, see [How to clean and disinfect early care educational settings](#) .

Guidance on Mops:

Definitions: The terms cleaning, sanitizing and disinfecting are sometimes used interchangeably which can lead to confusion and result in cleaning procedures that are not effective.

Task	Purpose
Clean	To remove dirt and debris by scrubbing and washing with a detergent solution and rinsing with water. The friction of cleaning removes most germs and exposes any remaining germs to the effects of a sanitizer or disinfectant used later.
Sanitize	To reduce germs on inanimate surfaces to levels considered safe by public health codes or regulations.
Disinfect	To destroy or inactivate most germs on any inanimate object, but not bacterial spores.

Overview Fact Sheet

 eclkc.ohs.acf.hhs.gov/policy/article/overview-fact-sheet

The Head Start program is a national leader defining high-quality early education and services, especially for children who are furthest from opportunity. The Office of Head Start (OHS) is proposing significant changes to the Head Start Program Performance Standards (HSPPS) in a Notice of Proposed Rulemaking (NPRM) that would ensure fair compensation is a key component of high-quality early care and education. These proposed changes, if enacted, would stabilize the Head Start workforce and improve the quality of the comprehensive services that Head Start families count on.

Please see the [NPRM \(Notice of Proposed Rulemaking\) in the Federal Register](#) for a complete description of the proposed changes. The preamble of the [NPRM \(Notice of Proposed Rulemaking\)](#) provides the reasoning and research that supports each of the proposed changes.

NPRM Goals

OHS (Office of Head Start) is proposing updates to the HSPPS (Head Start Program Performance Standards) that will benefit the Head Start workforce, children and families, and programs.

Significantly increase compensation for many Head Start staff.

Head Start program staff are the cornerstone of the Head Start mission to provide high-quality early education and comprehensive services to children and families who need them. The proposed regulations would require programs to compensate Head Start staff in ways that reflect the demands and educational requirements of their positions. They would also ensure all Head Start staff are offered a sufficient wage based on the cost of living in their area. These proposed changes will support dedicated Head Start staff, who are mostly women of color, in building sustainable careers around the challenging yet rewarding jobs of supporting the children and families who need them. The changes will also help programs hire and retain qualified and experienced staff, reversing trends of high turnover.

Integrate mental health services into Head Start programming more broadly.

The proposed regulations include several changes to improve mental health supports in Head Start programs. These changes would better integrate mental health into every aspect of program services and elevate the role of mental health consultation. They would help address the increasing rates of mental health concerns in children and adults in Head Start programs and facilitate a proactive approach to support the overall well-being of children, families, and staff.

Enhance services to help Head Start programs effectively and equitably meet the evolving needs of the communities they serve.

The NPRM (Notice of Proposed Rulemaking) proposes several other changes to promote consistent quality services across Head Start programs. For instance, it proposes a cap on the maximum caseload of families for each family service worker to ensure these staff can dedicate the time needed to support the individual goals of each family. Other changes would support core Head Start principles, like implementing enhanced and strong comprehensive services, serving the children who are most in need, respecting diversity, and promoting equity.

Overview of Major Proposed Changes

OHS (Office of Head Start) is proposing that the HSPPS (Head Start Program Performance Standards) be updated in areas including workforce supports, mental health, and quality improvement in the following ways.

Workforce Supports

To improve staff wages, the NPRM (Notice of Proposed Rulemaking) proposes the following:

- All staff must receive competitive wages with an updated salary scale that applies to all positions.
Programs must make progress toward achieving pay parity for Head Start education staff with kindergarten through third grade teachers in local elementary schools. As a first step in achieving this broader goal, programs must pay annual salaries to these staff that are at least the same as preschool teachers in public school settings.
- Wages must be comparable across Head Start Preschool and Early Head Start programs.
- Minimum pay in programs must be sufficient to meet basic cost of living in the local area.

To improve staff benefits, the NPRM (Notice of Proposed Rulemaking) proposes the following:

- Provide or facilitate access to health insurance
- Paid sick, personal, and family leave for full-time staff

- Free or low-cost short-term mental health services for full-time staff
- Facilitate connection to:
 - Child care subsidies for any eligible staff
 - Public service loan forgiveness for eligible staff

To enhance staff wellness and engagement, the ~~NPRM.(Notice of Proposed Rulemaking)~~ proposes the following:

- All staff must receive regularly scheduled breaks during their work shifts
- Classroom staff must have access to brief unscheduled wellness breaks as needed
- Management style that positively promotes high-quality job performance

Mental Health

Addressing mental health supports, the ~~NPRM.(Notice of Proposed Rulemaking)~~ proposes the following:

- Require a multidisciplinary mental health team responsible for program-wide activities, including coordinating wellness supports and annual review of mental health consultation services
- Clarify expectations for program-wide wellness supports
- Provide mental health consultation services at least monthly
- Allow programs to work with mental health consultants who are providing services under the supervision of another licensed mental health professional
- Integrate mental health into support services for families
- Facilitate proactive screening and follow-up for children’s mental health needs
- Incorporate strengths-based language throughout the ~~HSPPS.(Head Start Program Performance Standards)~~
- Provide clearer requirements for suspension and expulsion, including definitions of these terms

Other Quality Improvements

To better engage with families, the ~~NPRM.(Notice of Proposed Rulemaking)~~ proposes the following:

- Establish a maximum caseload of 40 families per family service worker to facilitate delivery of high-quality family support services, including health, parenting, and economic support, which requires a dedicated, individualized approach
- Require the use of effective, accessible forms of communication in all interactions with families
- Streamline enrollment processes to minimize burden on families

To improve child health and safety, the ~~NPRM.(Notice of Proposed Rulemaking)~~ proposes the following:

- Clarify which safety incidents should be reported to ~~OHS.(Office of Head Start)~~
- Enhance prevention of safety incidents
- Protect children from exposure to lead in the water and paint of Head Start facilities through regular testing and, if needed, remediation

To identify and meet community needs, the ~~NPRM.(Notice of Proposed Rulemaking)~~ proposes the following:

- Identify and, if possible, resolve barriers to enrollment and attendance
- Streamline the process and frequency of the community assessment
- Ensure responsive, high-quality services for expectant families
- Revise definition of 'income' to provide a clear, finite list of income sources that should be counted for eligibility determination
- Adjust a family's gross income to account for excessive housing costs in their community, for eligibility determination purposes

Regarding program structure, the ~~NPRM.(Notice of Proposed Rulemaking)~~ proposes the following:

- Require that Early Head Start center-based services be provided across at least 46 weeks per year
- Encourage lower teacher to child ratios for Early Head Start classrooms serving the youngest children
- Clarify the requirements for:
 - Maximum group size in family child care settings for infants and toddlers and mixed aged preschool groupings
 - Provider qualifications in family child care settings

Read more:

[Policy](#)

Last Updated: November 15, 2023



**CHILD CARE FACILITY INSPECTION REPORT
FOR TENNESSEE DEPARTMENT OF HUMAN SERVICES
DEPARTMENT OF HEALTH**

ESTABLISHMENT Van Buren Co. Head Start - Plant		DATE 10/04/2023	Approval
LOCATION 24038 State Route 30	STAFF Elicia Puckett	EST. NO. 631083468	
CITY, STATE, ZIP Spencer TN 38585	PURPOSE Routine		
		FOLLOW-UP REQUIRED	<input type="radio"/> YES <input checked="" type="radio"/> NO

WATER SUPPLY, ICE

--*	1.	Source, adequate
	2.	Drinking facilities, approved types, clean, good repair, adjusted

SEWAGE DISPOSAL / PLUMBING

*	3.	Operating properly
*	4.	Cross connection
*	5.	Visible sewage leaks

SOLID WASTE

	6.	Containers adequate, clean
	7.	Storage area, grounds clean
	8.	Collection, disposal

TOILETS, HANDWASHING, AND BATHING

	9.	Fixtures adequate
	10.	Fixtures clean, good repair
	11.	Hygienic practices, adult supervision
	12.	Soap, individual towels
	13.	Toilet tissue provided on holder
	14.	Water temperature (90°F-120° F)
	15.	Covered container(s)

BUILDING

	16.	Visible cracks, sealed openings
	17.	Exterior clean, painted
	18.	Gutters, down spouts, clean good repair
*	19.	Materials, asbestos control meets Standard

FLOORS

	20.	Clean, good repair
--	-----	--------------------

WALLS AND CEILINGS

	21.	Clean, good repair
--	-----	--------------------

DOORS AND WINDOWS

	22.	Clean, good repair
--	-----	--------------------

- * Identifies critical items
- Not required for programs serving children five (5) years of age and above in school-age care programs.

BEDDING, FURNITURE

--	23.	Adequate
--	24.	Clean, good repair
--	25.	Bed spacing

LIGHTING

	26.	Adequate
	27.	Fixtures, shades, blinds clean, good repair

HEATING, VENTILATION

	28.	Adequate temperature
	29.	Noxious odors eliminated
	30.	Heating and ventilation units clean, good repair

INSECT, RODENT CONTROL

*	31.	Infestation
	32.	Harborage, control
	33.	Adequate drainage

SAFETY

*	34.	Toxic items (including medicines) stored and labeled properly
	35.	Glass in hazardous locations shielded unless safety glass used
*	36.	No broken glass in building or on playgrounds
	37.	Playgrounds free of hazards likely to cause falls
	38.	Furniture safe
	39.	Safety rails as required, bathtubs have safety strips or non-slip mats
*	40.	Heating units, hot water pipes, other heated objects protected. No visible electrical hazards. Electrical outlets protected.
*	41.	Buildings and grounds free of unprotected, abandoned well, cistern, refrigerator, or similar hazards
*	42.	Barriers or fencing provided on grounds as necessary
	43.	Play equipment safe, good repair

ANIMAL CONTROL

	44.	Cages clean
	45.	Pets controlled, no turtles

Critical items shall be corrected within a time frame not to exceed thirty (30) days. Approval indicates no critical item violations of the Department of Human Services standards. Disapproval indicates critical item violations were not corrected as required. Pending indicates disapproval pending correction of critical items.

Signature of Person in Charge Ric Mayfield
Date of Signature 10/04/2023

By Elicia Puckett EHS
Time in/out 10:27 AM 11:16 AM



Establishment Information

Establishment Name: Van Buren Co. Head Start - Plant

Establishment Number : 631083468

Observed Violations

Total # 3

- 14: Observed water temperature at hand sinks in both classrooms ranging between 68 and 70°F not meeting minimum requirement of 90°F
- 24: Observed blue beanbag, type chair in classroom B with stains
- 37: Observed large rocks for climbing on playground as potential trip hazard

***See page at the end of this document for any violations that could not be displayed in this space.

Additional Comments

***See page at the end of this document for any extra Additional Comments that could not be displayed in this space.

Establishment Information

Establishment Name: Van Buren Co. Head Start - Plant

Establishment Number : 631083468

Observed Violations (cont'd)

Additional Comments (cont'd)

Source Type: Water

Source: Public

EXECUTIVE SUMMARY

Strengths, Needs and Interests Parent Survey Upper Cumberland Human Resources Agency Fall 2023-2024



Prepared By:



About this Report:

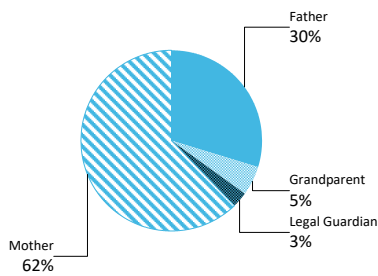
This report represents a snap-shot of the opinions and experiences of the parents and guardians in the Upper Cumberland Human Resources Agency Agency. The outcomes of this report should be used as one of many tools to guide the program planning process. Includes surveys received as of 8/18/2023.

Number and *Percentage* of Responses by Language with Response Rate:

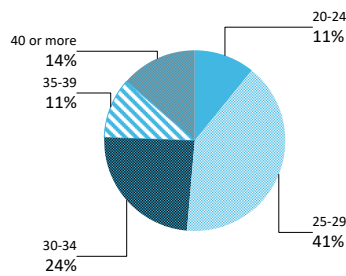
	Total Count	%	English	%
Upper Cumberland Human Resources Agency	37	100%	37	100%

Section 1: About the Respondents

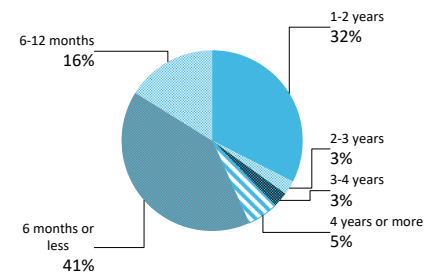
Who Completed the Survey?



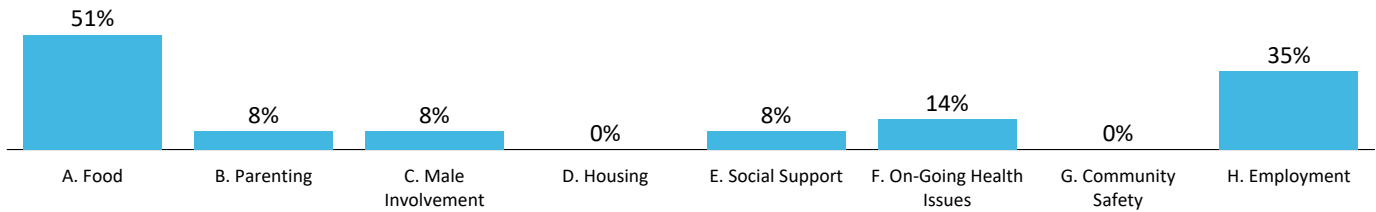
How old was the Respondent?



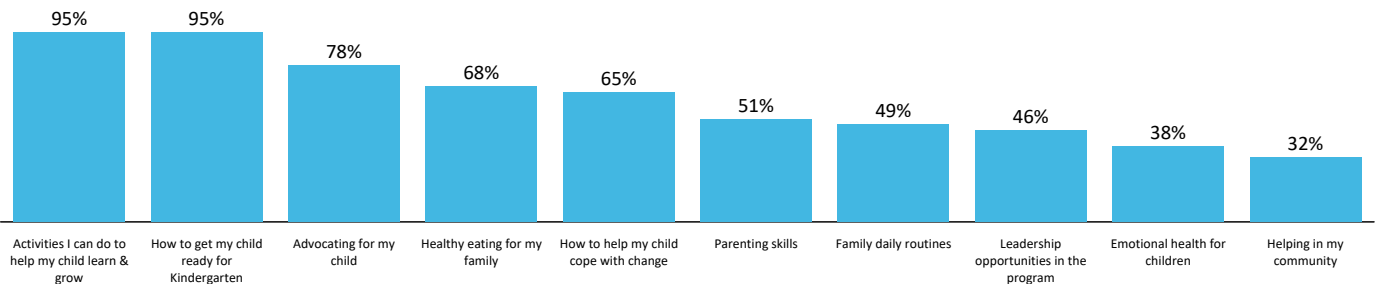
How long has the Family had Children enrolled in the program (not just this child)?



Section 2: Percentage of Families Vulnerable or In-Crisis

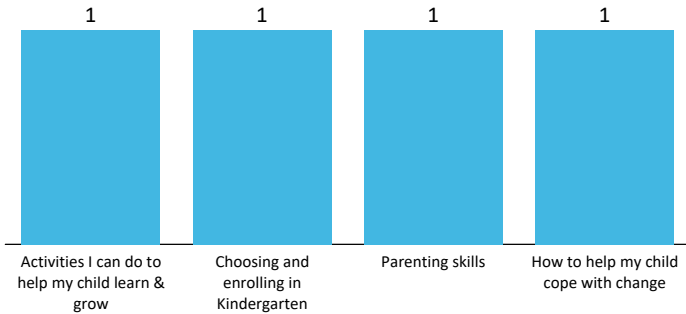


Section 3: Parents Who Want More Information Top 10 Areas *Percentage of Parents*

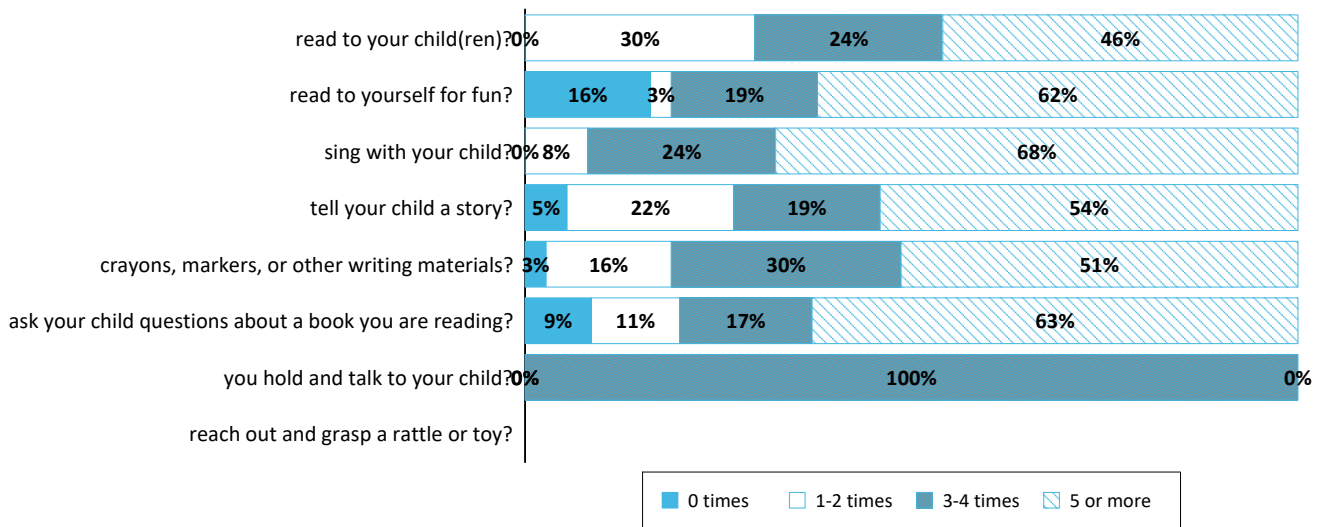


Section 3 continued: Parents Want More Information

Top 4 Topics: Need Help Now
Number of Surveys



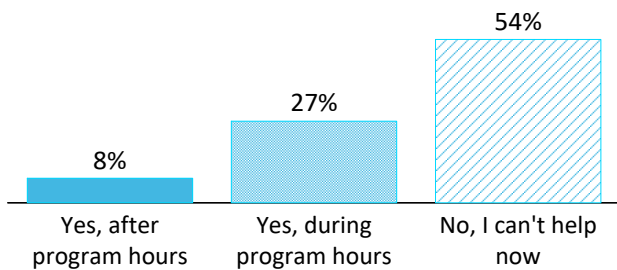
Section 4: Frequency of Activities Per Week by percentage of surveys



Section 5: Helping in the Program and Additional Child Care Needs

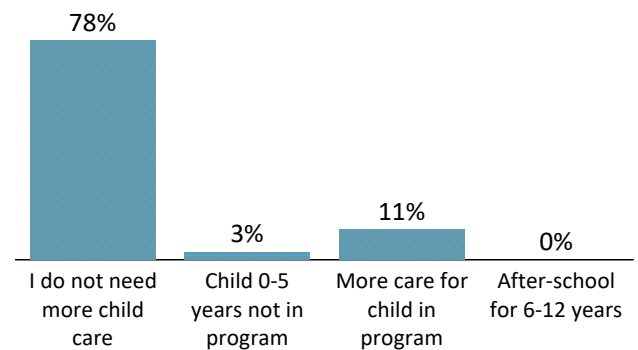
Would You Like to Help the Program?

Percentage of Families in Upper Cumberland Human Resources Agency



Child Care Needs

Percentage of Families in Upper Cumberland Human Resources Agency





Division of Fire Prevention
 Codes Enforcement Section
 500 James Robertson Pkwy
 Nashville, TN 37241-1162

Inspection Date: **Thursday, October 12, 2023**

Inspector: **Robert Merchant**

County: **88 - Van Buren**

Inspection Type: **DHS Day Care Centers**

TFM Number: **03910**

Document Type: **Annual Inspection**

Building/Project Name: **VAN BUREN COUNTY HEAD START CENTER**

Street Address: **24038 State route 30 E**

City: **Spencer**

ZIP: **38585**

Contact Name: **Elsie Blaylock**

Additional Contact: **Amy Smythe**

Street Address: **24038 State route 30 E**

Email: **amy.smythe@tn.gov**

City: **Spencer**

Additional Contact:

ZIP: **38585**

Email:

Phone: **(423) 881-5182**

Additional Contact:

Email: **eblaylock@uchra.com**

Email:

Additional Contact:

Email:

Additional Contact:

Email:

Additional Contact:

Email:

IBC Occupancy Type: **E**

DHS license: Children under the age of 2 1/2: **Under 5**

NFPA Occupancy Type: **Daycare**

Square Footage: **6000**

Licensed Number of Clients: **40**

Recommend Approval for Licensing? **Yes**

No deficiencies found.

Notes:

10-12-23 An annual inspection was done, no deficiencies were found, and the facility looked great. If you have any questions or concerns feel free to contact me at robert.merchant@tn.gov or my cell phone (629)224-7479. Thank you, Jay.

Helpful Information:

The State Fire Marshal's Office will perform consultation inspections if requested by DHS. If you are interested in a building to use as a day care and want to know if upgrades are needed for code compliance, contact your DHS counselor to make the request. A State Fire Marshal's Office inspector will then contact you to set up an inspection.



Fire Alarm Certificate

Location:

UCHRA Van Buren County Head Start

24038 State Route 30 Spencer, TN



Inspected by:

Pioneer Communications

2119 Quinland Lake Road

Cookeville, TN 38501

Tennessee State Department of Commerce and Insurance
Alarm Systems Contractors Certificate #0979

The Fire Alarm System for the above location
on the date indicated below and has been inspected
and tested according to NFPA standards.
It has been determined that the fire system was
found to be in proper operating condition
or as described on the attached inspection forms.

Signed Kevin Souell

Date 10/13/2023

INSPECTION AND TESTING FORM

DATE: 10/13/23
TIME: 10:15 a.m.

SERVICE ORGANIZATION
 Name: Pioneer Communications
 Address: P.O. Box 1220 Cookeville, TN. 38503
 Representative: Harold Sowell
 License No.: C-0979
 Telephone: 931-537-9248

PROPERTY NAME (USER)
 Name: Van Buren Head Start
 Address: 24038 State Route 30
 Owner Contact: _____
 Telephone: (423) 881-5182

MONITORING ENTITY
 Contact: Pioneer Monitoring
 Telephone: 931-537-9249
 Monitoring Account Ref. No.: AAM0663-4E

APPROVING AGENCY
 Contact: _____
 Telephone: _____

TYPE TRANSMISSION
 McCulloh
 Multiplex
 Digital
 Reverse Priority
 RF
 Other (Specify) _____

SERVICE
 Weekly
 Monthly
 Quarterly
 Semiannually
 Annually
 Other (Specify) _____

Control Unit Manufacturer: Napco
 Circuit Styles: 4/Class B
 Number of Circuits: 8
 Software Rev.: _____
 Last Date System Had Any Service Performed: _____
 Last Date that Any Software or Configuration Was Revised: 2019

Model No.: MA3000

ALARM-INITIATING DEVICES AND CIRCUIT INFORMATION

Quantity	Circuit Style	
<u>6</u>	<u>4/Class B</u>	Manual Fire Alarm Boxes
<u>13</u>	<u>4/Class B</u>	Ion Detectors
<u>3</u>	<u>4/Class B</u>	Photo Detectors
_____	_____	Duct Detectors
_____	_____	Heat Detectors
_____	_____	Waterflow Switches
_____	_____	Supervisory Switches
_____	_____	Other (Specify): _____

Alarm verification feature is disabled enabled _____

(NFPA Inspection and Testing, 1 of 4)

FIGURE 10.6.2.3 Example of an Inspection and Testing Form.

ALARM NOTIFICATION APPLIANCES AND CIRCUIT INFORMATION

Quantity	Circuit Style	
<u>3</u>	<u>4/Class B</u>	Bells
<u>3</u>	<u>4/Class B</u>	Horns
		Chimes
		Strobes
		Speakers
		Other (Specify): _____

No. of alarm notification appliance circuits: 2
 Are circuits monitored for integrity? Yes No

SUPERVISORY SIGNAL-INITIATING DEVICES AND CIRCUIT INFORMATION

Quantity	Circuit Style	
_____	_____	Building Temp.
_____	_____	Site Water Temp.
_____	_____	Site Water Level
_____	_____	Fire Pump Power
_____	_____	Fire Pump Running
_____	_____	Fire Pump Auto Position
_____	_____	Fire Pump or Pump Controller Trouble
_____	_____	Fire Pump Running
_____	_____	Generator In Auto Position
_____	_____	Generator or Controller Trouble
_____	_____	Switch Transfer
_____	_____	Generator Engine Running
_____	_____	Other: _____

SIGNALING LINE CIRCUITS

Quantity and style of signaling line circuits connected to system (see NFPA 72, Table 6.6.1):

Quantity _____ Style(s) _____

SYSTEM POWER SUPPLIES

(a) Primary (Main): Nominal Voltage 120V Amps 15A
 Overcurrent Protection: Type Breaker Amps 15A
 Location (of Primary Supply Panelboard): Main Hallway
 Disconnecting Means Location: _____

(b) Secondary (Standby):
 12V _____ Storage Battery: Amp-Hr. Rating 8AH
 Calculated capacity to operate system, in hours: X 24 60
 _____ Engine-driven generator dedicated to fire alarm system:
 Location of fuel storage: _____

TYPE BATTERY

- Dry Cell
- Nickel-Cadmium
- Sealed Lead-Acid
- Lead-Acid
- Other (Specify): _____

- (c) Emergency or standby system used as a backup to primary power supply, instead of using a secondary power supply:
- _____ Emergency system described in NFPA 70, Article 700
 - _____ Legally required standby described in NFPA 70, Article 701
 - _____ Optional standby system described in NFPA 70, Article 702, which also meets the performance requirements of Article 700 or 701.

(NFPA Inspection and Testing, 2 of 4)

FIGURE 10.6.2.3 Continued

PRIOR TO ANY TESTING							
NOTIFICATIONS ARE MADE	Yes	No	Who	Time			
Monitoring Entity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Pioneer</u>	<u>10:10 a.m.</u>			
Building Occupants	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Staff</u>	<u>10:15 a.m.</u>			
Building Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Staff</u>	<u>10:15 a.m.</u>			
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>					
AHJ Notified of Any Impairments	<input type="checkbox"/>	<input type="checkbox"/>					
SYSTEM TESTS AND INSPECTIONS							
TYPE	Visual	Functional	Comments				
Control Unit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Interface Equipment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Lamps/LEDS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Fuses	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Primary Power Supply	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Trouble Signals	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Disconnect Switches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Ground-Fault Monitoring	<input type="checkbox"/>	<input type="checkbox"/>					
SECONDARY POWER							
TYPE	Visual	Functional	Comments				
Battery Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
Load Voltage	<input type="checkbox"/>	<input type="checkbox"/>					
Discharge Test	<input type="checkbox"/>	<input type="checkbox"/>					
Charger Test	<input type="checkbox"/>	<input type="checkbox"/>					
Specific Gravity	<input type="checkbox"/>	<input type="checkbox"/>					
TRANSIENT SUPPRESSORS	<input type="checkbox"/>	<input checked="" type="checkbox"/>					
REMOTE ANNUNCIATORS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
NOTIFICATION APPLIANCES							
Audible	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Visible	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Speakers	<input type="checkbox"/>	<input type="checkbox"/>					
Voice Clarity	<input type="checkbox"/>	<input type="checkbox"/>					
INITIATING AND SUPERVISORY DEVICE TESTS AND INSPECTIONS							
Loc. & S/N	Device Type	Visual Check	Functional Test	Factory Setting	Measured Setting	Pass	Fail
<u>Classroom</u>	<u>Photo</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<u>Hall</u>	<u>Photo</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<u>Office</u>	<u>Photo</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<u>Class</u>	<u>Pull</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<u>Hall</u>	<u>Pull</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<u>Gym/Kich</u>	<u>Pull</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Comments: <u>The smoke detector in Health Office is 15+ years old. Recommend replacing. The smoke detector in Office Hall is 10+ years old. Recommend replacing.</u> <u>Main Panel is Discontinued. Must Recommend upgrading away from combo panel to separate Burg/Fire panels to Avoid future issues or total system failure.</u>							

FIGURE 10.6.2.3 Continued ^{Potential} Door Alarms, Security, and Fire alarm are all on the same system. MA3000 - Model 20+ years old. Current panel is around 17 years old. Was replaced around 2006-2008.

EMERGENCY COMMUNICATIONS EQUIPMENT		Visual	Functional	Comments
Phone Set	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Phone Jacks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Off-Hook Indicator	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Amplifier(s)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Tone Generator(s)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Call-in Signal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
System Performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

INTERFACE EQUIPMENT	Visual	Device Operation	Simulated Operation
(Specify) <u>Front Door Keypad</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(Specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL HAZARD SYSTEMS	Visual	Device Operation	Simulated Operation
(Specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(Specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(Specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Procedures: _____

Comments: _____

SUPERVISING STATION MONITORING	Yes	No	Time	Comments
Alarm Signal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>10:23 a.m</u>	
Alarm Restoration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>10:55 a.m</u>	
Trouble Signal	<input type="checkbox"/>	<input type="checkbox"/>		
Supervisory Signal	<input type="checkbox"/>	<input type="checkbox"/>		
Supervisory Restoration	<input type="checkbox"/>	<input type="checkbox"/>		

NOTIFICATIONS THAT TESTING IS COMPLETE	Yes	No	Who	Time
Building Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Staff</u>	<u>10:00 a.m</u>
Monitoring Agency	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Pioneer</u>	<u>11:00 a.m</u>
Building Occupants	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Staff</u>	<u>11:00 a.m</u>
Other (Specify) _____	<input type="checkbox"/>	<input type="checkbox"/>		

The following did not operate correctly: _____

System restored to normal operation: Date: 10-13-23 Time: 11:00 a.m

THIS TESTING WAS PERFORMED IN ACCORDANCE WITH APPLICABLE NFPA STANDARDS.

Name of Inspector: Kevin Sewell Date: 10-13-23 Time: 11:00 a.m
 Signature: Kevin Sewell

Name of Owner or Representative: _____
 Date: 10-13-23 Time: _____
 Signature: Rita Mayfield

(NFPA Inspection and Testing, 4 of 4)

FIGURE 10.6.2.3 Continued



UC HRA

Van Buren County
Head Start

Program Management and Quality Improvement

FY 23/24

FOR PROGRAM YEAR 24/25

Strategic Planning and Self-Assessment

Table of Contents

Committee Assemblage.....	2
Vision & Mission Statement.....	3
Planning Process.....	4
Effectiveness and Challenges.....	4
Service Delivery ERSEA Program Services.....	5
Service Delivery Education and Child Development Program Services.....	5
Service Delivery Health Program Services.....	6
Service Delivery Safety Program Services.....	6-7
Service Delivery Family/Community Engagement Program Services.....	7-8
Service Delivery Human Resource Management Program Services.....	8
Program Management and Quality Improvement.....	8-9
Financial and Administrative Requirements.....	9-10
Program Goals/Outcome That Support Their Mission to Serve Children Families and Community	10-12

UPPER CUMBERLAND HUMAN RESOURCE AGENCY

Grant# 04CH10011

Funding Year: 2024

During the strategic planning, Self-Assessment goals were developed to inspire and drive the program to achieve the success of implementing the overall objectives of providing quality services to children, families and the community. The strategic planning system enhances and builds upon the Self-Assessment. The following assemblages were involved:

- Mentor Coach/Education Supervisor
- Family/Community Partnership Specialist
- Health/Disability Services Specialist
- Director
- Grantee Finance Staff
- Governing Board
- Policy Council/Parents

During a year long process, an extensive amount of effort has been implemented in monitoring the program, collecting data and analyzing the results to design the goals within the self-assessment utilizing the following systems:

- Community Assessment
- Child Outcomes
- Family Outcomes
- Most Recent Tri-Annual Federal Review
- Self-Assessment/Analyzed Program/Services Data Collection
- State Quality Child Care Program
- NAEYC Accreditation Process
- Trends from the Parent Intake
- PIR data
- Fidelity Tool Checklist

A structured approach was implemented in collecting data from all the instruments used in monitoring the systems. Indicators are noted and analyzed to determine objectives that will allow the goals to be assembled from organized, collaborative information. Through the combination of the Governing Board,

Grantee, Policy Council and the Head Start Staff, a collective conclusion was reached in determining the overall goals prioritized to enhance continuation of high quality services to children and families. Plans were designed to enable programs to develop and implement a systematic, ongoing process consistent with Head Start philosophy and be reflective of overall indicators.

To accomplish and maintain the plans, goals and objectives, a mission, vision and values statement must be developed in order to allow all bodies concerned a usable purpose to set the ideology of the overall objectives of the program.

- **Vision Statement** To enhance positive transformation for our children, families, staff and community through partnerships which allow for the entire group to benefit from each other for a thriving society for future growth and generations to succeed.
- **Mission Statement** Foster individual development for children, families and staff to sustain positive transitions into the future.
- **Value Statement** Impossible dreams; **Hand in Hand, Together We Can.**

Data is collected throughout the 2022- 2023 school term to be implemented in the 2023-2024 school term to include findings from the previous school term that were not included in the previous Strategic plan/Self Assessment that were determined at year end while collecting data for analysis. As always, you can request and receive a copy of this report or visit our website at: www.ucvbheadstart.org and locate under "Governing Bodies". We continually strive to improve our program and this is evident in our Strategic Plan. The compiled goals should be attainable as designated by the timelines-Short Term/ Long Term. The established program objectives include activities and documentation that support, governing regulations, to include Head Start Performance Standards, 2007 Head Start Act, and State Child Care Licensing.

Self-Assessment Narrative

In cohesive agreement with Head Start Performance Standard 1302.102 and 641A of the Head Start Act and the Region IV Office of the Administration for Children and Families, the following Self-Assessment Plan is submitted for the continued progression of improvement of the Program to maintain a high level of quality services provided to children and families.

Self-Assessment Preparation and Process

The Policy Council and governing body were trained on the purpose of the Self-Assessment. The program aggregates and analyzes data to include child assessment data and professional development and parent and family engagement data. Governing body and Policy Council are presented with the results of all data collected, identified needs, and quality improvement plans throughout the year.

Self-Assessment Objectives

The objective of the Self-Assessment is to approach quality improvement and program management through a systematic approach. Through the data collection process identify needs, design and implement goals to set the stage for a new year of ongoing monitoring and self-assessment activities to include challenges of the program, to strengthen current practices, and enable staff to better achieve the goal of providing high quality service to children and families.

Plan and Process

Program will form a self-assessment team utilizing program director, service delivery managers and input from the governing body, policy council and parents. Each service area is carefully examined and the outcome is analyzed. These findings and /or recommendations identify areas that need improvement and are incorporated into program goals setting the stage for Training/Technical Assistance Plans and budget justifications. A Quality Improvement Plan is developed to improve the areas identified. Although the program continually seeks ways to improve program service delivery and program design and management, the accountability of the self-assessment process allows for an unbiased view of program operations through exploration of systemic issues and challenges. Findings and/or recommendations will be monitored for completion throughout the year.

Effectiveness and Challenges

Effectiveness:

- High quality services
- Community partners
- Staff dedication
- Maintain high standards of safety

Program Challenges

- Size/topography of service delivery area
- Accessibility to obtain local vendors/resources
- Accessibility to quality staff due to location and population
- Location of center in proximity of major population area
- Lack of Early Head Start

Service Delivery Area: ERSEA 1 of 1

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) will ensure Eligibility, Recruitment, Selection, Enrollment, and Attendance systems are in place to enroll the neediest families in a timely manner and maintain full enrollment and waitlist throughout the program year.						
Desired Outcome: All efforts are made to maintain enrollment.						
Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Create working relationships with new county officials to increase the knowledge and recruitment efforts for Head Start.	FCPS	Aug 2025	Scheduled meetings, phone logs		N/A	
Train parents on public transportation opportunities within the county.	FCPS	Aug 2024/ Ongoing	Training Logs		UCHRA Transportation Department	

Service Delivery Area: Education and Child Development Program Services 1 of 1

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) will deliver high quality early education and child development services to meet the expectations across the domain to improve the child's readiness for kindergarten.						
Desired Outcome: Teachers will implement strategies in the classroom to increase children's knowledge of how their actions affect others.						
Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Utilize CSEFEL in the classroom to increase social emotional outcomes.	Education Supervisor/ Teachers	Aug 2025	Lesson Plans		CSEFEL Materials	
Implement Children's Emotion videos to increase self regulation skills	Education Supervisor/ Teachers	July 2025	Lesson Plans		Model Me Emotion Video/In house video of children	
Implement Cognitive Toy Box program to	Education	Aug 2025			Head Start	

enhance literacy skills	Supervisor/ Teachers				Funds	
Establish Van Buren Imagination Library Board	Director/ Assistant Director	July 2024	Meeting Minutes		GELF Foundation	
Obtain training on correct implementation of Zoophonetic alphabet	Assistant Director	July 2025	Training Logs		When program dollars are available	

Service Delivery Area: Health Program Services 1 of 1

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) staff will support health services in school readiness by identifying health and safety strategies that will support children’s learning and development.

Desired Outcome: To provide high quality safety, health, oral health, mental health (for staff and children) and nutrition services that are developmentally, culturally and linguistically appropriate that supports children’s growth and school readiness.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Utilize the calming area to address challenging behaviors.	HDSS/Education Supervisor/ Mentor Coach	2023	Sign In/Sign Out Forms		HDSS	
Incorporate mental health breaks for classroom staff to decrease workplace tension.	HDSS	2025	Mental Health Log		Additional Staff for coverage	
HDSS will attend training to obtain knowledge to assist children in self regulation skills.	Director/ Professional Development Coordinator	2025	Training Logs		LEA/CCR&R	

Service Delivery Area: Safety Practices 1 of 1

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) will implement a system of health and safety practices that ensure children are

kept safe at all times.

Desired Outcome: Develop and maintain a “*culture of safety*” in which all staff are engaged stakeholders.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Address Playground surfacing original installation issues(poor drainage/labors maintenance) by replacing playground surfacing to ensure increased ECERS score and improve physical/mental health of staff by not requiring as much upkeep of the playground maintenance	Director/HDSS	2025	Invoices/checklist		When program dollars are available	
To ensure continued safety of the staff/children install key fob entry doors.	Director/HDSS	2025	Invoices		When program dollars are available	
Replace shade covering on playground that was damaged during a storm to ensure continued sun safety of children	Director	December 2024	Grant/Invoices		When program dollars are available	
Redesign & Construct building entrance for a more secure layout that will prohibit visitors from having immediate access to classrooms.	Director/HDSS	July 2025	Invoices		When Program Dollars are Available	

Service Delivery Area: Family/Community Engagement Program Services 1 of 1

Goal: UCHRA Head Start staff will increase family engagement by providing activities based on the Family’s interest and needs that will lead to positive outcomes for the child and family.

Desired Outcome: Parents/Families will access resources and systems of support that meet family needs and goals. Relationships will be developed that are helpful in supporting the goals they have established for themselves/their children.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
--------------	----------------------	-------------------------	---------------	----------------------	-----------	------------------

Connect families with Empower to ensure that they receive services and support needed to succeed.	Director/ Assistant Director/FCPS	Ongoing	Sign in logs/Meeting Minutes		UCHRA Empower	
Incorporate training to teach parents on creating resumes to increase employment success.	FCPS	2025	Meeting log/minutes		American Job Center/Ag. Extension	
Add additional Kindergarten Transition Activity Power Packs for family use at home.	Director/ Assistant Director	Aug 2025	Invoices		As program dollars become available	

Service Delivery Area: Human Resource Management 1 of 1

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) Head Start will ensure all staff consultants and contractors engaged in the delivery of program services have knowledge, training, experience and competencies to fulfill roles and responsibilities of their positions.

Desired Outcome: Ensure high quality service delivery is provided in accordance with program performance standards.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Education staff that do not hold at a minimum an Associates Degree in Early Childhood or equivalent will obtain and/or maintain a CDA. New hire education staff will pursue through an accelerated process and apply for their CDA certificate within 2 years of hire date acquiring knowledge to foster positive teacher child interactions. .	Education Supervisor	Within 2 years of hire/ Ongoing	Degrees and certifications		Council of Child Development and Local Colleges, TECTA, NHSA, Prosolutions	
Attend training to increase staff retention	Director/ Assistant Director	July 2025	Training Log		Prosolution	

Health & Disability Specialist new hires will obtain essential training and certification to provide services to families within 12 months of hire.	Director	12 months of hire	Training Logs, Grades, Credentialing		NHSA	
Maintain certified class observers.	Education Supervisor	Yearly/Ongoing	Certification		Teachstone	
Family Community Partnership new hire will obtain essential training and certification to provide services to families within 12 months of hire.	Director	12 months of hire	Training Logs, Grades, Credentialing		NHSA	

Program Management and Quality Improvement Systems 1 of 1

Goal: UCHRA Head Start program will provide management and a process of ongoing monitoring and continuous improvement for achieving program goals.

Desired Outcome: Ensure child safety and delivery of effective high-quality program services.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Utilize Child Plus training team to increase staff's knowledge of the Child Plus data management system in the PIR to ensure comprehensive data collection.	Director	July 2025	Invoices, Training Logs, Agendas		Childplus and When Program Dollars are Available	
Comprehensive implementation of KidKare for CACFP data collection.	HDSS	July 2025	KidKare Reports		KidKare	
Implement opportunities for classroom teachers and teacher aides to visit other Head Start programs.	Director/ Assistant Director	December 2025	PBC Observation form		When program dollars are available	

Financial and Administrative Requirements 1 of 1

Goal: UCHRA Head Start will participate in the development of sound management practices, including financial management.

Desired Outcome: Ensure strong fiscal controls are implemented that meet financial requirements and are in compliance with laws and regulations.U

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Include Grantee Director of finance and finance staff in fiscal training opportunities.	Director/ Grantee Finance Director	July 2025/Ongoing	Training Agendas and Invoices		Local, State, National Trainings, TA, Communication with Regional Office	

Service Delivery Area: Program Goals/Outcome that support the program's mission to serve children families and community 1 of 2

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) Head Start will advocate for and provide high-quality mental health services that are respectful and responsive through strengths-based and family-centered approaches to parents/children to ensure awareness and identification of the effects of Adverse Childhood Trauma and ensure a foundation of resilience is established for later developmental outcomes.

Desired Outcome: To build resilience for parent and child promoting staff and family growth through positive relationships.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Train staff to improve teaching practices in the preschool classroom.	Director/ Assistant Director	Aug 2025	Training Logs		Preschool Specialization Program	
Establish a system of support that provides education/awareness/intervention to staff, families, children, and community concerning awareness of substance abuse/opioid crisis including but not limited to, (intervention).	HDSS/ FCPS	June 2025	Policies and Procedures		State, Local and National Conferences	

Developing partnerships with entities addressing drug addiction.	HDSS/ FCPS	June 2025	Partnerships		Staff Time	
--	---------------	-----------	--------------	--	------------	--

Service Delivery Area: Program Goals/Outcome that support the program's mission to serve children families and community 2 of 2

Goal: Upper Cumberland Human Resource Agency Head Start (UCHRA) program will ensure all staff, consultants, and contractors have sufficient knowledge, training, experience, and competencies to fulfill the roles and duties of their position. gaining new knowledge, skills, and abilities, along with experience and competencies that relate to one's profession, job responsibilities, or work environment.

Desired Outcome: High quality early education and child development services promoting children's growth for later success in school. Increased emotional well-being of the classroom due to reduction of challenging behaviors. Progress toward achieving school readiness goals.

Action Steps	Staff Responsibility	Timeline for Completion	Documentation	Status of Completion	Resources	Report to PC/BOD
Education staff with scores falling below the OHS National threshold for CLASS will be trained utilizing Teachstone Video library, ECLKC webinars, and NCQTL suites, in addition to all staff receiving PBC method through an enhanced training process where education staff will identify learning methods for a more individualized training approach, (ie:model, side-by-side verbal or gestural support, provide resources, observe and reflect, role play,) They will also receive PBC training on strategies to provide effective teacher-child interactions through video recording/review and reflection.	Education Supervisor	Ongoing-as needed	Agendas/ Training Logs		In-House, State, Local and National Conferences ECLKC, NCQTL, Teachstone, Prosolutions	

<p>Training for education staff in area of quality of feedback/language modeling in the classroom to deepen their understanding and build consistency in regards to how to provide hints and assistance, feedback loops, prompting, expansion, clarification, encouragement and affirmation. How the use of frequent and purposeful mixed conversation in the classroom -language is used to ask questions requiring more than one word responses, to repeat or extend the student's responses, to map own or student's actions with description, or to connect familiar words.</p>	<p>Education Supervisor</p>	<p>June 2025</p>	<p>Agendas/ Training Logs and CLASS scores</p>		<p>Teachstone/ CCR&R</p>	
---	-----------------------------	------------------	--	--	------------------------------	--



**UPPER CUMBERLAND
HUMAN RESOURCE AGENCY
HEAD START**

Grant # 04CH10011

Funding Year: 2024

T/TA PLAN

T/TA Plan Narrative

Preparation

The management team met to review the previous TA plan and analyze the progress made toward the goals and objectives prior to developing the 2024 plan. The team met in early February to review and prioritize goals identified during the management meeting. In order to achieve these goals TA dollars allocated in the amount of \$10,000.00 and projected program operation dollars in the amount of \$26,000.

Comprehensive Self Analysis

Through the Self-Assessment and development of our Strategic Plan we were able to conduct a comprehensive self assessment analysis of our program. Once the processes were completed we were able to incorporate the findings into our T/TA Plan.

System-Focused Goal Development

Staff, Policy Council and Board Members were trained in aggregation of data and systems of program self-assessment. Through the methods used to monitor services and systems and analyze the information brought to light during these processes, the program was able to set and maintain realistic goals. During our processes many sources of monitoring tools are used to give staff the necessary knowledge required in order to approach the development of goals in a manner that includes all spectrums of requirements in order to provide quality services. The instruments included in the process of goal development included STARS state evaluation, NAEYC self-study, Self assessment, Community assessment, Staff performance evaluations, Outcome analysis. During the analysis, goals were set based on the information compiled from these sources. Goals to be addressed are as follows:

TTA Plan Strategic Plan- With the combined efforts of staff we prioritized our needs and set goals in the following areas:

1. Eligibility, Recruitment, Selection, Enrollment, and Attendance systems are in place.
 - Analyze recruitment systems to utilize effective recruitment strategies.
 - Revise, train staff, and implement procedures pertaining to attendance.
 - Train all staff on the importance of promoting the process of recruitment.
2. Education and Child Development Program Services- deliver high quality early education and child development services:
 - Provide Training for all Education staff to Implement Creative Curriculum Tracking System.
 - Promote parent engagement.
 - Implement an early childhood drug intervention curriculum.
3. Health Program Services support health services in school readiness that will support children's learning and development:
 - Revise Health Procedures related to PIR regarding EPSDT.
 - Develop & Maintain, (Snack Program) after school and weekend feeding program.
 - Design and Implement a system of early identification of children with behavior needs.
 - Obtain Narcan training for staff.
 - Implementation of the local drug coalition.
4. Safety Practices implement a system of safety practices that ensure children are kept safe at all times:
 - Install shade canopies in outdoor gross-motor.
 - Repair weather damage by replacing the roof of Lending House.
 - Replace gutters on the Lending House and playground pavilion.
 - Install Spring hinges/automatic door closures.
 - Purchase a small lawn tractor and wagon to haul mulch to the playground.
 - Train and Implement the Office of Head Start Six Strategy Active Supervision.
5. Family Engagement increase family engagement by providing activities based on the Family's interest and needs:
 - Enhance the process of promoting/training parents/guardians in understanding the importance of actively engaging.
 - Encourage parents to become engaged by volunteering.
 - Enhance the family partnership agreement process.
6. Human Resource Management provide staff opportunities to gain knowledge, training, experience to fulfill roles and responsibilities of their duties:
 - Maintain certified class observers.
7. Management and Quality Improvement Systems provide management ongoing monitoring and continuous improvement for achieving program goals:

Apply and Implement Early Head Start.

Purchase, train and implement Childplus data management system.

8. Financial and Administrative Requirements provide sound management practices, including financial oversight:
Include Grantee Director of finance and finance staff in fiscal training opportunities.
9. Program Goals/Outcomes that support the program's mission to serve children families and community:
Building resilience for parent and child promoting staff and family growth through positive relationships.
High quality early education and child development services promote children's growth for later success in school.
Increased emotional well-being of the classroom due to reduction of challenging behaviors.
Progress toward achieving school readiness goals.

<u>Participants:</u> Head Start Director Elsie Blaylock Fiscal Manager Ginger Stout	Health Specialist Family/Community Specialist Carrie Swafford	Education Staff Rita Mayfield
--	---	---------------------------------------

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
HEAD START
T/TA PLAN

PART 1 IDENTIFIED GOALS

2024

Region IV Head Start T/TA Plan
Grantee: Upper Cumberland Human Resource Agency
YEAR: 2024/2025
Part 1: Identified T/TA Goals

T/TA Goal: (From IPP and AI process): Health and Safety: Implement a system of health and safety practices that ensure children are kept safe at all times. Head Start staff will support health services in school readiness by identifying health and safety strategies that will support children’s learning and development.

Expected Outcomes (Short &/or Long Term)	Indicators	Documentation/ Frequency of Measurement
Building resilience for staff promoting child teacher growth through positive relationships.	Child outcomes, Decreased documented child behaviors Increased CLASS scores	3 times yearly 2 times year
Ensure a system of early identification of children with behavior needs.	Behavior Plans/ Referrals	Yearly/Ongoing

T/TA Strategies Events/Activities	T/TA Resource	Target Audience or HS Mgt. System	Responsible Manager	Timeline	Est. Cost	Completion Date
Improve teaching practices in the preschool classroom	Preschool Specialization	All Staff	Director/ Education Supervisor	PY 2025	N/A	
Train on self regulation techniques to implement with children exhibiting challenging behaviors utilizing the calming area.	LEA/CCR&R/DECA	HDSS	Director/ Professional Development Coordinator	PY 2025		

Region IV Head Start T/TA Plan
Grantee: Upper Cumberland Human Resource Agency
YEAR: 2024/2025
Part 1: Identified T/TA Goals

T/TA Goal: (From IPP and AI process): Professional Development: Head Start programs must ensure all staff, consultants, and contractors have sufficient knowledge, training, experience, and competencies to fulfill the roles and duties of their position. gaining new knowledge, skills, and abilities, along with experience and competencies that relate to one's profession, job responsibilities, or work environment.

Expected Outcomes (Short &/or Long Term)	Indicators	Documentation/ Frequency of Measurement
High quality early education and child development services promote children's growth for later success in school. Increased emotional well-being of the classroom due to reduction of challenging behaviors. Progress toward achieving school readiness goals.	CLASS Scores	Agendas/Training Logs
Increased CLASS scores that are conducive to learning.	Increased CLASS Scores	2 times Yearly or more if needed
Ensure that state standards are met to maintain high quality scores.	ECERS Score, STAR Quality Child Care Report Card	4 times/ Yearly

T/TA Strategies Events/Activities	T/TA Resource	Target Audience or HS Mgt. System	Responsible Manager	Timeline	Est. Cost	Completion Date
Education staff that do not hold at a minimum an Associates Degree in Early Childhood or equivalent will obtain and/or maintain a CDA. New hire education staff will pursue through an accelerated process and apply for their CDA certificate within 1 year of hire date acquiring knowledge to foster positive teacher child interactions.	Prosolutions, Council of Child Development and Local Colleges, TECTA, National Head Start Association	Education Staff	Education Supervisor	PY 2025	TECTA	
Maintain certified class observers.	Teachstone	CLASS Observers	Education Supervisor	PY 2025	\$125 x 2	
Education staff with scores falling below the OHS National threshold for CLASS will be trained utilizing Teachstone Video library, ECKLC webinars, and NCQTL suites, in addition to all staff receiving PBC method through an enhanced training process where education staff will identify learning methods for a more individualized training approach, (ie: model, side-by-side verbal or gestural support, provide resources, observe and reflect, role play,) They will also receive PBC training on strategies to provide effective teacher- child interactions through video recording/review and reflection.	T/TA Systems State Local and National conferences ECKLC	Education Staff	Education Supervisor	PY 2025	N/A	
Training for education staff in the area of quality of feedback/language modeling in the classroom to deepen their understanding and build consistency in regards to how to provide hints and assistance, feedback loops, prompting, expansion, clarification, encouragement and affirmation.	Teachstone	Education Staff	Education Supervisor	PY 2025	N/A	
Obtain training on Zoo Phonics Part 2 Advanced Implementation.	Assistant Director	Education Staff	Education Supervisor	PY 2025	\$650	

Region IV Head Start T/TA Plan
Grantee: Upper Cumberland Human Resource Agency
YEAR: 2024/2025
Part 1: Identified T/TA Goals

T/TA Goal: (From IPP and AI process): Finance: Ensure an effective system of fiscal management to support the implementation of quality services to children and families.

Expected Outcomes (Short &/or Long Term)	Indicators	Documentation/ Frequency of Measurement
Federal regulations regarding fiscal management are met.	Use Fiscal Checklist to ensure accountability.	Daily reference and adherence to daily checklist
Program goals and objectives are supported through budget development and approval.	Board and Policy Council Approval	Financial statements from audit reports
Expenditures are monitored and analyzed and the budget is reflective of fiscal and program accountability.	Board and Policy Council Minutes	Monthly financial reports provided to the governing bodies.

T/TA Strategies Events/Activities	T/TA Resource	Target Audience or HS Mgt. System	Responsible Manager	Timeline	Est. Cost	Completion Date
Include Grantee Director of finance and finance staff in fiscal training opportunities. Including Cost Principles and Admin Cost Allowability.	State, Regional and National trainings,	Grantee Fiscal Management Staff	HS Director	As they occur	\$2,000	
Continue to incorporate fiscal checklists into fiscal policies and procedures.	Fiscal Checklist	Fiscal Management System.	Fiscal Officer, HS Director	Daily	-0-	
Include Grantee Director of Finance and Head Start Director in Renovation & Construction Rules and Regulations for Head Start	State, Regional and National trainings,	Grantee Fiscal Management Staff/Head Start Director	HS Director	As they occur	Included in cost above	

Region IV Head Start T/TA Plan
Grantee: Upper Cumberland Human Resource Agency
YEAR: 2024/2025
Part 1: Identified T/TA Goals

T/TA Goal: (From IPP and AI process): Program Management and Quality Improvement: Ensure a process of ongoing monitoring and continuous improvement for achieving program goals that ensures child safety and the delivery of effective; high-quality program services.

Expected Outcomes (Short &/or Long Term)	Indicators	Documentation/ Frequency of Measurement
Collect and utilize data to ensure compliance and program oversight.	Reports	Daily/Monthly
Ongoing monitoring to achieve program goals.	Reports	Daily/Monthly
Track services provided to children and families.	Reports	Daily/Monthly

T/TA Strategies Events/Activities	T/TA Resource	Target Audience or HS Mgt. System	Responsible Manager	Timeline	Est. Cost	Completion Date
Utilize Child Plus Training opportunities to ensure correct data collections in the PIR area.	Childplus	All Staff	Director	PY 2023	\$6000	

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
HEAD START
REQUIRED TRAININGS

2024/2025

Region IV Head Start T/TA Plan
Grantee: Upper Cumberland Human Resource Agency
YEAR: 2024/2025

Part 2 Required Head Start Training

Required Training	T/TA Resource	Target Audience	Expected Outcomes	Responsible Manager	Timeline	Estimated Cost
<p>1301.5 Training. An agency must provide appropriate training and technical assistance or orientation including performance standards and</p> <p>1302.12 Determining, verifying, and documenting eligibility. Training to include :</p> <p>(i) methods on how to collect complete accurate eligibility information from families and third party sources</p> <p>(ii) strategies for treating families with dignity and respect and for dealing with possible issues of domestic violence, stigma, and privacy;</p> <p>(iii) Program policies and procedures that describe actions taken against staff, families, or participants who attempt to provide or intentionally provide false information.</p>	<p>State, Regional, and/or National Conference</p> <p>T/A System</p>	<p>Governing Body,</p> <p>HSAC,</p> <p>Policy Council</p> <p>All Staff</p>	<p>Ensure the members understand the information they receive and can effectively oversee and participate in the programs in the Head Start agency.</p>	<p>Director/ FCPS</p>	<p>Within 180 days for Governing Bodies, Policy Council and HSAC</p> <p>90 days for new staff</p> <p>Yearly In Service</p>	<p>\$3000.00</p>
<p>1302.21 Center-based Option training</p> <p>(b)ratios and group size</p> <p>(Staff and volunteers who do not meet teacher qualifications during naptime must be trained in staff/child ratios and nap time procedures.</p>	<p>N/A</p>	<p>All Staff/ Volunteers /Parents</p>	<p>Ensure quality services</p>	<p>Education Supervisor</p>	<p>In service, Mid year in service, upon hire and prior to volunteering</p>	<p>Included Above</p>

<p>1302.31 Teaching and Learning environment.</p> <p>(a) Teaching and the learning environment</p> <p>Head Start Early Learning Outcomes Framework: Ages Birth to Five, including Children with Disabilities</p> <p>(b) Effective Teaching Practices.</p> <p>Implementation of such an environment with integration of regular and ongoing supervision and a system of individualized and ongoing professional development.</p> <p>(2)Dual Language Learners and (ii) Dual Language Volunteers</p> <p>Developing skills in working with children from non-English backgrounds to support children in the continued development of the home language.</p>	<p>State, Local and/or National Conference</p> <p>T/A System</p>	<p>All Staff, Consultants and Volunteers</p>	<p>Ensure to provide responsive care, effective teaching, and an organized learning environment that promotes healthy development and children's skills growth.</p> <p>Provide a system of staff Professional Development.</p>	<p>Education Supervisor/ Asst. Mentor Coach</p>	<p>In-service, Orientation Ongoing</p>	<p>Included Above</p>
<p>1302.32 Curricula (a)Curricula (1)</p> <p>Standardized training procedures for the implementation of curriculum materials to support implementation</p> <p>1302.32 (2) & 1302.40 (a)</p> <p>Provide effective professional development for all staff to understand how they support school readiness</p>	<p>State, Regional and/or National Conference</p>	<p>Education Staff/ Volunteers/Parents/ All Staff</p>	<p>Higher quality performance by teachers and support staff for future academic success of children</p>	<p>Education Supervisor/ Asst. Mentor Coach</p>	<p>In-service, Ongoing</p>	<p>\$2000</p> <p>\$600 All other costs projected previously</p>
<p>1302.33 (c) (1)</p> <p>Staff who perform screening and assessment must be trained in its use</p>	<p>Consultants/ Content Service Area Staff</p>	<p>Education Staff / All Staff</p>	<p>Staff can implement developmentally appropriate research-based early Screening and Assessment</p>	<p>Education Supervisor/ Asst. Mentor Coach</p>	<p>Yearly/ As Needed</p>	<p>Included Above</p>
<p>1302.46</p>	<p>N/A</p>	<p>All Staff</p>	<p>Ensure children's health and well- being</p>	<p>HDSS</p>	<p>Orientation and Ongoing</p>	<p>\$250.00</p>

<p>Training to aid in (a) parent collaboration and (b) opportunities that promote Family support services for health, nutrition, and mental health.</p>			<p>by providing medical, oral, nutrition, and mental health education.</p>			
<p>1302.47 (4) Safety Training (a) A program must train on, implement and enforce a system of health and safety practices as indicated in Caring for our children's Basics (b) (4) All staff with or without regular child contact have initial orientation training within three months of hire and ongoing training in all state, local, tribal, federal and program-developed health, safety and child care requirements to ensure the safety of children in their care; including, at a minimum, and as appropriate based on staff roles and ages of children they work with, training in: (A) The prevention and control of infectious diseases; (B) Prevention of sudden infant death syndrome and use of safe sleeping practices; (C) Administration of medication, consistent with standards for parental consent; (D) Prevention and response to emergencies due to food and allergic reactions. (E) Building and physical premises safety, including identification of and protection from hazards, bodies of water, and vehicular traffic; (F) Prevention of shaken baby syndrome, abusive head trauma, and child maltreatment; (G) Emergency preparedness and response planning for emergencies; (H) Handling and storage of hazardous materials and the appropriate</p>	<p>Local, State, Regional Conferences Trainings</p>	<p>All Staff, Governing Bodies, Volunteers and Parents</p>	<p>Ensure a system of Health and Safety</p>	<p>HDSS</p>	<p>Yearly/ Upon Hire</p>	<p>\$3000.00</p>

disposal of bio contaminants; (I) Appropriate precautions in transporting children, if applicable; (J) First aid and cardiopulmonary resuscitation; and, (K) Recognition and reporting of child abuse and neglect, and (L) ACES						
1302.71 Transitions from Head Start to Kindergarten. (c) (2) (iii) Joint training and professional development activities for Head Start and kindergarten teachers and staff.	All Staff and Area Consultants	All Staff and Parents	Promote successful transitions to kindergarten.	Education Supervisor/ Asst. Mentor Coach	As Available	\$700.00
1302.91 Staff qualifications and competency requirements. A program must ensure all staff, consultants, and contractors engaged in the delivery of program services have sufficient knowledge, training and experience, and competencies to fulfill the roles and responsibilities of their positions and to ensure high-quality service delivery in accordance with the program performance standards. A program must provide ongoing training and professional development to support staff in fulfilling their roles and responsibilities.	Locally Produced Guides for Orientation	All Staff, Consultants and Volunteers	Program Staff and Consultants and Contractors will acquire or increase the knowledge and skills they need to fulfill their job responsibilities.	Education Supervisor /Asst Mentor Coach	Pre-Service, In-Service Trainings Trainings as Requested or Upon Determination of Need	As Need is Determined
1302.92 Training and Professional Development (a) A program must provide to all new staff, consultants, and volunteers an orientation that focuses on, at a minimum, the goals and underlying philosophy of the program and on the ways they are implemented. Must Include at a minimum the system must include: (1) Staff completing a minimum of 16 clock hours of professional	Local, State, Regional, National Conferences Institute of Higher Learning	New Staff, Consultants and Volunteers	(b) A program must establish and implement a systematic approach to staff training and professional development designed to assist staff in acquiring or increasing the knowledge and skills needed to provide	Grantee HR Director, Head Start Director and Content Area Experts.	Fall and Winter for Staff, Fall for Volunteers and Consultants Upon Hire For New Staff.	\$2500.00

<p>development per year. For teaching staff, such professional development must meet the requirements described in section 648A (a)(5) of the Act. (2) Training on methods to handle suspected or known child abuse and neglect cases, that comply with applicable federal, state, local, and tribal laws; (3) Training for child and family services staff on best practices for implementing family engagement strategies in a systematic way, as described throughout this part; (4) Training for child and family services staff, including staff that work on family services, health, and disabilities, that builds their knowledge, experience, and competencies to improve child and family outcomes; (5) Research-based approach that focus on effective curriculum implementation, knowledge of the content in <u>Head Start Early Learning Outcomes Framework: Ages Birth to Five</u>, partnering with families, supporting children with disabilities and their families, providing effective and nurturing adult- child interactions, supporting dual language learners as appropriate, addressing challenging behaviors, preparing children and families for transitions, and use of data to individualize learning experiences to improve outcomes for all children.</p>			<p>high-quality, comprehensive services within the scope of their job responsibilities, and attached to academic credit as appropriate.</p>			
<p>1302.92 Training and Professional Development (c)(iii) Utilize a coach with adequate training and experience in adult learning and in using assessment data</p>	<p>N/A</p>	<p>Education Staff</p>	<p>To drive coaching strategies aligned with program performance goals</p>	<p>Mentor Coach/Asst. Mentor Coach</p>	<p>When Available</p>	<p>\$200.00</p>

<p>1302.101 Management system (a)(b) Provide supervision support and sufficient time for individual Professional Development</p> <p>1302.102 Achieving program goals. Assess effectiveness of Professional development in program self-assessment using multiple data sources.</p> <p>1302.103 Implementation of Program Performance Standards. (b) Training on any curriculum, assessment, or other materials, as needed, assessment of program-wide professional development needs, assessment of staffing patterns, the development of coordinated approaches described in 1302.101(b), and the development of appropriate protections for data sharing; children are not displaced during services to facilitate transitions to other programs.</p>	<p>N/A</p>	<p>All Staff</p>	<p>To ensure effective management and oversight</p>	<p>Director and Education Supervisor</p>	<p>In Service, Mid service, upon hire, ongoing</p>	<p>\$1000.00</p>
<p>1303.72 Vehicle Operation (d) Driver Training A program must ensure any person employed as a driver receives training prior to transporting any enrolled child and receives refresher training each year.</p> <p>Operate the vehicle in a safe and efficient manner (2) Training must include: (i) Classroom instruction and behind-the-wheel instruction sufficient to enable the driver to operate the vehicle in a safe and efficient manner, to safely run a fixed route, to administer basic first aid in case of injury, and to handle</p>	<p>Content Area Specialist, Agency Transportation Education Staff</p>	<p>Drivers</p>	<p>Transportation services provided to safely and efficiently, to prevent incidents of injury</p>	<p>HS Director/ Trans. Manager and Agency Trans. Safety Manager.</p>	<p>Prior to assuming duty and ongoing Fall and Mid-Year In-service and Mid-Year 2 Times Annually at a Minimum Agency Safety Rodeo</p>	<p>Program Funds/ Staff Time \$600.00 and \$90.00 for Each DOT Renewal and \$80.00 for Each Random Drug/ Alcohol Test Upon Request.</p>

<p>emergency situations, including vehicle evacuation, operate any special equipment, such as wheelchair lifts, assistance devices or special occupant restraints, conduct routine maintenance and safety checks of the vehicle, and maintain accurate records as necessary; and, (ii) Instruction on the topics listed in §1303.75 related to transportation services for children with disabilities. (3) A program must ensure the annual evaluation of each driver of a vehicle used to provide such services includes an on-board observation of road performance.</p>					<p>Upon Request</p>	
<p>1303.72 (e) Bus monitor training. A program must train each bus monitor before the monitor begins work on child boarding and exiting procedures, how to use child restraint systems, completing any required paperwork, how to respond to emergencies and emergency evacuation procedures, how to use special equipment, child pick-up and release procedures, how to conduct and pre-and post-trip vehicle checks. Bus monitors are also subject to staff safety training requirements in §1302.47(b)(4) of this chapter including Cardiopulmonary Resuscitation (CPR) and first aid.</p>	<p>HDSS Consultants Local, State, Regional, National Conferences and Trainings</p>	<p>All Staff</p>	<p>Ensure staff maintain knowledge and skills needed to provide high-quality, comprehensive services within the scope of their job responsibilities</p>	<p>Transportation Services Staff/ HDSS</p>	<p>At a Minimum Yearly, Upon Hire In Service and Mid Service</p>	<p>1040.00</p>
<p>1303.75 Children with Disabilities Train Staff in Providing Services/Transportation to Children with Special Needs</p>	<p>Local, State, Regional, National Conferences and Trainings</p>	<p>HDSS/ All Staff</p>	<p>Ensure special transportation requirements in a child's IEP or IFSP are followed, including special pick-up and drop-off requirements, seating requirements,</p>	<p>Transportation Specialist with HDSS</p>	<p>In Service, Mid Service, Upon Hire, Upon Need</p>	<p>1000.00</p>

			equipment needs, any assistance that may be required, and any necessary training for bus drivers and monitors.			
--	--	--	--	--	--	--

UPPER CUMBERLAND HUMAN RESOURCE AGENCY STATE REQUIRED TRAININGS

Region IV Head Start T/TA Plan
Grantee: Upper Cumberland Human Resource Agency
YEAR: 2024/2025

Part 3: Required State Training

<i>Required Training (Including size & scope)</i>	<i>T/TA Resource</i>	<i>Target Audience</i>	<i>Expected Outcomes</i>	<i>Responsible Manager</i>	<i>Timeline</i>	<i>Estimated Cost</i>
<i>List of Required training from state regulations</i>						
<i>Up to four (4) clock hours training credit annually may be earned by conducting training.</i>						
<p><i><u>Prior to assuming duties each new employee shall be trained and have a working knowledge of :</u></i></p> <ol style="list-style-type: none"> 1. Program Philosophy and policies 2. Job Description 3. Emergency health and safety procedures 4. Behavior management procedures 5. Detection, reporting, and prevention of child abuse 6. Procedures for receiving and releasing children 7. Safe sleep procedures 8. Shaken Baby syndrome/abusive head trauma 9. Meal service and safe food preparation policies 10. Supervision during high risk activities such as eating and outdoor play 11. Food allergies 12. Expectations for communications with parent/guardian 13. Disease control and health promotion, including childhood obesity and the beneficial health impacts of physical activity 14. An overview of licensing requirements 	N/A	All Staff/ Volunteers	To ensure staff and volunteers have the knowledge to provide high quality services	Service Delivery Specialist	Prior to assuming duties	Staff salary prior to working in addition to regular hours at a minimum of 340.00 per staff ProSolutions 750.00

<p>15. Information on risks of cytomegalovirus (CMV) to female employees of childbearing age</p> <p>16. Early Literacy</p> <p>A minimum of two (2) hours pre service training as recognized by the Department.</p>						
<p><u>Within the first two weeks on the job each employee shall receive training in:</u></p> <ol style="list-style-type: none"> 1. Child abuse detection, reporting and prevention 2. Therapeutic safe-hold method of temporarily restraining a child who is at imminent risk of serious self-inflicted injury which is performed by trained personnel after all other methods of alleviating the danger to the child have failed. 3. Parent-center communication 4. Disease control and health promotion 5. Overview of licensing requirements with written proof the employee has read the full set of applicable licensure rules 6. Information on risks of infection to female employees of childbearing age. 7. A general overview of the agency's medical protocols 	N/A	All Staff/ Volunteers	To ensure staff and volunteers have the knowledge to provide high quality services	Service Delivery Specialist	Prior to assuming duties	Inclusive of original costs in new hire before you begin
<p><u>Ongoing training requirements:</u></p> <ol style="list-style-type: none"> 1. Prevention and control of infectious diseases (including immunizations) 2. Prevention of sudden infant death syndrome and use of safe sleeping practices 3. Administration of medication 4. Prevention of and response to emergencies due to food and allergic reactions 5. Building and physical premises safety, including identification of and protection from hazards that can cause bodily injury such as electrical hazards, bodies of water and vehicular traffic 6. Prevention of Shaken Baby syndrome and abusive head trauma 7. Emergency preparedness and response planning for emergencies resulting from an actual disaster, or a man caused event (such as violence at child care facility), 8. Handling and storage of hazardous materials and appropriate disposal of bio contaminants 	N/A	All Staff/ Volunteers	To ensure staff and volunteers have the knowledge to provide high quality services	Service Delivery Specialist	Ongoing	<p>Allow for additional staff salary in addition to regular scheduled hours on all non-year round staff</p> <p>For in-service and mid-year in service.</p> <p><u>ProSolutions</u> online training</p> <p>Inclusive of original costs in</p>

<p>9. Precautions in transporting children</p> <p>10. First aid and pediatric cardiopulmonary resuscitation <i>-must occur within 90 days of hire.</i></p> <p>11. All agency staff, including non-caregiving staff, shall receive training every six (6) months regarding procedures to report child abuse and neglect.</p> <p>12. Gold Sneaker Initiative</p>						new hire before you begin
<p><u>During the first year of employment a new Director</u> Shall have evidence of at least thirty hours of administrator training through TECTA program OR earn credit during the year in one academic course and complete at least six hours of health and safety training.</p>	N/A	Director	To ensure Director has the knowledge to provide high quality services	Director	Ongoing	Cost associated to attending Head Start Trainings under required Head Start Training
<p><u>After the first year of employment a new Director</u> shall earn 1 credit during the year in one course OR have 24 training hours</p> <p>Directors shall have evidence of completing training in Adverse Childhood Experiences every five (5) years.</p>						
<p><u>During the first year of employment a new assistant Director</u> must earn credit during the year in one academic course OR have 18 clock hours of which 6 should be in administration, management, or supervisory training and 6 should be in health and safety.</p>	N/A	Asst. Director	To ensure Asst. Director has the knowledge to provide high quality services	Director	Upon Hire	Cost associated to attending Head Start Trainings under required Head Start Training
<p><u>After the first year of employment a new assistant Director</u> shall earn credit during the year in one course OR have 18 training hours</p> <p>Assist Directors shall have evidence of completing training in Adverse Childhood Experiences every five (5) years.</p>	N/A	Asst. Director	To ensure Asst. Director has the knowledge to provide high quality services	Director	Ongoing	Cost associated to attending Head Start Trainings under required Head Start Training
<p><u>Training for Educators During the first year of employment</u> must complete 16 clock hours of which (6) are completed within the first six months and (6) must be health & safety.</p>	N/A	Education Staff	To ensure educators has the knowledge to provide high quality services	Education Supervisor	Upon Hire	Cost associated to attending Head Start Trainings under required Head Start Training
<p><u>Training for Educators after the first year of employment</u> <i>12 clock hours annually at a minimum</i></p>	N/A	All Staff/ Volunteers	To ensure staff and volunteers have the knowledge to	Service Delivery Specialist	Ongoing	Inclusive of original costs

<p><i>A maximum of two hours training annually for CACFP</i></p> <p>At least three (3) hours of training on the applicable developmental learning standards within the first three months.</p> <p><i>At least six (6) hours must be health and safety</i> At least three (3) hours of training on pre-literacy and literacy skills and education implementation.</p> <p>At least six (6) clock hours of the required training shall be non-agency based, e.g., obtained from sources other than training resources developed within the center itself.</p> <p>Educators shall have evidence of completing training in Adverse Childhood Experiences every five (5) years.</p> <p><i>Credit for TECTA 30 hour orientation</i></p>			provide high quality services			
<p><u><i>Transportation Training:</i></u></p> <p>All bus staff shall be required to obtain annual training that is utilized for school bus drivers offered by the Dept. Of Safety</p> <p><u><i>Prior to assuming duties, and no less often than every six (6) months thereafter any person responsible or who may in the course of their duties become responsible at any time for transporting children shall complete training in:</i></u></p> <ol style="list-style-type: none"> 1. All department transportation rules (i.e. cell phone use is prohibited while in enroute; etc.) 2. Proper daily safety inspection of the vehicles 3. Proper use of child safety restraints 4. Proper loading, unloading, and tracking of children 5. Proper use of blood-borne pathogens kit, first aid kit and other required vehicle emergency equipment 6. The proper procedures for the evacuation of the vehicle -<i>Drills must occur at a minimum Quarterly.</i> 	N/A	All Staff	To ensure staff and volunteers have the knowledge to provide high quality services	Service Delivery Specialist/ Consultants	Ongoing	<p>Renewal to maintain CDL 84.00 on a five year rotation for 5 staff at a minimum 84.00 year</p> <p>Yearly DOT physical and random drug test average \$90.00 per staff 5 staff yearly 5 yearly random drug test and 1 to 2 staff physicals and all new employees Average cost \$1200.00 yearly</p>

<p>7. Developmentally appropriate practices applicable to behavior management and supervision of children during transportation</p> <p><u>All persons responsible (including all drivers and monitors), or who in the course of their duties may become responsible at any time, for the transportation of children shall hold a current certification in:</u></p> <ol style="list-style-type: none"> 1. Infant/Pediatric Cardiopulmonary Resuscitation (CPR) 2. A first aid course <p><u>On-going Training for all staff</u></p> <ol style="list-style-type: none"> 1. Staff training for maintaining compliance with the responsibilities for loading, unloading, and tracking each child 2. Training plans for attaining and maintaining compliance with all applicable child safety restraint requirements 3. Staff training for the emergency evacuation of the vehicle. 4. Persons transporting children for a child care agency shall have documentation of any training and testing required and provided by the Department of Safety. 5. Persons Transporting children shall be required to obtain annual training that is utilized for school bus drivers offered by the Department of Safety or such other equivalent training as the Department of Safety <p><i>*All staff shall have training on transportation rules every 6 months by state licensing</i></p>						<p>Pay salaries in addition to regular scheduled time at a minimum of \$250.00 for each new staff for yearly state certification to operate a bus</p>
--	--	--	--	--	--	---

YTD October 2022 - September 2023 UCHRA Services Dashboard

	Total Households Served	Cases of Ensure Sold	Regular LIHEAP Households Served	Regular LIHEAP Funds Utilized	Crisis LIHEAP Households Served	Crisis LIHEAP Funds Utilized	Community Stability Program Households Served	Community Stability Program Funds Utilized	LIHWAP Households served	LIHWAP Funds Utilized	WP Applications	Commodities	Information and Referrals
TIER 1 COUNTIES													
Cumberland	10250	137	655	\$466,200.00	255	\$187,914.75	88	\$43,212.10	267	\$71,589.93	38	1968	6842
Putnam	8417	231	771	\$553,260.28	616	\$453,875.63	119	\$73,682.07	382	\$95,062.19	21	2058	4219
Warren	10040	107	597	\$438,393.39	191	\$145,200.00	62	\$45,009.10	600	\$86,162.43	36	1967	6480
TIER 2 COUNTIES													
DeKalb	2805	91	318	\$232,900.00	55	\$41,237.09	13	\$5,933.00	1	\$250.00	2	1275	1050
Fentress	12517	50	581	\$425,600.00	384	\$282,000.00	13	\$8,892.52	483	\$94,870.21	3	1947	9056
Macon	3775	80	331	\$241,600.00	105	\$76,000.00	18	\$12,295.00	199	\$50,327.37	3	599	2440
Overton	4815	182	392	\$298,200.00	110	\$81,800.00	12	\$6,164.07	150	\$34,892.83	4	1967	1998
Smith	1744	25	214	\$157,600.00	170	\$122,800.00	9	\$5,700.00	41	\$12,634.12	4	665	616
White	4816	146	398	\$292,600.00	142	\$107,733.30	34	\$15,735.97	310	\$77,050.00	11	1809	1966
TIER 3 COUNTIES													
Cannon	1757	32	168	\$119,300.00	98	\$73,630.22	29	\$13,033.95	71	\$22,824.48	2	767	590
Clay	3550	158	331	\$245,800.00	183	\$134,600.00	127	\$27,306.00	192	\$55,130.44	6	1475	1078
Jackson	3048	138	347	\$255,600.00	190	\$143,800.00	104	\$29,050.08	182	\$50,248.38	9	1015	1063
Pickett	1670	165	215	\$157,400.00	30	\$22,000.00	0	\$0.00	54	\$16,589.37	5	867	334
Van Buren	2551	0	236	\$173,600.00	97	\$73,400.00	49	\$9,427.25	84	\$25,891.19	3	1053	1029
Total:	71,755	1,542	5,554	\$4,058,053.67	2,626	\$1,945,990.99	677	\$295,441.11	3,016	\$693,522.94	147	19,432	38,761

Satisfaction Surveys Overview

- 157 surveys from 14 counties
- 11 counties had new clients take the survey
 - 31 out of 157 were new clients
- 156 stated they received fair treatment
 - One client selected no, however 21 overall, they were satisfied. I am wondering if they read the question wrong.
- 151 clients stated that the assistance helped to increase the income available to their household.
- All clients, 157, stated overall they were satisfied with the service they received.

County	Was this the first time you received services from UCHRA?	Do you feel you received fair treatment?	Did you call the agency for service?	If yes, were you treated with respect and dignity during call?	If no, please explain.	Did someone explain the process and what would be next regarding the service you received?	Did this assistance help to increase the income available to your household and other necessary	Overall, were you satisfied ?	If no, please explain	Additional comments/suggestions
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Overton	yes	yes	yes	yes	na	yes	yes	yes	na	
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Overton	yes	yes	yes	yes	na	yes	yes	yes	na	They made it so easy.
Overton	no	yes	yes	yes	na	yes	yes	yes	na	Very nice to me.
Overton	no	yes	yes	yes	na	yes	yes	yes	na	
Warren	no	yes	no	na	na	yes	yes	yes	na	
Warren	no	yes	no	yes	na	yes	yes	yes	na	
Warren	no	yes	yes	yes	na	yes	yes	yes	na	
Warren	no	yes	no	na	na	yes	no	yes	na	
Warren	no	yes	yes	yes	na	yes	yes	yes	na	
Warren	no	yes	no	na	na	yes	yes	yes	na	
Warren	no	yes	yes	yes	na	yes	yes	yes	na	
Warren	no	yes	yes	yes	na	yes	yes	yes	na	
Warren	no	yes	no	na	na	yes	no	yes	na	No it did not increase the income to my hh but I was not looking for that
Warren	no	yes	no	yes	na	yes	yes	yes	na	Very nice and explained their process very well.
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	yes	yes	yes	yes	na	yes	yes	yes	na	
Jackson	yes	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Jackson	no	yes	yes	yes	na	yes	yes	yes	na	
Macon	no	yes	yes	yes	na	yes	yes	yes	na	
Macon	no	yes	yes	yes	na	yes	yes	yes	na	
Macon	no	yes	yes	yes	na	yes	yes	yes	na	Ms Donna is amazing helping people who need help. She goes above and beyond.
Macon	no	yes	no	na	na	yes	no	yes	na	
Macon	no	yes	yes	yes	na	yes	yes	yes	na	

Macon	no	yes	yes	yes	na	yes	yes	yes	na	Donna is super!
Macon	no	yes	yes	yes	na	yes	yes	yes	na	Christian sister
Macon	no	yes	yes	yes	na	yes	yes	yes	na	Donna is awesome!
Putnam	yes	yes	yes	yes	na	yes	yes	yes	na	I wish we could submit everything on line. It took too much time waiting
Putnam	yes	yes	yes	yes	na	yes	yes	yes	na	
Putnam	no	yes	yes	yes	na	yes	yes	yes	na	Thank you, my family really needed help.
Putnam	no	yes	yes	yes	I was on hold and then transferred	yes	yes	yes	na	Very helpful- time
Putnam	no	yes	no	na	na	yes	yes	yes	na	
Putnam	yes	yes	yes	yes	na	yes	yes	yes	na	
Putnam	yes	yes	yes	yes	na	yes	yes	yes	na	
Putnam	no	yes	yes	yes	na	yes	yes	yes	na	
Putnam	no	yes	no	na	walk in	yes	yes	yes	na	took two hours
Putnam	yes	yes	yes	yes	na	yes	yes	yes	na	I can't read so lady helped me. The lady, Heather was nice. She did all my paperwork.
White	no	yes	no	yes	na	yes	yes	yes	na	Service helped me a lot
White	no	yes	no	na	na	yes	yes	yes	na	
White	no	yes	yes	yes	na	yes	yes	yes	na	
White	no	yes	no	na	na	yes	yes	yes	na	Was a walk in. Ms Charlotte is wonderful.
White	no	yes	no	yes	na	yes	yes	yes	na	This Liheap assistance helps me so much, thank you.
White	no	yes	yes	yes	na	yes	yes	yes	na	Thank you sincerely
White	no	yes	no	na	na	yes	yes	yes	na	
White	yes	yes	yes	yes	na	yes	yes	yes	na	
White	no	yes	no	na	na	yes	yes	yes	na	Everyone was wonderful
White	no	yes	no	na	na	yes	yes	yes	na	
Picket	no	yes	no	na	na	yes	yes	yes	na	
Picket	no	yes	no	na	na	yes	yes	yes	na	
Picket	no	yes	yes	yes	na	yes	yes	yes	na	
Picket	no	yes	no	na	na	yes	yes	yes	na	
Picket	no	yes	yes	yes	na	yes	na	yes	na	
Picket	yes	yes	yes	yes	na	yes	yes	yes	na	thank you!
Picket	no	yes	no	na	walk in	yes	yes	yes	na	
Picket	no	yes	no	na	na	yes	yes	yes	na	
Picket	yes	yes	yes	yes	na	yes	yes	yes	na	Always great service
Picket	no	yes	no	na	na	yes	yes	yes	na	
Cumberland	no	yes	yes	yes	na	yes	yes	yes	na	Thank you for all you do
Cumberland	no	yes	yes	yes	na	yes	yes	yes	na	
Cumberland	no	yes	yes	yes	na	yes	yes	yes	na	
Cumberland	no	yes	yes	yes	na	yes	yes	yes	na	
Cumberland	yes	yes	no	na	na	yes	yes	yes	na	The services are provided with compassion and professionalism

Cumberland	no	yes	no	na	na	yes	yes	yes	na	Really appreciate what this org. does for the county. Thank you.
Cumberland	no	yes	yes	yes	na	yes	yes	yes	na	Wonderful organization
Cumberland	yes	yes	yes	yes	na	no	no	yes	na	
Cumberland	yes	yes	yes	yes	na	no	no	yes	na	
Cumberland	no	yes	yes	yes	na	yes	yes	yes	na	
Cumberland	yes	yes	yes	yes	na	yes	yes	yes	na	New to the area, thanks for the help.
Cumberland	no	yes	no	na	na	yes	yes	yes	na	
Cumberland	yes	yes	no	na	na	yes	yes	yes	na	
Cumberland	yes	yes	yes	yes	na	yes	yes	yes	na	
Cumberland	no	yes	no	na	na	yes	yes	yes	na	Thank you!
Fentress	no	yes	no	na	na	yes	yes	yes	na	
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	
Fentress	yes	yes	no	na	na	yes	yes	yes	na	
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	Awesome- referred to Empower
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	Great, helped with getting food for my dogs
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	Very good, called SSA to get proof of income
Fentress	no	yes	yes	yes	na	yes	yes	yes	na	
Van Buren	yes	yes	no	na	na	yes	yes	yes	na	
Van Buren	na	yes	yes	yes	na	yes	yes	yes	na	
Van Buren	no	yes	yes	yes	na	yes	na	yes	na	supervisor was courteous and helpful in the services I received. I and my family are thankful for the services we received.
Van Buren	no	yes	yes	yes	na	yes	yes	yes	na	Director yes, she's a good one.
Van Buren	no	yes	yes	yes	na	yes	yes	yes	na	Our director does a really good job for her people
Van Buren	no	yes	yes	yes	na	yes	yes	yes	na	Our director does a really good job for her people
Van Buren	no	yes	yes	yes	na	yes	yes	yes	na	Our director does a really good job for her people
Van Buren	no	na	yes	yes	na	yes	yes	yes	na	Director does a very good job
Van Buren	no	yes	yes	yes	na	yes	yes	yes	na	Our director does a really good job
Van Buren	no	yes	yes	yes	na	yes	yes	yes	na	Our director does a real job
Cannon	yes	yes	yes	yes	na	yes	yes	yes	na	Gave me more than I expected to help me and my daughter. The help we needed to get back on our feet.
Cannon	yes	yes	yes	yes	na	yes	yes	yes	na	Amber is amazing! She loves helping her home town! Thanks!!
Cannon	no	yes	yes	yes	na	yes	yes	yes	na	Amber was great to work with. Thank you
Cannon	no	yes	yes	yes	na	yes	yes	yes	na	The Cannon office is awesome

Dekalb	yes	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	yes	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	no	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	yes	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	no	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	no	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	no	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	yes	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	no	yes	yes	yes	na	yes	yes	yes	na	
Dekalb	yes	yes	yes	yes	na	yes	yes	yes	na	

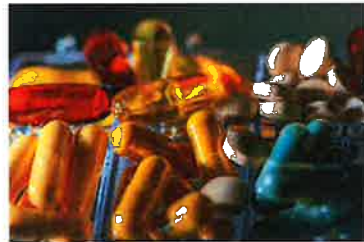
DONNA'S REFLEXOLOGY AND VITAMINS- DONNA POSTON

Upper Cumberland Development District
Loan Proposal- December 21, 2023



DONNA'S REFLEXOLOGY AND VITAMINS

- Dailey's Vitamins and Reflexology Services is a vitamin and supplement shop with reflexology services in Cookeville.
- The current reflexologist, Donna Poston, is purchasing the business and will rebrand it as Donna's Reflexology and Vitamins in the same location.
- Donna has managed Dailey's for over 30 years and has been the sole reflexologist since March 2023.
- Donna plans to add an additional reflexologist to help with the increase in reflexology clients.



PROPOSED PROJECT

SEEKING A LOAN IN THE AMOUNT OF \$55,000 TO PURCHASE
DAILEY'S VITAMINS AND REFLEXOLOGY SERVICES

- Total Project Cost: \$162,500
- UCDD Loan Request: \$55,000
- Proposed rate: 8%
- Proposed term: 5 years
- Estimated monthly payment: \$1,115.20



Loan recommended for approval by Loan
Committee 12/11/23



USE OF FUNDS

USE	AMOUNT
Purchase furniture, fixtures, equipment, and inventory owned by Dailey's	\$162,500



SOURCES OF FUNDS

SOURCE	AMOUNT
Upper Cumberland Development District	\$55,000
First National Bank- 2 nd mortgage	\$75,000
Borrower Contribution	\$32,500
Total	\$162,500



COLLATERAL

DESCRIPTION	MARKET VALUE	LIEN	EQUITY	DISCOUNTED VALUE	POSITION
Existing inventory- wholesale value	\$78,000		\$78,000	\$46,800	1st
Furniture, fixtures, and equipment- wholesale value	\$20,588		\$20,588	\$15,441	1st
Assignment of life insurance					
Total Collateral value				\$62,241	

Loan to value: 88%



Loan Application Overview

BORROWER INFORMATION

Company Name:	Donna's Reflexology and Vitamins (currently Daily's Vitamin's and Reflexology)	Current # of Jobs:	2
Owners:	Donna Poston	# of Jobs Created:	2
Address:	1459 Interstate Drive, Cookeville, 38501	Comm. Mtg. Date	12/11/2023
		Board Mtg. Date	12/21/2023
TAX ID:	TBD		

COMPANY SUMMARY

Daily's Vitamins and Reflexology is a vitamin and supplement shop that also provides in house reflexology services. The client is the current reflexologist and would like to purchase the business from the current owners. She plans to rebrand as Donna's Reflexology and Vitamins and grow the business, with plans to add another reflexologist. The client has been working in the vitamin/supplement business for over 30 years and has been licensed as a reflexologist for over a year. She has been the sole reflexologist at Daily's since March 2023.

PROJECT SUMMARY

The funds provided by UCDD and First National Bank will be used to purchase the business, including all FF&E and inventory.

SOURCES & USES OF FUNDS

Uses of Funds				Sources of Funds		
1	Purchase of Daily's- FF&E and Inventory		\$162,500	1	UCDD	\$55,000
2				2	First National	\$75,000
3				3	Owner Contrib	\$32,500
			TOTAL	TOTAL		\$162,500

COLLATERAL DETAIL

Type/Description	Value	Lien	Equity	Discounted Value	Position
1 Existing Inventory- wholesale value	\$78,000		\$78,000	\$46,800	1st
2 FF&E- wholesale value	\$20,588		\$20,588	\$15,441	1st
3 Life insurance- TBD			\$0		
4			\$0		
5			\$0		
			TOTAL	\$62,241	

Loan to Value (<90 desired) 88%

Discount %

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

PRE-UCDD LOAN DEBT LEVEL

Owner 1 Credit Info - Donna Hunter

Company	Type	Monthly Payment Amt.	Balance	Past Due
New FNB first mortgage	Mortgage	\$ 1,185	\$ 122,200	\$ -
Capital One	Credit Card	\$ 131	\$ 2,633	\$ -
CB/Maurice's	Charge Account	\$ 37	\$ 328	\$ -
Celtic/Cont	Credit Card	\$ 20	\$ 30	\$ -
FNB 2nd mtg in process		\$ 788	\$ 75,000	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL	4	\$ 2,161.45	\$ 200,191.00	\$ -

Owner 2 Credit Info

Company	Type	Monthly Payment Amt.	Balance	Past Due
TOTAL	0	\$ -	\$ -	\$ -

Combined Pre-UCDD Loan Debt Level

Total Lines of Credit	Total Monthly Payments	Total Balance	Total Past Due
4	\$ 2,161.45	\$ 200,191	\$ -

TBD FNB 2nd mtg to purch business

\$75,000/9.6%/15 yr am./5 yr mat= \$788/mo

DTI @ current pay w/140 appts
DTI proj @ 50 appt/wk * \$30

0.51
0.33

Proj salary with 50 appts/wk at current pay rate \$30 out of \$40/appt
\$78,000 annually

PERSONAL FINANCIAL INFORMATION

Owner 1: Donna Hunter

Financial information For: Donna Hunter

Credit Scores
630
727
645

From FNB credit report

Income / Capital / Assets	
Gross Individual Monthly Income	\$ 7,800.00
Annual Gross Household Income	\$ 93,600
Assets	\$ 244,500
Networth	\$ 119,339

per PFS

per PFS

per PFS

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 2,161
UCDD monthly Debt PMT	\$ 1,115.20
Total of all Monthly Debt Payments	\$ 3,276.65
Liabilities	\$ 125,161

per PFS

Tax Returns	2020	2021	2022
Adjusted Gross Income		\$24,536	\$27,948
Additional Gain/Loss from other businesses			

Total Financial Information of Owner(s)

Avg Credit Score
667.3333333

Income / Capital / Assets	
Total Gross Individual Monthly Income	\$ 7,800
Total Annual Gross Household Income	\$ 93,600
Total Assets	\$ 244,500
Total Networth	\$ 119,339

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 2,161
UCDD monthly Debt PMT	\$ 1,115
Total of all Monthly Debt Payments	\$ 3,277
Total Liabilities	\$ 125,161

Tax Returns	2020	2021	2022
Adjusted Gross Income	\$0	\$24,536	\$27,948
Additional Gain/Loss from other businesses	\$0	\$0	\$0

Client began working as licensed reflexologist in March 2023

YTD avg income	\$30/appt	2023YTD avg 140/mo	\$4200/mo	Client gives \$10 of each
Proj. income at current avg-reflexology only	\$30/appt	current avg 50/wk (216/mo)	\$6500/mo	Per client 50-55 appts /week; booked

BUSINESS FINANCIAL INFORMATION

	Previous Results			2020-2022 from current owner Sched C Projected cash flow	
	2020A	2021A	2022A		
Income Statement Info					
Revenue	\$210,559	\$258,197	\$224,313	\$216,000	
COGS	\$159,277	\$157,270	\$134,669	\$129,600	used 60% of revenue
Gross Profit	\$51,282	\$100,927	\$89,644	\$86,400	
Operating Expenses	\$63,644	\$71,127	\$75,892	\$61,221	3 yr avg w/o depr/int
EBITDA	(\$12,362)	\$29,800	\$13,752	\$25,179	
Depreciation	\$2,700	\$0	\$12,010	\$5,000	
Interest Expense	\$4,319	\$6,921	\$4,431	\$4,000	Proj for UCDD loan only
Taxes Paid	\$1,952	\$2,530	\$3,233		
Net Income	(\$21,333)	\$20,349	(\$5,922)	\$16,179	avail for DSC

Balance Sheet Info			
Cash			
Inventory			
Other Current Assets			
Total Current Assets	\$0	\$0	\$0
Long-Term Assets	\$0	\$0	\$0
Total Assets			
Current Liabilities			
Long-Term Liabilities			
Stockholder's Equity			
Total Liabilities & Equity	\$0	\$0	\$0

Projected DSC
UCDD Loan
only 1.21

Balance Sheet Check Balanced Balanced Balanced

Cash Flow Info			
Net Cash Flow from Operations	N/A	\$20,349	\$6,088
Balance Sheet Check	Balanced		

PROPOSED LOAN DETAILS

Loan Amount	\$55,000.00
Project Amount	\$162,500.00
% of Project	34%
Interest Rate	8.00%
Term	5 Years
Expected Payment	\$1,115.20

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

I. General Applicant Information

Name of Business: Donna's Reflexology + Vitamins / ^{Current Name for 40 yrs} Dailey's Vitamins + Reflexology
 Business Description: Reflexology services / vitamin store
 Address: 1459 Interstate Dr. Cookeville, TN.
 Address of Project: _____
 Contact Person & Title: Donna Poston, owner
 Phone: 931-392-2139 Email: donnahunter10@hotmail.com
 Business Type: vit/suppl./reflex Product/Service: _____
 Date Established: around 1983 Employer ID Number: TBD - new
 DUNS Number: _____ NAICS Number: _____
 Bank References: First National Bank | Jim Evans
 Principal Stockholders:

Name	Address	US Citizen (Y/N)	Race	Gender (M/F)	% Ownership
<u>Donna Poston</u>	<u>2225 Hillham Hwy Livingston, TN.</u>	<u>Y</u>	<u>W</u>	<u>F</u>	<u>100</u> %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %

II. Project Information

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

Reflexology services provided by Donna, and ability to hire a 2nd reflexologist, plus full service vitamin supplement store with need for 2 employees.

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

\$160,000

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

\$55,000

D. Employee Data:

Current # of Employees (including yourself)			Expected # of New Employees		
Sex	Total	Economically Disadvantaged	Sex	Total	Economically Disadvantaged
F	<u>2</u>	_____	F	<u>2</u>	_____
M	_____	_____	M	_____	_____
Total	<u>0</u>	_____	Total	<u>0</u>	_____

III. Project Financing

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

	Estimated cost	Description	<input checked="" type="checkbox"/>
Land Acquisition	\$ _____	_____	<input type="checkbox"/>
Site Preparation	\$ _____	_____	<input type="checkbox"/>
Building Purchase	\$ _____	_____	<input type="checkbox"/>
New Construction/ Renovation	\$ _____	_____	<input type="checkbox"/>
Machinery & Equip.	\$ _____	_____	<input type="checkbox"/>
Furniture & Fixtures	\$ <u>30,000</u>	<u>retail value</u>	<input checked="" type="checkbox"/>
Inventory Purchase	\$ <u>130,000</u>	<u>retail value</u>	<input checked="" type="checkbox"/>
Working Capital	\$ _____	_____	<input type="checkbox"/>
Other _____	\$ _____	_____	<input type="checkbox"/>
Total	\$ <u>160,000</u>		

** total use of funds must equal total project cost in section 2B

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

Source	Amount	Term	Rate	Collateral securing funds
<u>FNB</u>	\$ <u>75,000</u>	_____	_____ %	_____
<u>UCDD</u>	\$ <u>55,000</u>	<u>5</u>	_____ %	<u>Inv/FF+E</u>
<u>owner contrib</u>	\$ <u>30,000</u>	_____	_____ %	_____
_____	\$ _____	_____	_____ %	_____
Total	\$ <u>160,000</u>			

** total source of funds must equal total project cost in section 2B

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

Description	Market Value	Lien Balance
Land	\$ _____	\$ _____
Building	\$ _____	\$ _____
Mach. & Equip.	\$ _____	\$ _____
Furniture & Fix.	20588 47,322 \$ 20,588	\$ <u>D</u>
Other Collateral	<u>Inventory</u> 130,000 78,000	\$ <u>D</u>
Total	\$ 98,588	\$ _____

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

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

I understand CAIC/UCDD loans are reported to the major credit bureaus for all associated parties. I am aware that the CAIC/UCDD is subject to the Freedom of Information Act.

Donna Poston
Signature

Donna Poston
Printed Name

Title

11-17-23
Date

Signature

Printed Name

Title

Date

CONTRACT FOR SALE OF BUSINESS

FOR AND IN CONSIDERATION of the sum of ONE-HUNDRED SIXTY-TWO THOUSAND, FIVE-HUNDRED DOLLARS (\$162,500.00), due and payable in full upon execution of this agreement, the receipt and sufficiency of which are hereby acknowledged, Tina Ayers, individually and on behalf of Tina Ayers, a sole proprietor D/B/A Dailey's Vitamins and Reflexology Services, (hereinafter referred to as "Seller") hereby bargains, sells, assigns, transfers and conveys unto Donna Poston, (hereinafter referred to as "Purchaser") the following assets; all business equipment on premises at 1459 Interstate Drive, Suite B, Cookeville, TN, all inventory on premises at 1459 Interstate Drive, Suite B, Cookeville, TN, all miscellaneous supplies located on premises at 1459 Interstate Drive, Suite B, Cookeville, TN, all ownership rights and access to the Facebook Account for Dailey's Vitamins and Reflexology Services, and the name "Dailey's Vitamins and Reflexology Services".

TO HAVE AND TO HOLD said assets unto Purchaser, her heirs and assigns, forever. Seller does hereby covenant with Purchaser, that it is the true and lawful owner of said assets hereby transferred and has the full power to sell and convey the same; that the title so conveyed is free and clear of all liabilities, liens, charges, security interests, and any other encumbrances; and further, that it does warrant and will defend the same against all claims of all persons whomsoever.

1. The Buyer and Purchaser agree to execute all documents necessary to conclude this transaction, including, where applicable, assignments of leases, contracts, licenses, operating agreements or other such documents necessary to fulfill the parties' intent.

2. The Seller warrants that at the time physical possession of the business is delivered to the Purchaser, all assets will be transferred to the Purchaser in **AS IS** condition.
3. This document contains the entire understanding of the parties and there are no additional oral agreements, understandings or representations relied upon by the parties. Any modifications must be in writing and signed by all parties.
4. The Seller is not aware of any claims, litigation or governmental investigations affecting the operation of the business or any assets being sold.
5. The Seller agrees and warrants to the Purchaser that any debt incurred of the business prior to the closing of this transaction shall be the sole obligation of the Seller.
6. The Purchaser agrees and warrants to the Seller that any debt incurred of the business after the closing of this transaction shall be the sole obligation of the Purchaser.
7. The parties agree that there is sufficient consideration for this contract, consisting of the mutual covenants contained herein and the obligations of the respective parties.
8. The parties acknowledge and agree that other than the warranty mentioned in this contract, there are no other warranties, express or implied, with regard to the condition of the assets and that the Purchaser has had the opportunity to make a thorough inspection of the assets and accepts them “as is”.

SIGNATURES ON FOLLOWING PAGE

Dailey's Vitamins & Reflexology
Inventory and Equipment List
Spring 2023

EQUIPMENT & FIXTURES

<u>Quantity</u>	<u>Description</u>	<u>Value</u>	<u>Wholesale</u>	<u>Loan Value at 75%</u>
14	Wire Stock Shelves @ \$150 ea	\$ 2,100	\$ 1,890	\$ 1,418
	Custom made counter	30,000	\$ 5,000	\$ 3,750
1	full size frig	600	\$ 540	\$ 405
2	wood benches (Hobby Lobby)	450	\$ 405	\$ 304
3	full size wood/iron shelves @ \$1,500 ea	4,500	\$ 4,050	\$ 3,038
1	wood-white custom cabinet		\$ -	\$ -
2	recliners \$600 & \$1,000	1,600	\$ 1,440	\$ 1,080
2	medium refrigerators \$350 + \$425	775	\$ 698	\$ 523
	outdoor sinage	1,500	\$ 1,350	\$ 1,013
1	shark vacum cleaner	300	\$ 270	\$ 203
1	ring security	125	\$ 113	\$ 84
1	router & wifi conector	350	\$ 315	\$ 236
1	microwave	100	\$ 90	\$ 68
2	reflex chairs (knee chairs)	250	\$ 225	\$ 169
1	open sign	100	\$ 90	\$ 68
6	shelf standy wood display (Hobby Lobby)	100	\$ 90	\$ 68
1	wire standy rotary rack	100	\$ 90	\$ 68
1	wood standing display (Hobby Lobby)	150	\$ 135	\$ 101
1	wood / wire shelf (Hobby Lobby)	75	\$ 68	\$ 51
2	4' x 6' rugs	90	\$ 81	\$ 61
1	rug @ back door	50	\$ 45	\$ 34
3	shelf wicker table / shelf (Hobby Lobby)	200	\$ 180	\$ 135
1	white wood shelves	100	\$ 90	\$ 68
1	wood / iron standing rack / shelf	100	\$ 90	\$ 68
1	wood / iron round shelf (wall)	50	\$ 45	\$ 34
2	5' x 7' rugs	75	\$ 68	\$ 51
2	lamps	150	\$ 135	\$ 101
1	feather artificial plant (Hobby Lobby)	100	\$ 90	\$ 68
1	rolling wire rack	100	\$ 90	\$ 68
1	bathroom wall storage cabinet	150	\$ 135	\$ 101
1	bathroom standing floor shelf	40	\$ 36	\$ 27
1	large (Lowe's) wood white mirror	100	\$ 90	\$ 68
1	folding step ladder	40	\$ 36	\$ 27
	5 drawer filing cabinet	100	\$ 90	\$ 68
2	safes (\$325 each)	650	\$ 585	\$ 439
1	cash drawer & scanner wand	225	\$ 203	\$ 152
1	6 drawer rolling supply card (break room)	75	\$ 68	\$ 51
2	foldable breakroom tables	75	\$ 68	\$ 51
1	small table top artificial plant	35	\$ 32	\$ 24
2	metal supply baskets @ \$25	50	\$ 45	\$ 34
1	artificial plant (dads room)	100	\$ 90	\$ 68
1	artificial table top plant room	25	\$ 23	\$ 17
13	pictures (Hobby Lobby)	500	\$ 450	\$ 338
2	large clocks	100	\$ 90	\$ 68
4	random racks	50	\$ 45	\$ 34
3	tier racks	40	\$ 36	\$ 27
1	counter top sample rack	40	\$ 36	\$ 27
1	white spinny rack	45	\$ 41	\$ 30
	Christmas décor	200	\$ 180	\$ 135
1	wire tea basket	40	\$ 36	\$ 27
1	coffee pot	80	\$ 72	\$ 54
1	metal rack	40	\$ 36	\$ 27
1	copier / printer	125	\$ 113	\$ 84
1	pencil sharpener electric	25	\$ 23	\$ 17
1	wire standing rack on counter	30	\$ 27	\$ 20
1	radio / CD player	50	\$ 45	\$ 34
2	curtains w/rods	100	\$ 90	\$ 68
		<u>\$ 47,320</u>	<u>\$ 20,588</u>	<u>\$ 15,441</u>

INVENTORY

	<u>Retail</u>	<u>Wholesale</u>	<u>Loan Value at 50%</u>
Estimated	\$ 130,000	\$ 78,000	\$ 39,000

TOTAL LOAN VALUE

\$ 54,441

2022 From Schedule C

\$224,418	Gross Sales
89,664	Gross Income
(5,922)	Net Profit (Loss)
12,010	Depreciation
4,431	Interest
<u>\$10,519</u>	Available for debt service

2023 from Company Ledger

\$25,137	Gross Sales - March
19,665	Gross Sales - April
24,341	Gross Sales - May
20,171	Gross Sales - June
17,944	Gross Sales - July
19,576	Gross Sales - August
\$126,834	6 month total
<u>\$21,139</u>	Monthly average
<u>\$253,667</u>	Annualized

2024 Budget estimate

143,352	gross sales estimated from product sales
<u>83,520</u>	estimated gross income from reflexology
226,872	Estimated gross receipts for 2024
<u>86,728</u>	Cost of Goods Sold (60% & 61% of top line in 2021 & 2022)
140,144	Gross income
<u>76,596</u>	Less expenses (average of schedule C 21 & 22)
63,548	Profit (Loss)
<u>11,681</u>	Add back average depreciation & interest
<u>75,229</u>	Return to management
<u>30,000</u>	Estimated living expenses

Reflexology

45,229	Available for debt service
9,456	Debt service for FNB 2nd mtg
11,896	Debt service for FNB 1st mtg
16,800	Debt service for CAIC
188	Credit Card pmts
<u>38,340</u>	Total Payments
1.18	to 1 Debt Service Coverage

<u>Number</u>	<u>Visits by Month</u>	<u>at \$40 ea.</u>
74	January	\$ 2,960
66	February	2,640
129	March	5,160
134	April	5,360
145	May	5,800
163	June	6,520
178	July	7,120
197	August	7,880
174	September	6,960
1,260	Total	\$ 50,400
140	Average per month	\$ 5,600
1,680	Annualized	\$ 67,200

Lease expense	24,000
Income	\$ 43,200

Mtgs on credit report were both refinanced to a new 1st mortgage with FNB.

219510005

Prepared by:	EQUIFAX MORTGAGE SOLUTIONS 1661 AARON BRENNER DR STE 201 MEMPHIS TN 38187 PHONE: 888.246.3917 FAX: 901-321-6845	Order No:	R0FAY2
		Ordered:	08/23/2023
		Completed:	08/23/2023
		Loan No:	
		Account No:	
		Sources:	
Prepared for:	FIRST NATIONAL BK OF TENNESSEE 1115 W MAIN ST LIVINGSTON, TN 38570	Price:	
		INDIV/JOINT:	
		Requested By:	

APPLICANT				
Name	Phone	SSN	Age/DOB	Marital Status
DONNA HUNTER				UNKNOWN
Current Address: 2225 HILHAM HWY LIVINGSTON TN 38570				

MERGED CREDIT IN FILE REPORT

SUMMARY REPORT

TRADE TYPE	#	TOTAL W/BAL	TOTAL BALANCE	TOTAL PYMT	TOTAL P/D	TOTAL 30	TOTAL 60	TOTAL 90	DATE LAST P/D
REAL ESTATE	0	0	0.00	0.00	0.00	0	0	0	
INSTALL	13	1	75446.00	857.00	0.00	16	3	1	
REVOLVING	6	3	2991.00	188.00	0.00	0	0	0	
COLLECT	0	0	0.00	0.00	0.00	-	-	-	
OTHER	1	1	40220.00	269.00	0.00	9	5	0	
TOTAL	20	5	118657.00	1314.00	0.00	25	8	1	

PUBLIC RECORDS	LIENS	JUDGEMENTS	FORECLOSURE	BANKRUPTCY	OTHER	TOTAL
TOTAL NUMBER	0	0	0	0	0	0

INQUIRIES : 0 # NEW TRADES : 0
OLDEST TRADE OPEN : 05/1996

CREDIT HISTORY

E C O A	Creditor Name Account Number	Acct Type	Date Opened DLA	Date Reviewed	Credit Limit High Credit	Mths Rev Terms	Balance Amt Payment Amt	Past Due Amt	Historical 30 60 90
------------------	---------------------------------	--------------	--------------------	------------------	-----------------------------	-------------------	----------------------------	-----------------	------------------------

1.1 1ST NAT BKTN 11 11/2008 07/2023 UNK 99 75446 0 12 3 1
2013043680XXXX 07/2023 113700 36M857 857
Type of Loan: SECURED LOAN DEL DATES=, 10/2021=13,09/2021=12,03/2021=12
B / EFX=01,TU=01

Comments: SECURED

TRENDED DATA [SOURCE: EFX, TU]							
ACTUAL PAY	858	900	870	900	860	920	
SCHEDULED PAY	857	857	857	857	857	857	
BALANCE	75446	75779	76168	76509	76894	77220	
ACTUAL PAY	860	858	858	858	858	857	
SCHEDULED PAY	857	857	857	857	857	857	
BALANCE	77655	77975	78247	78579	78892	79219	
ACTUAL PAY	858	858	858	858	858	858	
SCHEDULED PAY	857	857	857	857	857	857	
BALANCE	79527	79834	80156	80459	80778	81078	

Reverse ref.
new 1st mtg
\$122,200
1185.45/mo

Source	B/C	Name	SSN	DOB
TransUnion - 01	B	DONNA J POSTON	[REDACTED]	[REDACTED]

COMMENTS

ECIS-01 B AKA: POSTON DONNA
 XPN-01 B AKA: DONNA J POSTON
 XPN-01 B NICKNAME: HUNTER DONNA
 XPN-01 B AKA: DONNA S HEALTHFOODS
 TU-01 B AKA: HUNTER,DONNA,J
 TU-01 B AKA: HUNTER,DONNA

--- ADDITIONAL INFORMATION ---

ECIS-01 B ADDRESS DISCREPANCY:(N) NO SUBSTANTIAL DIFFERENCE OCCURRED
 ECIS-01 B CREDIT REPORT SSN: [REDACTED]
 ECIS-01 B CREDIT REPORT SSN CONFIRMED: Y
 ECIS-01 B INQUIRY SSN: [REDACTED] ✓
 ECIS-01 B INQUIRY SSN DATE ISSUED: [REDACTED]
 ECIS-01 B INQUIRY SSN STATE ISSUED: TN
 ECIS-01 B SSN MATCH INDICATOR: YYYYYYYYY
 XPN-01 B DISPLAYED SSN IS THE SAME AS INQUIRY SSN
 XPN-01 B SSN MATCH INDICATOR: YYYYYYYYY
 TU-01 B 05 - Exact match between SSN on input and SSN on file
 BORROWER: SSN ISSUE STATE:TN SSN ISSUE DATE: [REDACTED] EQUIFAX

* PAYMENT AMOUNTS MARKED WITH AN ASTERISK(*) HAVE BEEN CALCULATED AT 5% OF THE BALANCE OWING OR \$10.00 WHICHEVER AMOUNT IS GREATER

 * TOTAL PRICE 31.22 = 30.83(CHL) + 0.39(FACTA) *

SUBSCRIBER INFORMATIONS			
Code	Name & Address	Phone	Source
772BB00726	1ST NAT BKTN TENNESSEE 214 EAST MAIN LIVINGSTON TN 38570 190	6158231261	Equifax
772BB00726	1ST NAT BKTN TENNESSEE 214 EAST MAIN LIVINGSTON TN 38570 190	6158231261	Equifax
02EH1001	1ST NAT BKTN PO BOX 379 214 EAST MAIN STREET LIVINGSTON TN 38570	9318231261	TransUnion
850BB01498	CAPITAL ONE PO BOX 85015 RICHMOND VA 23285 507	8009557070	Equifax
1358440	CARFINSVCS 725 PRIMERA BLVD STE 235 LAKE MARY FL 32746	8003488783	Experian
133ON00200	CB INDIGO PO BOX 4499 BEAVERTON OR 97076	8669469545	Equifax
372CS00807	CB/MAURICES		Equifax
190BB12813	CELTIC/CONT 268 S. STATE ST SUITE 300 SALT LAKE CITY UT 84111	8013636500	Equifax
616ON05498	FST PREMIER 3820 N LOUISE AVE TAPE ONLY SIOUX FALLS SD 57107	6053573440	Equifax
416FP14462	SECURITY FIN PO BOX 3146 CONSUMER VERIFICATION SPARTANBURG SC 29304		Equifax
404DC02910	SYNCB/JC PENNEYS 4125 WINDWARD PLAZA ALPHARETTA GA 30005		Equifax

SCORES

00630 BEACON 5.0 FACTA DONNA HUNTER - [REDACTED] Equifax - 01
 SCORE RANGE: 334 - 818
 RBP PERCENTAGE: 19%
 00039 SERIOUS DELINQUENCY
 00010 RATIO OF BALANCE TO LIMIT ON BANK REVOLVING OR OTHER REV ACCTS TOO HIGH
 00006 TOO MANY CONSUMER FINANCE COMPANY ACCOUNTS
 00018 NUMBER OF ACCOUNTS WITH DELINQUENCY
 + 0727 FAIR ISAAC DONNA HUNTER [REDACTED] Experian - 01
 SCORE RANGE: 320 - 844
 10 RATIO OF BALANCE TO LIMIT ON BANK REVOLVING OR OTHER REV ACCTS TOO HIGH

SCORES

RBP PERCENTAGE: 44%

- 12 LENGTH OF TIME REVOLVING ACCOUNTS HAVE BEEN ESTABLISHED
- 14 LENGTH OF TIME ACCTS HAVE BEEN ESTABLISHED
- 01 AMOUNT OWED ON ACCOUNTS IS TOO HIGH

00645 FICO RISK SCORE, CLASSIC

DONNA POSTON - [REDACTED]

TransUnion - 01

SCORE RANGE: 309 - 839

- 039 SERIOUS DELINQUENCY
- 010 PROPORTION OF BALANCES TO CREDIT LIMITS ON BANK/NATIONAL REVOLVING ACCOUNTS IS TOO HIGH
- 018 NUMBER OF ACCOUNTS WITH DELINQUENCY
- 006 TOO MANY CONSUMER FINANCE COMPANY ACCOUNTS

RBP PERCENTAGE: 23%

ALERTS

IDENTITYSCAN FOR

SSN:414-39-2059

Equifax - 01

IDENTITY SCAN: IDENTITY SCAN DID NOT DETECT ANY ALERTS.

CREDIT BUREAU INFORMATION

Equifax Information Svc. LLC
 P. O. Box 740241
 Atlanta, GA 30374
 800-685-1111
 www.equifax.com

Experian
 701 Experian Parkway
 P. O. Box 2002
 Allen, TX 75013
 888-397-3742
 www.experian.com/reportaccess

TransUnion LLC
 P. O. Box 2000
 Chester, PA 19016
 866-887-2673
 www.transunion.com

The reporting bureau certifies that: (a) public records have been checked for tax liens, judgments, foreclosures, garnishments, bankruptcies, and other legal actions involving the subject(s) with the results indicated above; or (b) equivalent information has been obtained through the use of a qualified public records reporting service with the results indicated above. The records of real estate transfers which do not involve foreclosures may be excluded.

Equifax Credit Services certifies that the information provided in this report meets the requirements of the U.S. Dept. of HUD, FHA, VA, USDA, RECD & FSA, Fannie Mae and FHLMC.

The information is confidential and not to be divulged except as required by PUBLIC LAW 91-508, 93-579, 94-239.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying surviving spouse (QSS)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Your first name and middle initial DONNA J	Last name POSTON	Your social security number [REDACTED]
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 2013 RICKMAN RD		Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. LIVINGSTON	State TN	ZIP code 38570	
Foreign country name	Foreign province/state/county	Foreign postal code	

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) Yes No

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

Age/Blindness You: Were born before January 2, 1958 Are blind Spouse: Was born before January 2, 1958 Is blind

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

Income			
1a	Total amount from Form(s) W-2, box 1 (see instructions)		27,948
b	Household employee wages not reported on Form(s) W-2		
c	Tip income not reported on line 1a (see instructions)		
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		
e	Taxable dependent care benefits from Form 2441, line 26		
f	Employer-provided adoption benefits from Form 8839, line 29		
g	Wages from Form 8919, line 6		
h	Other earned income (see instructions)		
i	Nontaxable combat pay election (see instructions)	1f	
z	Add lines 1a through 1h	1z	27,948
2a	Tax-exempt interest	2a	
3a	Qualified dividends	3a	
4a	IRA distributions	4a	
5a	Pensions and annuities	5a	
6a	Social security benefits	6a	
b	Taxable interest	2b	
b	Ordinary dividends	3b	
b	Taxable amount	4b	
b	Taxable amount	5b	
b	Taxable amount	6b	
c	If you elect to use the lump-sum election method, check here (see instructions)		
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	
8	Other income from Schedule 1, line 10	8	
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	27,948
10	Adjustments to income from Schedule 1, line 26	10	
11	Subtract line 10 from line 9. This is your adjusted gross income	11	27,948
12	Standard deduction or itemized deductions (from Schedule A)	12	12,950
13	Qualified business income deduction from Form 8995 or Form 8995-A	13	
14	Add lines 12 and 13	14	12,950
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	14,998

Attach Sch. B if required.

Standard Deduction for-
• Single or Married filing separately, \$12,950
• Married filing jointly or Qualifying surviving spouse, \$25,900
• Head of household, \$19,400
• If you checked any box under Standard Deduction, see instructions.

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,592
	17	Amount from Schedule 2, line 3	17	
	18	Add lines 16 and 17	18	1,592
	19	Child tax credit or credit for other dependents from Schedule 8812	19	
	20	Amount from Schedule 3, line 8	20	1,500
	21	Add lines 19 and 20	21	1,500
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	92
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
	24	Add lines 22 and 23. This is your total tax	24	92

Payments	25	Federal income tax withheld from:		
	a	Form(s) W-2	25a	874
	b	Form(s) 1099	25b	
	c	Other forms (see instructions)	25c	
	d	Add lines 25a through 25c	25d	874
	26	2022 estimated tax payments and amount applied from 2021 return	26	
	27	Earned income credit (EIC)	27	
	28	Additional child tax credit from Schedule 8812	28	
	29	American opportunity credit from Form 8863, line 8	29	1,000
	30	Reserved for future use	30	
	31	Amount from Schedule 3, line 15	31	
	32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	1,000
	33	Add lines 25d, 26, and 32. These are your total payments	33	1,874

Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	1,782
	35a	Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	35a	1,782
Direct deposit? See instructions.	b	Routing number 064102740		
		c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number 3621992		
	36	Amount of line 34 you want applied to your 2023 estimated tax	36	

Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe. For details on how to pay, go to www.irs.gov/Payments or see instructions	37	0
	38	Estimated tax penalty (see instructions)	38	

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions Yes. Complete below. No

Designee's name **Roberta Robin Hawn** Phone no. **931-858-4611** Personal identification number (PIN) **15800**

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

Your signature 96006	Date 04-15-2023	Your occupation SELF EMPLOYED	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no. 931-526-3726	Email address		

Paid Preparer Use Only

Preparer's signature Roberta Robin Hawn	Date 04-15-2023	PTIN P00388634	Check if: <input type="checkbox"/> Self-employed
Preparer's name Roberta Robin Hawn	Phone no. 931-858-4611		
Firm's name Baxter Tax Service	Firm's EIN 01-0567090		
Firm's address PO Box 8 / 207 Broad Street Baxter, TN 38544			

Filing Status [] Single [] Married filing jointly [x] Married filing separately (MFS) [] Head of household (HOH) [] Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent BILLY POSTON

Your first name and middle initial: DONNA J
Last name: POSTON
Your social security number: [REDACTED]
If joint return, spouse's first name and middle initial:
Last name:
Spouse's social security number: [REDACTED]
Home address (number and street): 2013 RICKMAN RD
City, town, or post office: LIVINGSTON
State: TN
ZIP code: 38570
Foreign country name:
Foreign province/state/country:
Foreign postal code:
Presidential Election Campaign: [] You [] Spouse

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? [] Yes [x] No

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

Age/Blindness You: [] Were born before January 2, 1957 [] Are blind Spouse: [] Was born before January 2, 1957 [] Is blind

Table with 5 columns: (1) First name, Last name, (2) Social security number, (3) Relationship to you, (4) Check if qualifies for (see instructions): Child tax credit, Credit for other dependents. Includes a 'Dependents' section header and a 'Dependents' table.

Main tax calculation table with columns for line numbers and amounts. Includes sub-columns for 2a, 3a, 4a, 5a, 6a, 12a, 12b, 12c, 13, 14, 15. Total taxable income is 11,986.

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,23
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	1,23
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	1,23
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	1,23
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	805
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	805
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a	
b	Nontaxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	0
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	0
33	Add lines 25d, 26, and 32. These are your total payments	33	805
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	0
35a	Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	35a	0
Direct deposit? See instructions.	b Routing number <input type="checkbox"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
d	Account number		
36	Amount of line 34 you want applied to your 2022 estimated tax	36	
Amount You Owe	37 Amount you owe. Subtract line 33 from line 24. For details on how to pay, see instructions	37	433
38	Estimated tax penalty (see instructions)	38	

If you have a qualifying child, attach Sch. EIC.

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions Yes. Complete below. No

Designee's name Phone no. Personal identification number (PIN)

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

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
03478	04-15-2022	SELF EMPLOYED	<input type="text"/>
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
			<input type="text"/>
Phone no. 931-526-3726	Email address		

Paid Preparer Use Only

Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Megan Greer	04-15-2022	P00682923	
Firm's name Baxter Tax Service	Phone no. 931-858-4611		
Firm's address PO Box 8 / 207 Broad Street Baxter, TN 38544			Firm's EIN 01-0567090

AQUA POOLS CONSTRUCTION, LLC- CHRIS UPHOLD AND JT TURNBOW

Upper Cumberland Development District
Loan Proposal- December 21, 2023



AQUA POOLS CONSTRUCTION, LLC

- Existing pool construction and installation company purchased by Chris Uphold and JT Turnbow in early 2022
- Previously specialized in steel wall/vinyl pool construction but recently added fiberglass pool purchase and installation services.
- Funds requested will help to address current and future growth and allow the hiring of an additional work crew.



PROPOSED PROJECT

SEEKING LOANS IN THE AMOUNT OF \$195,000 TO ADDRESS COMPANY GROWTH

Total Project Cost: \$492,100

- UCDD Loan Request 1: \$163,000
- Proposed rate: 8.5%
- Proposed term: 7 years
- Estimated monthly payment: \$2,581.35
- UCDD Loan Request 2: \$32,000
- Proposed rate: 8.5%
- Proposed term: 12 months
- Estimated monthly payment: Interest only with principal reductions as pools are installed

The Loan Committee recommended these two loans as a counteroffer to the original request.



USE OF FUNDS

USE	AMOUNT
Purchase forklift, truck/van, skid steer, mixer	\$163,000
Purchase inventory- 2 steel wall pool kits, 2 fiberglass pools, 4 pool installation kits	\$118,000
Commercial debt refinance (through FirstBank)	\$211,100
Total	\$492,100



SOURCES OF FUNDS

SOURCE	AMOUNT
Upper Cumberland Development District	\$163,000
Upper Cumberland Development District	\$32,000
FirstBank debt refi	\$211,100
Owner Contribution	\$86,000
Total	\$492,100



COLLATERAL

DESCRIPTION	MARKET VALUE	LIEN	EQUITY	DISCOUNTED VALUE	POSITION
Forklift, truck/van, skid steer, mixer	\$163,000		\$163,000	\$122,250	1st
New pool inventory (value of steel kits is higher than purchase price)	\$140,000		\$140,000	\$84,000	1st
Assignment of life insurance					
Total Collateral value				\$206,250	

Loan to value: 94.55%



Summary of Counter from Loan Committee*

Loan #1

Loan Amount	\$163,000.00
Project Amount	\$492,100.00
% of Project	33%
Interest Rate	8.50%
Term	7 Years
Expected Payment	\$2,581.35

Secured by equipment to be purchased

Loan #2

Loan Amount	\$32,000.00
Project Amount	\$492,100.00
% of Project	7%
Interest Rate	8.50%
Term	12 mos.
Expected Payment	Interest only

Secured by inventory to be purchased

*The loan as originally presented was not recommended by the Loan Committee. This summary contains their counter.

Additional principle to be paid as pools are installed

Loan Application Overview

BORROWER INFORMATION

Company Name:	Aqua Pools Construction, LLC	Current # of Jobs:	7
Owners:	Chris Uphold and JT Turnbow	# of Jobs Created:	4
Address:	1065 Willow Industrial CT, Ste A Cookeville 38501	Comm. Mtg. Date:	12/11/2023
		Board Mtg. Date:	12/21/2023
TAX ID:	87-4814893		

COMPANY SUMMARY

Aqua Pools Construction is an existing pool construction/installation company purchased by Chris Uphold and JT Turnbow in early 2022. Since purchasing they have specialized in steel wall/vinyl liner pools but recently added fiberglass pool purchase and installation to their services to capture that part of the market. In 2022, they installed 8 pools. So far in 2023, they have had 29 installations and 1 rebuild with another 5 pools and 1 rebuild planned to be completed by the end of the year. They are projecting at least 35 pool installations in 2024.

PROJECT SUMMARY

Aqua Pools is requesting funds to help address current and future growth. With this project, they plan to hire and equip an additional work crew to help handle this increase in business, and purchase inventory and installation kits. Certain inventory (steel pool kits) can be purchased for a discount in the off season, allowing them to be prepared for next year's business.

SOURCES & USES OF FUNDS

Uses of Funds				Sources of Funds		
1	Forklift, truck/van, skid steer, mixer- for installation		\$163,000	1	UCDD Loan	\$195,000
2	Purchase 2 steel wall pool kits @12k and 2 fiberglass pools @32k each plus 4 install kits		\$118,000	2	FirstBank loan - 5 yrs, 8.25%	\$211,100
3	Debt refi (FB)		\$211,100	3	Owner Contribution	\$86,000
			TOTAL	TOTAL		\$492,100

Originally requested \$450,000 to include debt consol.

FirstBank debt consolidation loan est pmnt \$4317.71mo

COLLATERAL DETAIL

Type/Description	Value	Lien	Equity	Discounted Value	Position
1 Forklift, truck/van, skid steer, mixer	\$163,000		\$163,000	\$122,250	1st
2 New inventory (steel kits value higher than purchase price)	\$140,000		\$140,000	\$84,000	1st
Life insurance to be purchased					1/2 Chris, 1/2 JT
				TOTAL	\$206,250

Loan to Value (<90 desired) **94.55%**

Discount %

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

PRE-UCDD LOAN DEBT LEVEL

Owner 1 Credit Info - Chris Uphold

Company	Type	Monthly Payment Amt.	Balance	Past Due
FRD MOTOR CR	Auto	\$ 1,315	\$ 70,921	\$ -
ALLY FINCL	Auto	\$ 1,045	\$ 43,832	\$ -
5/3 BANK	Auto	\$ 771	\$ 31,302	\$ -
USAA	Auto	\$ 1,039	\$ 13,968	\$ -
BRCLYSBANKDE	Charge	\$ 29	\$ 2,805	\$ -
AFFIRM	Unsec	\$ 94	\$ 1,036	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL	6	\$ 4,293.00	\$ 163,864.00	\$ -

Mortgage debts on PFS are in Chris's spouse's name only: \$4159 and \$1903 per month

Combined Pre-UCDD Loan Debt Level

	Total Lines of Credit	Total Monthly Payments	Total Balance	Total Past Due
TOTAL	12	\$ 7,225.00	\$ 284,489	\$ -

Owner 2 Credit Info - JT Turnbow

Company	Type	Monthly Payment Amt.	Balance	Past Due
STATEFARMCU	LOC	\$831	\$29,082	
STATEFARMCU	Auto	\$427	\$25,694	
STATEFARMCU	Auto	\$344	\$20,664	
STATEFARMCU	Auto	\$391	\$20,316	
CLIMB	Education	\$479	\$9,455	
AMEX	Credit Card	\$268	\$7,054	
GS BANK- Auth user	Credit Card	\$192	\$8,360	
TOTAL	6	\$ 2,932.00	\$ 120,625.00	\$ -

PERSONAL FINANCIAL INFORMATION

Owner 1: Chris Uphold

Financial information For: Chris Uphold

Credit Scores
772
750
734

Income / Capital / Assets	
Gross Individual Monthly Income	\$ 16,225.00
Annual Gross Household Income	\$ 778,652
Assets	\$ 2,340,000
Networth	\$ 1,426,136

total with spouse
from 2022 taxes

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 4,293
UCDD monthly Debt PMT	\$ 3,088.11
Total of all Monthly Debt Payments	\$ 7,381.11
Liabilities	\$ 913,864

Incl. mortgages from PFS but those are both in the spouse's name

Tax Returns	2020	2021	2022
Adjusted Gross Income	\$633,469	\$784,365	\$749,761
Additional Gain/Loss from other businesses			

2021/2022 24 mo avg w/o Aqua Pools:	\$13,768	Chris DTI w/o Aqua	31.18%
2022 12 mo avg Aqua Pools:	\$2,457	Chris DTI w/ 12 mo avg for Aqua	26.46%

Monthly income per PFS \$12,500

Additional Owner Section (If Needed)

Owner 2: JT Turnbow

Financial information For: JT Turnbow

Credit Scores
729
721
713

Income / Capital / Assets	
Gross Individual Monthly Income	\$ 8,889.78
Annual Gross Household Income	\$ 128,237.00
Assets	\$ 33,000.00
Networth	\$ (87,625.00)

total with spouse
from 2022 taxes

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 2,932.00
UCDD monthly Debt PMT	\$ -
Total of all Monthly Debt Payments	\$ 2,932.00
Liabilities	\$ 120,625.00

Tax Returns	2020	2021	2022
Adjusted Gross Income	\$5,216	\$111,797	\$121,453
Additional Gain/Loss from other businesses			

Joint return with spouse

2021/2022 24 mo avg w/o Aqua Pools:	\$6,529.08	JT DTI w/o Aqua	44.91%
2022 12 mo avg Aqua Pools:	\$2,360.70	JT DTI w/ 12 mo avg for Aqua	32.98%
Monthly per PFS	\$15,606		

Total Financial Information of Owner(s)

Avg Credit Score
736.5

Income / Capital / Assets	
Total Gross Individual Monthly Income	\$ 25,115
Total Annual Gross Household Income	\$ 906,889
Total Assets	\$ 2,373,000
Total Networth	\$ 1,338,511

Debt / Liabilities	
Total Monthly Debt PMTs, not including UCDD payment	\$ 7,225
UCDD monthly Debt PMT	\$ 3,088
Total of all Monthly Debt Payments	\$ 10,313
Total Liabilities	\$ 1,034,489

Tax Returns	2020	2021	2022
Adjusted Gross Income	\$638,685	\$896,162	\$871,214
Additional Gain/Loss from other businesses	\$0	\$0	\$0

BUSINESS FINANCIAL INFORMATION

	2022A	2023 thru Aug	2023 Proj. Sept- Dec
Income Statement Info			
Revenue	\$1,128,275	\$953,485	\$234,850
COGS	\$1,007,617	\$615,043	\$124,100
Gross Profit	\$120,658	\$338,442	\$110,750
Operating Expenses	\$58,477	\$274,080	\$40,000
EBITDA	\$62,181	\$64,362	\$70,750
Other Expense	\$88,866	\$51,953	
Interest Expense			
Taxes Paid			
Net Income	(\$26,685)	\$12,408	\$70,750

2023 full year proj net income \$83,158

Balance Sheet Info			
Cash	\$47,646	\$36,118	
Fixed Assets	\$29,853	\$29,853	
Other Current Assets	\$140,833	\$140,833	
Total Current Assets	\$218,332	\$206,804	\$0
Long-Term Assets	\$0	\$0	\$0
Total Assets	\$218,332	\$206,804	
Current Liabilities	\$121,993	\$125,681	
Long-Term Liabilities			
Stockholder's Equity	\$96,339	\$81,123	
Total Liabilities & Equity	\$218,332	\$206,804	\$0

Balance Sheet Check Balanced Balanced Balanced

Cash Flow Info			
Net Cash Flow from Operations	N/A	\$79,579	\$151,873

PROPOSED LOAN DETAILS

Loan Amount	\$195,000.00
Project Amount	\$492,100.00
% of Project	40%
Interest Rate	8.50%
Term	7 Years
Expected Payment	\$3,088.11

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

I. General Applicant Information

Name of Business: Aqua Pools Construction, LLC

Business Description: in ground pool construction

Address: 1065 Willow Industrial Ct, Ste A, Cookeville, TN 38501

Address of Project: _____

Contact Person & Title: Chris Uphold

Phone: 931-510-7604 (cell)/931-303-0974 Email: chris.uphold@aquapoolsllc.net

Business Type: Pool Construction Product/Service: _____

Date Established: 2/3/2022 Employer ID Number: 87-4814893

DUNS Number: _____ NAICS Number: _____

Bank References: Suzanne Woods- F&M Bank

Principal Stockholders:

Name	Address	US Citizen (Y/N)	Race	Gender (M/F)	% Ownership
<u>Chris Uphold</u>	<u>512 McCulley Ln, Cookeville 38506</u>	<u>Y</u>	<u>White</u>	<u>M</u>	<u>51 %</u>
<u>JT Turnbow</u>	<u>2544 Nova Cir, Cookeville 38501</u>	<u>Y</u>	<u>White</u>	<u>M</u>	<u>49 %</u>
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %

II. Project Information

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

Purchase additional/new installation equipment, truck. Hire new crew.

Marketing materials, vehicle wraps, office equipment. Purchase pool inventory.

B. Total Project Cost [including business and outside funding sources]:
\$361,500

C. Total Loan Amount requested from CAIC and/or UCDD:
\$294,000

D. Employee Data:

Current # of Employees (including yourself)			Expected # of New Employees		
Sex	Total	Economically Disadvantaged	Sex	Total	Economically Disadvantaged
F	<u>1</u>	<u>0</u>	F	<u>1</u>	<u>0</u>
M	<u>6</u>	<u>0</u>	M	<u>3</u>	<u>0</u>
Total	<u>7</u>	<u>0</u>	Total	<u>4</u>	<u>0</u>

III. Project Financing

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

	Estimated cost	Description	<input checked="" type="checkbox"/>
Land Acquisition	\$ _____	_____	<input type="checkbox"/>
Site Preparation	\$ _____	_____	<input type="checkbox"/>
Building Purchase	\$ _____	_____	<input type="checkbox"/>
New Construction/ Renovation	\$ _____	_____	<input type="checkbox"/>
Machinery & Equip.	\$ <u>164,000</u>	<u>Forklift, truck, skid steer, mixer</u>	<input checked="" type="checkbox"/>
Furniture & Fixtures	\$ <u>10,000</u>	<u>Office equipment- computers, desks, printers</u>	<input checked="" type="checkbox"/>
Inventory Purchase	\$ <u>90,000</u>	<u>2 steel wall and 2 fiberglass pool kits</u>	<input checked="" type="checkbox"/>
Working Capital	\$ _____	_____	<input checked="" type="checkbox"/>
Other <u>pool equipment</u>	\$ <u>30,000</u>	<u>pool equipment/features</u>	<input checked="" type="checkbox"/>
Total	\$ <u>294,000</u>		

** total use of funds must equal total project cost in section 2B

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

Source	Amount	Term	Rate	Collateral securing funds
UCDD/CAIC loan	\$ <u>294,000</u>	_____	_____ %	<u>See project financing</u>
Borrower Contribution	\$ <u>67,500</u>	<u>-</u>	<u>-</u> %	_____
_____	\$ _____	_____	_____ %	_____
_____	\$ _____	_____	_____ %	_____
Total	\$ <u>361,500</u>			

** total source of funds must equal total project cost in section 2B

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

	Description	Market Value	Lien Balance
Land	_____	\$ _____	\$ _____
Building	_____	\$ _____	\$ _____
Mach. & Equip.	Forklift, truck, skid steer, mixer _____	\$ 164,000	\$ 0
Furniture & Fix.	Office equipment _____	\$ 10,000	\$ 0
Other Collateral	Inventory _____	\$ 134,000	\$ 0
Total		\$ 308,000	\$ _____

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

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



Signature

Chris Uphold


Printed Name

Owner

Title

10/11/2023

Date



Signature

JT Turnbow

Printed Name

Owner

Title

10/11/2023

Date

Aqua Pools Construction Business Plan

Since taking over construction side of Aqua Pools Construction in 02/2022

2022 – 8 in-ground pools built start to finish

2023 – 29 in-ground pools built start to finish & 1 rebuild

5 in-ground pools and 1 rebuild in current construction planned to be complete by end yr

Aqua pools construction has recently signed to be a dealer in fiberglass pool installation as well as steel wall/vinyl liner pools. In 2023 there were at least 8-10 opportunities for fiberglass pools that we were not ready for but now are approved to do. We plan to capture part of that market as well.

projections	2024	35 pools	with additional staff hired
	2025	38 pools	
	2026	40 pools	

Contract backlog include 2 pools which we plan to start in October, 3 additional customers deciding on fiberglass or vinyl liner pools with additional 10 customers that have committed to pool in 2024 in the spring months.

We are requesting additional funding to realize our business potential. We will use the funds for a fork lift in the shop/warehouse area, a concrete mixer, a new skid steer, an additional work truck, a bulk discount on order of fiberglass pools, purchase of display fiberglass pools for marketing, POS system, computer equipment, 20% discount on purchase of steel pool kits during off season and to expand staffing. We are going to build out the warehouse with additional shelving, a ramp to bring in work truck for service during inclement weather. Also going to use funds to vinyl wrap the vehicles for advertising purposes.

We have purchased a tent system which allows productivity to not slow in the winter months during poor weather. The tent system was approximately \$55,000 (see attachment)

We currently have a fleet of vehicles consisting of a 2013 Chevy Silverado, a 1995 F-350 dump bed truck, a 2021 Chevrolet Silverado and 2012 GMC Sierra and a skid steer.

We are requesting a loan amount of \$450,000 to further grow the company and consolidate the monthly payments down to a more manageable amount. As noted on the business debt schedule, there is approximately \$220,000 in debts with approximately \$15,400 in monthly payments. The additional funds will be used for equipment and employee growth.

Equipment requested:

Fork lift	\$41,000
Truck	\$50,000
Skid Steer	\$65,000
Skid Steer mixer	\$8,000

Equipment Total	\$164,000
Business Debts	\$220,000
Marketing/Employment growth	\$66,000

Acquiring these funds will allow us to grow to become one of the premier pool builders in the area. 4 vehicle titles and 1 skid steer title will be surrendered to lender as collateral upon payment of business debt schedule.



SPECIALS

NEW

WORK TRUCKS

USED

SERVICE & PARTS

FINANCE

ABOUT



NEW 2021 Ford Transit Na HR CARGO RWD

VIN: 1FTRS4X83MKA70896 STOCK:



(10) Photos

SALE PRICE

\$48,650

[Details](#)

[Unlock Instant Price](#)

On Lot



NO IMPACT TO YOUR CREDIT SCORE

Get Pre-qualified today!

[Unlock Real Rates](#)

apitalOne

\$955 /mo

11.3 % APR · 72 mos. · \$2,000 Down

Estimated payments and rate

[Value Your Trade](#)

[Sell My Car](#)

[CHAT](#)



Ready to Trade In or Sell Your Car?

Get a **Kelley Blue Book[®] Instant Cash Offer** in minutes.

[GET MY OFFER](#)



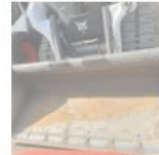
NEED FINANCING? WE CAN HELP! CALL 612-968-9568

We offer personalized, custom financing for all business types and sole proprietors, too! Call Erin at 612-968-9568 or email at erin@klcfinancial.com to learn more about competitive options available for you! We are here to work with you to provide a solution that meets your needs.

[ABOUT](#) [DEALS](#) [PARTS](#) [SERVICE](#) [RENTAL](#) [HOURS](#) [REVIEWS](#) [NEWS](#) [VIDEOS](#) [E-NEWSLETTER](#)     0 ITEMS



[BRANDS](#) [ATTACHMENTS](#) [PRODUCTS](#) [NEW](#) [USED](#) [CLEARANCE](#) [CONTACT](#) [CALL 763-307-2800](#) 



UNIT#: 218982

2022 Bobcat T66 Compact Track Loader 218982

\$65,000.00

IN STOCK

REQUEST QUOTE

ADD TO CART

2022 Bobcat T66 Compact Track Loader equipped with C88 comfort package — Clear-Side Enclosed Cab with Auto HVAC, Sound Reduction, 7" Touch Display, Bluetooth Radio, Heated Cloth Air Ride Suspension Seat, Premium LED Lights, Rearview Camera. Features P29 performance package — Standard Flow, Power Bob-Tach, 7-Pin Attachment Control Dual-Direction Bucket Positioning, 2-Speed, Automatic Ride Control Reversing Fan. Includes rigid suspension and 16" tracks. Available at our Shakopee store.

Buy a Compact Track Loader from one of the nation's oldest Bobcat dealers, established in 1946. Financing and nationwide shipping are available. Call the number above for details.

ADDITIONAL INFORMATION

Related products



CALL FOR PRICE

2023 Bobcat S66 Skid Steer Loader

Unit#: BCN-S66
Condition: New



CALL FOR PRICE

2023 Bobcat T62 Compact Track Loader

Unit#: BCN-T62
Condition: New



CALL FOR PRICE

Toro Dingo TX 1000 Narrow Track

IN STOCK

Unit#: TRN-22327
Condition: New

2015 Toyota LP (Propane) Cushion Sit Down Forklift with a 5,000 Capacity



Always serviced and well maintained. Toyota has been the number-one selling lift in the U.S. since 2002. Built on a reputation of excellence, Toyota remains popular due to its quality, reliability and durability. Please review the following specifications. Year: 2015, Manufacturer ... [More](#)

[See more details at Discount Forklift »](#)

[View all photos](#)

[SAVE](#)

About these results

Buying options

\$37,549.00

+\$2,628.43 est. tax

Used

\$995.00 delivery by Mon, Oct 23

[7-day returns](#)

Discount Forklift

[Visit site](#)


Track price
Get notified when the price drops
[View all your tracked products](#)

[Report a listing](#)

Compare buying options

Sold by	Details & special offers	Item price	Total price	
Discount Forklift	\$995.00 delivery by Mon, Oct 23 7-day returns	\$37,549.00 Used	\$41,172.43 ⓘ	Visit site

 [Price Match Guarantee](#)

 [Direct Shipping](#)

 [Hassle-Free Returns](#)

 [Expert Service](#)

[Concrete Dispensers](#)



Skid Steer Cement Hog | EZ Grout

See more by [EZ GROUT](#)

★★★★★ 1 review  9 Q&As  1 Customer Photo

\$7,915.00

\$171/mo with  | [Apply for Financing](#)

SKU: EG-FCH100

 Built To Order 

Select Maximum Capacity Option: (REQUIRED)

1/2 Cubic Yard

1 Full Cubic Yard

- 1 +

ORDER NOW

Add To Cart



423A-NASHVILLE SOUTH-SPP DIST.
 124 POWELL PL
 NASHVILLE, TN 37204-3602
 Phone 615-777-7665
 Fax 615-777-7671

Quotation

QUOTE #	KP154860
LOCATION	423A
DATE	10/20/23
PAGE	1 of 2

BILL TO

M22158
 AQUA POOLS CONSTRUCTION, LLC
 1065 WILLOW INDUSTRIAL CT STE A
 COOKEVILLE, TN 38501-4138
 Phone 866-278-2552

SHIP TO

AQUA POOLS CONSTRUCTION, LLC
 1065 WILLOW INDUSTRIAL CT STE A
 COOKEVILLE, TN 38501-4138

QUOTE DATE 10/20/23	EXPIRE DATE 11/19/23	REQUIRED DATE	REFERENCE NUMBER EQUIPMENT	PAYMENT TERMS CTR: CHECK OK
WRITTEN BY S DAVID STROUD(423A)			CONTACT CHRIS UPHOLD/JAMES TURNBOW	SHIP VIA BOW
FREIGHT TERMS IN/OUTBOUND			JOB NUMBER	SALES REP 423A/

PRODUCT/DESCRIPTION	QUANTITY	PRICE	U/M	EXTENSION
HAY-15-732 H400FDN 400K NG IID LOW NOX UNIVERSAL H-SERIES HEATER	1	3,194.62	EA	3,194.62
HAY-15-730 H250FDN 250K NG IID LOW NOX UNIVERSAL H-SERIES HEATER	1	2,499.74	EA	2,499.74
HAY-10-4002 HL2670020VSP 1.65HP 230V SUPER PUMP VS700 OMNI VS PUMP	2	2,039.09	EA	4,078.18
HAY-05-362 C5030 525SQF SWIMCLEAR CARTRIDGE FILTER	1	1,458.43	EA	1,458.43
HAY-05-366 C200S 200SQF SWIMCLEAR CARTRIDGE FILTER	1	734.24	EA	734.24
GLD-45-2113 AQRS340 40K GAL AQUARITE SMART SALT SYSTEM	1	1,692.20	EA	1,692.20
GLD-45-2110 AQRS315 15K GAL AQUARITE SMART SALT SYSTEM	1	1,189.23	EA	1,189.23
NOY-56-756 PM-101 4/CS WHITE AUTOFILL	1	90.93	EA	90.93
CTM-27-0000 25597-000-000 NON-ADJUSTABLE DECK JET	4	70.54	EA	282.16
HAY-30-6158 LACUS11100 12V 100© COLORLOGIC 320 LED LIGHT	4	417.91	EA	1,671.64
*IPC-MISC AUTOCOVER	1	12,941.18	EA	12,941.18

Continued



423A-NASHVILLE SOUTH-SPP DIST.
 124 POWELL PL
 NASHVILLE, TN 37204-3602
 Phone 615-777-7665
 Fax 615-777-7671

Quotation

QUOTE #	KP154860
LOCATION	423A
DATE	10/20/23
PAGE	2 of 2

BILL TO

M22158
 AQUA POOLS CONSTRUCTION, LLC
 1065 WILLOW INDUSTRIAL CT STE A
 COOKEVILLE, TN 38501-4138
 Phone 866-278-2552

SHIP TO

AQUA POOLS CONSTRUCTION, LLC
 1065 WILLOW INDUSTRIAL CT STE A
 COOKEVILLE, TN 38501-4138

QUOTE DATE 10/20/23	EXPIRE DATE 11/19/23	REQUIRED DATE	REFERENCE NUMBER EQUIPMENT	PAYMENT TERMS CTR: CHECK OK
WRITTEN BY S DAVID STROUD(423A)			CONTACT CHRIS UPHOLD/JAMES TURNBOW	SHIP VIA BOW
FREIGHT TERMS IN/OUTBOUND			JOB NUMBER	SALES REP 423A/

PRODUCT/DESCRIPTION	QUANTITY	PRICE	U/M	EXTENSION
---------------------	----------	-------	-----	-----------

ROUGH QUOTE

MERCHANDISE TOTAL	HANDLING	MISC CHARGE	TAX	FREIGHT	QUOTE TOTAL
29,832.55	0.00	0.00	2,565.66	0.00	32,398.21

Accepted:

By: _____

Date: _____



SCP Distributors LLC

imaginepools™



2023 DEALER PRICE LIST (USA)				
Model	Width	Length	Depth	Tennessee Yard
Marvelous 30	15' 6"	30'	5' 10"	21,919
Marvelous 35	15' 6"	35'	6' 2"	25,052
Marvelous 40	15' 6"	40'	6' 6"	28,630
Inspiration 23	13'	23'	5' 5"	17,378
Inspiration 26	13'	26'	5' 7"	18,533
Inspiration 30	15' 6"	30'	6' 1"	21,534
Inspiration 35	15' 6"	35'	6' 4"	24,473
Inspiration 40	15' 6"	40'	6' 8"	27,810
Brilliant 30	15' 6"	30'	6' 1"	23,114
Brilliant 35	15' 6"	35'	6' 4"	26,054
Brilliant 40	15' 6"	40'	6' 8"	29,390
Freedom 23	13'	22' 11"	5'	17,378
Freedom 23 Large Ledge	13' 1"	31' 1"	5'	19,748
Freedom 26	13'	26' 3"	5'	18,958
Freedom 26 Large Ledge	13' 1"	34' 4"	5'	21,327
Freedom 30	13'	30'	5'	20,538
Freedom 30 Large Ledge	13' 1"	38' 1"	5'	22,908
Fantasy 26	12' 6"	26'	5' 7"	18,533
Fantasy 30	14'	30'	6'	21,204
Fantasy 35	14' 6"	35'	6' 6"	23,992
Illusion 30	30	15' 5"	6'	22,724
Illusion 35	35	15' 5"	6' 5"	25,854
Illusion 40	40	15' 6"	6' 11"	29,433
Exquisite 30	30	15' 5"	5' 10"	23,453
Exquisite 35	35	15' 5"	6' 2"	26,584
Exquisite 40	40	15' 6"	6' 6"	30,163
Vision 16	10'	16'	5'	14,170
Vision 20	10'	20'	5'	15,258
Vision 23	10'	23'	5'	16,108
Vision 26	10'	26'	5'	17,734
Bliss 26	12' 6"	26'	5' 5"	18,957
Bliss 30	14'	30'	5' 8"	21,289
Bliss 35	14'	35'	6' 2"	24,420
Celebration 40	15' 6"	40'	8'	29,853
Square Spa	7' 3"	7' 3"	3' 3"	4,848
Square Spa Spillover	7' 3"	7' 3"	3' 3"	4,848
Round Spa	8'	8'	3'	4,848
Round Spa Spillover	8'	8'	3'	4,848
Mystique Spa	6' 10"	6' 10"	3'	4,848
Mystique Spa with Spillover	6' 10"	6' 10"	3'	4,848
Mercury Sun Ledge	10' 5"	6' 10"	12"	4,848
Pearl Sun Ledge	10' 5"	7' 5"	12"	4,848
Lagoon Sun Ledge	14'	7' 3"	12"	6,932
ALL POOLS INCLUDE: CENTURION CORE				
(1) Grey Skimmer; (3) Return Fittings; & (2) VGB Approved Main Drains (side mount)				
Freight is not included in above pricing				
PICK-UP FEE			\$0.00	

Effective January 1st, 2023

RE: Imagine Pools Freight Letter

To Adam Kaftan | Explore Industries <adam.kaftan@exploreindustries.com> • chris uphold <sales@aquapoolsllc.net>

Thanks Adam!

Chris: According to this you are paying \$1000 or \$1713 dependent on which pool you order:

AQUA POOLS CONSTRUCTION LLC 2023 FREIGHT RATES

Distribution Location: Tennessee				
	Class A	Class B	Class E	Class F
Transfer Cost	\$ 0	\$ 0	\$ 0	\$ 0
Delivery Cost	\$ 1000	\$ 1000	\$ 1713	\$ 1713
Total	\$ 1000	\$ 1000	\$ 1713	\$ 1713

Class A	Class B	Class E	Class F
Dream Spas	Fantasy 26	Freedom 23 - with Splash Pad	Brilliant 30
Vision 16	Fantasy 30	Freedom 26 - with Splash Pad	Brilliant 35
Vision 20	Freedom 23	Freedom 30 - with Splash Pad	Brilliant 40
Vision 23	Freedom 26		Exquisite 30
Vision 26	Freedom 30		Exquisite 35
	Inspiration 23		Exquisite 40
	Inspiration 26		Celebration 40
			Fantasy 35
			Illusion 30
			Illusion 35
			Illusion 40
			Inspiration 30
			Inspiration 35
			Inspiration 40
			Marvelous 30
			Marvelous 35
			Marvelous 40

These rates apply to all deliveries starting 1 February 2023.



Amanda Miller

Regional Sales Director

Sales North America



865.223.6632



865.607.7961



exploreindustries.com



LinkedIn

Explore Industries USA, Inc.

2901 Leisure Island Way

Knoxville, TN 37914, United States

Water Feature Dealer Price List

UNLIT WATER FEATURES

IMA-27-1000	THE WATERWALL-4'-BASALT WITH 2' UNLIT SHEER DESCENT	\$1,296.00
IMA-27-1003	THE WATERWALL-8'-BASALT WITH 4' UNLIT SHEER DESCENT	\$1,836.00
IMA-27-1006	THE CASCADE-BASALT WITH 4' UNLIT SHEER DESCENT	\$2,700.00

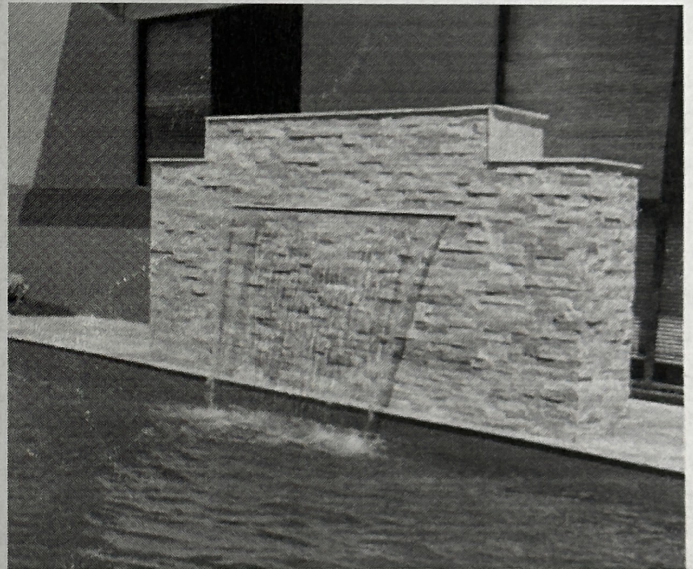
LIT WATER FEATURES

IMA-27-1009	THE WATERWALL-4'-BASALT WITH 2' LIT SHEER DESCENT	\$1,944.00
IMA-27-1012	THE WATERWALL-8'-BASALT WITH 4' LIT SHEER DESCENT	\$2,484.00
IMA-27-1015	THE CASCADE-BASALT WITH 4' LIT SHEER DESCENT	\$3,348.00

Lit descents requires one of the following two PAL drivers: 16watt - 64-PCR-1ZW-16 or 65watt - 64-PCR-1Z-65



The Waterwall



The Cascade

- Ready to clad or tile to match your pool's surroundings.
- Comes in Basalt-Grey gelcoat.
- Ships out of Knoxville, TN factory.
- Can be shipped with pool at no additional charge.
- LTL shipment available if not shipped with a pool
(contact your Poolcorp rep for more details)
- PAL brand 2' or 4' Waterblade with lit or unlit option.
(2' lit 64-EFWBL-2-6N-B 4' lit 64-EFWBL-4-6N-B; 2' unlit 64-EFWB-2-6N-R, 4' unlit 64-EFWB-4-6N-R)
- The Waterwall available in 4' with a 2' Waterblade or 8' with 4' Waterblade.
- The Cascade available in 8' with 4' Waterblade.

	Customer		Customer		Customer
	<u>Liner pool</u>		<u>Fiberglass pool</u>		<u>Fiberglass pool</u>
electric lines/box/breakers	2500	electric lines/box/breakers	2500		2500
		shipping	1713		1713
pool kit	12000	fiber pool	32300		32300
heater	3725	equipment (see attached)	32400		24500
slide	4675	Hot tub spillover	5321		
sandfilter	462	plumbing	2000		2000
plumbing	2000	well pipe & autofill/reducer	1000		1000
Liner	3000	Water Cascade	3675		3675
divingboard	791				
Base w/jig	580				
1.65HP Hayward Pump VS70C	1207				
In-line Chlorinator	92.74				
UV	750				
3 lights with Lityard 2	<u>1215</u>				
	36215 includes tax		80909 total including tax		67688 total including tax
			36215		
			80909		
			<u>67688</u>		
			184812.00 3 kits to order		

Customer info removed

Name	Address	Pool Information	Projected Date	Cost
PROJECTED				
		Aspen Lagoon w/Tanning Ledge	Spring 2024	\$85,000.00
		Lazy L or Kidney Lagoon w/Tanning Ledges	Spring 2024	\$65,000.00
		Lagoon w/Water Feature	Spring 2024	\$75,000.00
		FIBERGLASS - 20x40 - SALTWATER	January 2024	\$65,000.00
		16x32 w/Tanning Ledge	November 2023	\$67,500.00
		16x36 w/Tanning Ledge - FIBERGLASS - SALTWATER	After Remodel 2023/2024	\$67,000.00
		16x30 w/Tanning Ledge - FIBERGLASS	Spring 2024	\$58,500.00
		15.5x40 FIBERGLASS with 7x7 hot tub	December 2023	\$135,000.00
BIDS				
		SMALL FIBERGLASS 12x18 w/Tanning Ledge		\$55,000.00
		18x36 w/Sports Bottom		\$59,000.00
		18x34 w/Tanning Ledge		\$57,000.00
		18x36 L Shape - SALTWATER - Jacuzzi (\$10-12,000)		\$63,000.00
		18x40 w/Fiberglass Steps - Heater - Maybe Tanning Ledge		\$60,000.00
		20x40 w/Tanning Ledge		\$67,000.00
		20x40 w/Tanning Ledge - RETAINING WALL NEEDED		\$85,000.00

projected P&L	2023 remaining		
		expenses	
Customer 1	56800	35000	
Cusotmer 2	7850	4000	
Customer 3	13300	10000	
Customer 4	3600	3600	
Customer 5	8000	3000	
	2500	500	
Customer 6	26800	15000	
Customer 7	48000	18000	
Customer 8	58000	35000	
	remaining unpaid	224850	124100
	expenses	<u>124100</u>	
minus operating expenses		40000	
additional covers to install (profit)		10000	
remaining profit for year		77500	I used \$70,750- MT

2024

28 pools@20000 profit

projected profit margin from pools after labor and supplies =\$20,000

560000

AQUA POOLS CONSTRUCTION LLC

Profit and Loss

January - August, 2023

	TOTAL
Income	
New Construction Income	953,484.75
Total Income	\$953,484.75
Cost of Goods Sold	
COGS Other	28,593.54
Cost of Goods Sold	10,858.42
Equipment Rental	2,262.35
Labor Expense	13,044.88
Materials Costs	334,227.51
Subcontractor	225,755.95
Worker's Compensation Insurance	300.00
Total Cost of Goods Sold	\$615,042.65
GROSS PROFIT	\$338,442.10
Expenses	
Advertising and Promotion	1,543.27
Auto and Truck Expenses	11,739.34
Bank Service Charges	301.84
Computer and Internet Expenses	591.08
Insurance Expense	6,084.29
Legal and Professional	4,925.00
Meals and Entertainment	1,587.12
Office Supplies	671.30
Other Tax Expense	4,458.36
Payroll Expenses	24,102.54
Taxes	15,217.54
Wages	178,286.26
Total Payroll Expenses	217,606.34
Payroll Tax Expense	8,582.23
Postage and Delivery	11.97
Purchases	3,055.72
Rent Expense	11,076.40
Travel Expense	10.00
Utilities	1,836.04
Total Expenses	\$274,080.30
NET OPERATING INCOME	\$64,361.80
Other Expenses	
Ask Client for details	16,045.27
Guaranteed Payment	35,908.18
Total Other Expenses	\$51,953.45
NET OTHER INCOME	\$ -51,953.45
NET INCOME	\$12,408.35

AQUA POOLS CONSTRUCTION LLC

Balance Sheet

As of August 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Biltwell Checking	4,354.60
F&M Operating 6143	32,107.60
F&M Other	-344.36
Total Bank Accounts	\$36,117.84
Total Current Assets	\$36,117.84
Fixed Assets	
Accumulated Depreciation	-79,699.00
Vehicles and Equipment	109,551.85
Total Fixed Assets	\$29,852.85
Other Assets	
Accumulated Amortization	-9,167.00
Goodwill Aqua Pools Construction	150,000.00
Total Other Assets	\$140,833.00
TOTAL ASSETS	\$206,803.69
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Biltwell Bank LOC	48,826.67
Channel Partners Loan	-20,550.00
Fifth Third Note	32,904.19
Headway Capital Loan	35,515.82
Loan Daniel Whitt	0.00
Loan Startup-Tyler	-2,120.20
Payroll Liabilities	30,687.07
Federal Taxes (941/943/944)	2,493.77
Federal Unemployment (940)	287.02
TN Quarterly Taxes	-2,363.27
Total Payroll Liabilities	31,104.59
Total Other Current Liabilities	\$125,681.07
Total Current Liabilities	\$125,681.07
Total Liabilities	\$125,681.07
Equity	
Chris Contributions	99,959.66
Chris Equity	-15,526.50
JT Contributions	25,440.00
JT Equity	-15,526.50

AQUA POOLS CONSTRUCTION LLC

Balance Sheet

As of August 31, 2023

	TOTAL
Retained Earnings	4,367.61
Net Income	-17,591.65
Total Equity	\$81,122.62
TOTAL LIABILITIES AND EQUITY	\$206,803.69

AQUA POOLS CONSTRUCTION LLC

Profit and Loss January - December 2022

	TOTAL
Income	
New Construction Income	1,128,274.85
Total Income	\$1,128,274.85
Cost of Goods Sold	
COGS Other	11,814.62
Cost of Goods Sold	4,500.00
Equipment Rental	6,735.80
Labor Expense	203,263.53
Materials Costs	592,561.47
Subcontractor	187,877.36
Worker's Compensation Insurance	864.00
Total Cost of Goods Sold	\$1,007,616.78
GROSS PROFIT	\$120,658.07
Expenses	
Advertising and Promotion	2,195.55
Auto and Truck Expenses	22,176.54
Bank Service Charges	1,510.83
Computer and Internet Expenses	27.99
Insurance Expense	11,071.09
Interest Expense	2,475.11
Meals and Entertainment	1,254.38
Office Supplies	2,422.44
Payroll Tax Expense	15,343.53
Total Expenses	\$58,477.46
NET OPERATING INCOME	\$62,180.61
Other Expenses	
Amortization Expense	9,167.00
Depreciation Expense	79,699.00
Total Other Expenses	\$88,866.00
NET OTHER INCOME	\$-88,866.00
NET INCOME	\$-26,685.39

AQUA POOLS CONSTRUCTION LLC

Balance Sheet

As of December 31, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Biltwell Checking	6,632.88
F&M Operating 6143	38,809.03
F&M Other	2,204.34
Total Bank Accounts	\$47,646.25
Total Current Assets	\$47,646.25
Fixed Assets	
Accumulated Depreciation	-79,699.00
Vehicles and Equipment	109,551.85
Total Fixed Assets	\$29,852.85
Other Assets	
Accumulated Amortization	-9,167.00
Goodwill Aqua Pools Construction	150,000.00
Total Other Assets	\$140,833.00
TOTAL ASSETS	\$218,332.10
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Biltwell Bank LOC	51,361.99
Fifth Third Note	37,063.79
Loan Daniel Whitt	0.00
Loan Startup-Tyler	2,879.80
Payroll Liabilities	30,687.06
Total Other Current Liabilities	\$121,992.64
Total Current Liabilities	\$121,992.64
Total Liabilities	\$121,992.64
Equity	
Chris Contributions	93,024.85
JT Contributions	30,000.00
Retained Earnings	
Net Income	-26,685.39
Total Equity	\$96,339.46
TOTAL LIABILITIES AND EQUITY	\$218,332.10

Name Variations

CHRIS R UPHOLD

TRU

Scoring

772	Equifax BEACON 5.0 SCORE	750	TransUnion CLASSIC 04 SCORE	734	Experian FAIR ISAAC SCORE 2
<p>LEVEL OF DELINQUENCY ON ACCOUNTS</p> <p>TIME SINCE MOST RECENT ACCOUNT OPENING IS TOO SHORT</p> <p>TOO MANY INQUIRIES IN THE LAST 12 MONTHS</p> <p>PROPORTION OF BALANCES TO CREDIT LIMITS TOO HIGH ON REVOLVING ACCOUNTS</p> <p>FACTA: NUMBER OF INQUIRIES AFFECTED THE SCORE</p>		<p>TIME SINCE MOST RECENT ACCOUNT OPENING IS TOO SHORT</p> <p>INSUFFICIENT LENGTH OF REVOLVING CREDIT HISTORY</p> <p>PROPORTION OF LOAN BALANCES TO LOAN AMOUNTS IS TOO HIGH</p> <p>TIME SINCE DELINQUENCY IS TOO RECENT OR UNKNOWN</p> <p>FACTA: NUMBER OF INQUIRIES AFFECTED THE SCORE</p>		<p>TOO MANY INQUIRIES LAST 12 MONTHS</p> <p>LENGTH OF TIME ACCOUNTS HAVE BEEN ESTABLISHED</p> <p>PROPORTION OF BALANCE TO HIGH CREDIT ON REVOLVING ACCOUNTS</p> <p>TOO MANY ACCOUNTS RECENTLY OPENED</p> <p>FACTA: NUMBER OF INQUIRIES AFFECTED THE SCORE</p>	

Scoring

729	Equifax BEACON 5.0 SCORE	721	Experian FAIR ISAAC SCORE 2	713	TransUnion CLASSIC 04 SCORE
PROPORTION OF BALANCES TO CREDIT LIMITS TOO HIGH ON REVOLVING ACCOUNTS AMOUNT OWED ON REVOLVING ACCOUNTS IS TOO HIGH PROPORTION OF LOAN BALANCES TO LOAN AMOUNTS IS TOO HIGH LEVEL OF DELINQUENCY ON ACCOUNTS		PROPORTION OF BALANCE TO HIGH CREDIT ON REVOLVING ACCOUNTS AMOUNT OWED ON ACCOUNTS IS TOO HIGH LEVEL OF DELINQUENCY ON ACCOUNTS TIME SINCE DELINQUENCY IS TOO RECENT OR UNKNOWN FACTA: NUMBER OF INQUIRIES AFFECTED THE SCORE		NUMBER OF ACCOUNTS WITH DELINQUENCY PROPORTION OF REVOLVING BALANCES TO REVOLVING CREDIT LIMITS IS TOO HIGH TIME SINCE MOST RECENT ACCOUNT OPENING IS TOO SHORT AMOUNT OWED ON REVOLVING ACCOUNTS IS TOO HIGH	

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income
For calendar year 2022, or tax year beginning **02/03/22**, ending **12/31/22**.
Go to www.irs.gov/Form1065 for instructions and the latest information.

OMB No. 1545-0123

2022

A Principal business activity CONSTRUCTION	Type or Print	Name of partnership AQUA POOLS CONSTRUCTION LLC	D Employer identification number 87-4814893
B Principal product or service POOL CONSTRU		Number, street, and room or suite no. If a P.O. box, see instructions 1681 S JEFFERSON AVE STE A	E Date business started 02/03/2022
C Business code number 238900		City or town, state or province, country, and ZIP or foreign postal code COOKEVILLE TN 38506	F Total assets (see instructions) \$ 218,332

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

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify):

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

J Check if Schedules C and M-3 are attached:

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

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

Income	1a Gross receipts or sales	1a	1,128,275	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 1,128,275
	2 Cost of goods sold (attach Form 1125-A)			2 1,006,753
	3 Gross profit. Subtract line 2 from line 1c			3 121,522
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6
7 Other income (loss) (attach statement)			7	
8 Total income (loss). Combine lines 3 through 7			8 121,522	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11
	12 Bad debts			12
	13 Rent			13
	14 Taxes and licenses			14 19,712
	15 Interest (see instructions)			15 2,475
	16a Depreciation (if required, attach Form 4562)	16a	79,699	
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c 79,699
	17 Depletion (Do not deduct oil and gas depletion.)			17
	18 Retirement plans, etc.			18
19 Employee benefit programs			19	
20 Other deductions (attach statement)			20 50,689	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21 152,575	
22 Ordinary business income (loss). Subtract line 21 from line 8			22 -31,053	
Tax and Payment	23 Interest due under the look-back method—completed long-term contracts (attach Form 8697)			23
	24 Interest due under the look-back method—income forecast method (attach Form 8866)			24
	25 BBA AAR imputed underpayment (see instructions)			25
	26 Other taxes (see instructions)			26
	27 Total balance due. Add lines 23 through 26			27
	28 Payment (see instructions)			28
	29 Amount owed. If line 28 is smaller than line 27, enter amount owed			29
	30 Overpayment. If line 28 is larger than line 27, enter overpayment			30

Sign Here

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

Signature of partner or limited liability company member: _____ Date: _____

Print/Type preparer's name: **TIBET L DYCUS, CPA** Preparer's signature: **TIBET L DYCUS, CPA** Date: **02/23/23**

Check if PTIN self-employed **P00821561**

Firm's name: **Tibet L Dycus, CPA** Firm's EIN: _____

Firm's address: **370 S Lowe Ave Suite A-189 Cookeville, TN 38501-2475** Phone no: **931-319-5188**

Schedule B Other Information

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

2 At the end of the tax year:

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

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership X

3 At the end of the tax year, did the partnership:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below X

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

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

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

4 Does the partnership satisfy all four of the following conditions?

a The partnership's total receipts for the tax year were less than \$250,000.

b The partnership's total assets at the end of the tax year were less than \$1 million.

c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.

d The partnership is not filing and is not required to file Schedule M-3. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2, item F on page 1 of Form 1065, or item L on Schedule K-1. X

5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)? X

6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? X

7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? X

8 At any time during calendar year 2022, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country X

9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions X

10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election. X

b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions X

c Is the partnership required to adjust the basis of partnership assets under section 743(d) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions X

Schedule B Other Information (continued)

		Yes	No
11	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year)	<input type="checkbox"/>	
12	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
13	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions	0	
14	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership		X
15	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return	0	
16a	Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions	X	
b	If "Yes," did you or will you file required Form(s) 1099?	X	
17	Enter the number of Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, attached to this return	0	
18	Enter the number of partners that are foreign governments under section 892	0	
19	During the partnership's tax year, did the partnership make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
20	Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938		X
21	Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		X
22	During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions If "Yes," enter the total amount of the disallowed deductions \$		X
23	Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24	Does the partnership satisfy one or more of the following? See instructions a The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$27 million and the partnership has business interest. c The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.		X
25	Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 \$		X
26	Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership Complete Schedule K-3 (Form 1065), Part XIII, for each foreign partner subject to section 864(c)(8) on a transfer or distribution.	0	
27	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		X
28	Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: _____ By vote: _____ By value: _____		X
29	Reserved for future use		
30	Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 If "No," complete Designation of Partnership Representative below.		X
		2	

Designation of Partnership Representative (see instructions)

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

Name of PR _____

U.S. address of PR _____

U.S. phone number of PR _____

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

U.S. address of designated individual _____

U.S. phone number of designated individual _____

DAA

Schedule K Partners' Distributive Share Items		Total amount		
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-31,053	
	2 Net rental real estate income (loss) (attach Form 8825)	2		
	3a Other gross rental income (loss)	3a		
	b Expenses from other rental activities (attach statement)	3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c		
	4 Guaranteed payments: a Services 4a b Capital 4b	4a	4b	
	c Total. Add lines 4a and 4b	4c		
	5 Interest income	5		
	6 Dividends and dividend equivalents: a Ordinary dividends	6a		
	b Qualified dividends 6b c Dividend equivalents 6c	6b	6c	
	7 Royalties	7		
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8			
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a			
b Collectibles (28%) gain (loss)	9b			
c Unrecaptured section 1250 gain (attach statement)	9c			
10 Net section 1231 gain (loss) (attach Form 4797)	10			
11 Other income (loss) (see instructions) Type:	11			
Deductions	12 Section 179 deduction (attach Form 4562)	12	0	
	13a Contributions	13a		
	b Investment interest expense	13b		
	c Section 59(e)(2) expenditures: (1) Type: (2) Amount:	13c(2)		
d Other deductions (see instructions) Type:	13d			
Self-Employment	14a Net earnings (loss) from self-employment	14a	-31,053	
	b Gross farming or fishing income	14b		
	c Gross nonfarm income	14c	121,522	
Credits	15a Low-income housing credit (section 42(j)(5))	15a		
	b Low-income housing credit (other)	15b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c		
	d Other rental real estate credits (see instructions) Type:	15d		
	e Other rental credits (see instructions) Type:	15e		
	f Other credits (see instructions) Type:	15f		
Inter-national	16 Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items—International, and check this box to indicate that you are reporting items of international tax relevance			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a		
	b Adjusted gain or loss	17b		
	c Depletion (other than oil and gas)	17c		
	d Oil, gas, and geothermal properties—gross income	17d		
	e Oil, gas, and geothermal properties—deductions	17e		
	f Other AMT items (attach statement)	17f		
Other Information	18a Tax-exempt interest income	18a		
	b Other tax-exempt income	18b		
	c Nondeductible expenses	18c		
	19a Distributions of cash and marketable securities	19a		
	b Distributions of other property	19b		
	20a Investment income	20a		
	b Investment expenses	20b		
21 Total foreign taxes paid or accrued	21	See Statement 3		

Analysis of Net Income (Loss) per Return

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 21					1	-31,053
2	Analysis by partner type:						
	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a	General partners						
b	Limited partners						
			-31,053				

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				47,646
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets			109,552	
b	Less accumulated depreciation			79,699	29,853
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)			150,000	
b	Less accumulated amortization			9,167	140,833
13	Other assets (attach statement)				
14	Total assets				218,332
Liabilities and Capital					
15	Accounts payable				35,054
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement) See Stmt 4				
21	Partners' capital accounts				91,306
22	Total liabilities and capital				91,972
					218,332

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

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

1	Net income (loss) per books	-31,053	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 21, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 21 (itemize):		a	Depreciation \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-31,053
5	Add lines 1 through 4	-31,053			

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash	123,025	b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) (see instructions)	-31,053	8	Add lines 6 and 7	
4	Other increases (itemize)		9	Balance at end of year. Subtract line 8 from line 5	91,972
5	Add lines 1 through 4	91,972			

Form **1125-A**

Cost of Goods Sold

(Rev. November 2018)
 Department of the Treasury
 Internal Revenue Service

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.
 ▶ Go to www.irs.gov/Form1125A for the latest information.

OMB No. 1545-0123

Name

AQUA POOLS CONSTRUCTION LLC

Employer identification number

87-4814893

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	203,264
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) See Statement 5	5	803,489
6	Total. Add lines 1 through 5	6	1,006,753
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	1,006,753

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods

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

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO

9d

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

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

For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 11-2018)

Partner# 1

Schedule K-1
(Form 1065)

2022

Department of the Treasury
Internal Revenue Service

For calendar year 2022, or tax year

beginning 02/03/2022 ending 12/31/2022

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

See separate instructions.

Part I Information About the Partnership	
A Partnership's employer identification number	87-4814893
B Partnership's name, address, city, state, and ZIP code	AQUA POOLS CONSTRUCTION LLC 1681 S JEFFERSON AVE STE A COOKEVILLE TN 38506
C IRS Center where partnership filed return:	e-file
D Check if this is a publicly traded partnership (PTP)	
Part II Information About the Partner	
E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)	[REDACTED]
F Name, address, city, state, and ZIP code for partner entered in E. See instructions.	Christopher Uphold PO Box 2935 Cookeville TN 38502
G <input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member	
H1 <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner	
H2 If the partner is a disregarded entity (DE), enter the partner's TIN	
H2 Name	
I1 What type of entity is this partner?	Individual
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here	<input type="checkbox"/>
J Partner's share of profit, loss, and capital (see instructions):	
Profit	Beginning 51.000000 % Ending 51.000000 %
Loss	Beginning 51.000000 % Ending 51.000000 %
Capital	Beginning 51.000000 % Ending 51.000000 %
Check if decrease is due to sale or exchange of partnership interest <input type="checkbox"/>	
K Partner's share of liabilities:	
Nonrecourse	Beginning \$ Ending \$
Qualified nonrecourse financing	Beginning \$ Ending \$
Recourse	Beginning \$ Ending \$ 64,444
Check this box if item K includes liability amounts from lower tier partnerships <input type="checkbox"/>	
L Partner's Capital Account Analysis	
Beginning capital account	\$
Capital contributed during the year	\$ 93,025
Current year net income (loss)	\$ -15,837
Other increase (decrease) (attach explanation)	\$
Withdrawals & distributions	\$
Ending capital account	\$ 77,188
M Did the partner contribute property with a built-in gain (loss)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If "Yes," attach statement. See instructions.
N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)	
Beginning	\$
Ending	\$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	14	Self-employment earnings (loss)
	-15,837	A	-15,837
2	Net rental real estate income (loss)	C	61,976
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	N	Other information
10	Net section 1231 gain (loss)	Z*	STMT
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
22	More than one activity for at-risk purposes*		
23	More than one activity for passive activity purposes*		
*See attached statement for additional information.			
For IRS Use Only			

Partner# 2

Schedule K-1
(Form 1065)

2022

Department of the Treasury
Internal Revenue Service

For calendar year 2022, or tax year

beginning 02/03/2022 ending 12/31/2022

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

See separate instructions.

Part I Information About the Partnership															
A	Partnership's employer identification number 87-4814893														
B	Partnership's name, address, city, state, and ZIP code AQUA POOLS CONSTRUCTION LLC 1681 S JEFFERSON AVE STE A COOKEVILLE TN 38506														
C	IRS Center where partnership filed return: e-file														
D	Check if this is a publicly traded partnership (PTP):														
Part II Information About the Partner															
E	Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.) [REDACTED]														
F	Name, address, city, state, and ZIP code for partner entered in E. See instructions. James B Turnbow 1681 S Jefferson Ste A Cookeville TN 38502														
G	General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member <input checked="" type="checkbox"/>														
H1	Domestic partner <input checked="" type="checkbox"/> Foreign partner <input type="checkbox"/>														
H2	If the partner is a disregarded entity (DE), enter the partner's: TIN _____ Name _____														
I1	What type of entity is this partner? Individual														
I2	If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>														
J	Partner's share of profit, loss, and capital (see instructions):														
	<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>49.000000 %</td> <td>49.000000 %</td> </tr> <tr> <td>Loss</td> <td>49.000000 %</td> <td>49.000000 %</td> </tr> <tr> <td>Capital</td> <td>49.000000 %</td> <td>49.000000 %</td> </tr> </tbody> </table>		Beginning	Ending	Profit	49.000000 %	49.000000 %	Loss	49.000000 %	49.000000 %	Capital	49.000000 %	49.000000 %		
	Beginning	Ending													
Profit	49.000000 %	49.000000 %													
Loss	49.000000 %	49.000000 %													
Capital	49.000000 %	49.000000 %													
K	Check if decrease is due to sale or exchange of partnership interest <input type="checkbox"/>														
	<table border="1"> <thead> <tr> <th>Partner's share of liabilities</th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Nonrecourse \$</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Qualified nonrecourse financing \$</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Recourse \$</td> <td>\$</td> <td>61,916</td> </tr> </tbody> </table>	Partner's share of liabilities	Beginning	Ending	Nonrecourse \$	\$	\$	Qualified nonrecourse financing \$	\$	\$	Recourse \$	\$	61,916		
Partner's share of liabilities	Beginning	Ending													
Nonrecourse \$	\$	\$													
Qualified nonrecourse financing \$	\$	\$													
Recourse \$	\$	61,916													
L	Check this box if item K includes liability amounts from lower tier partnerships <input type="checkbox"/>														
	<table border="1"> <thead> <tr> <th colspan="2">Partner's Capital Account Analysis</th> </tr> </thead> <tbody> <tr> <td>Beginning capital account</td> <td>\$ _____</td> </tr> <tr> <td>Capital contributed during the year</td> <td>\$ 30,000</td> </tr> <tr> <td>Current year net income (loss)</td> <td>\$ -15,216</td> </tr> <tr> <td>Other increase (decrease) (attach explanation)</td> <td>\$ _____</td> </tr> <tr> <td>Withdrawals & distributions</td> <td>\$ (_____)</td> </tr> <tr> <td>Ending capital account</td> <td>\$ 14,784</td> </tr> </tbody> </table>	Partner's Capital Account Analysis		Beginning capital account	\$ _____	Capital contributed during the year	\$ 30,000	Current year net income (loss)	\$ -15,216	Other increase (decrease) (attach explanation)	\$ _____	Withdrawals & distributions	\$ (_____)	Ending capital account	\$ 14,784
Partner's Capital Account Analysis															
Beginning capital account	\$ _____														
Capital contributed during the year	\$ 30,000														
Current year net income (loss)	\$ -15,216														
Other increase (decrease) (attach explanation)	\$ _____														
Withdrawals & distributions	\$ (_____)														
Ending capital account	\$ 14,784														
M	Did the partner contribute property with a built-in gain (loss)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach statement. See instructions.														
N	Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss) Beginning \$ _____ Ending \$ _____														

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss) -15,216	14	Self-employment earnings (loss) A -15,216
2	Net rental real estate income (loss)	C	59,546
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)	20	Other information
9c	Unrecaptured section 1250 gain	N	STMT
10	Net section 1231 gain (loss)	Z*	STMT
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
22	More than one activity for at-risk purposes*		
23	More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

Filing Status [] Single [X] Married filing jointly [] Married filing separately (MFS) [] Head of household (HOH) [] Qualifying surviving spouse (QSS)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Form fields for personal information: Your first name and middle initial (CHRISTOPHER R), Last name (UPHOLD), Your social security number, Spouse's social security number (MELISSA A, HOYLE), Home address (PO BOX 2935), City (COOKEVILLE), State (TN), ZIP code (38502), Foreign country name, Foreign province/state/county, Foreign postal code, Presidential Election Campaign (You/Spouse).

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) [] Yes [X] No

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

Age/Blindness You: [] Were born before January 2, 1958 [] Are blind Spouse: [] Was born before January 2, 1958 [] Is blind

Table for Dependents with columns: (1) First name, Last name, (2) Social security number, (3) Relationship to you, (4) Check the box if qualifies for (Child tax credit, Credit for other dependents). Includes entries for Daughter and Son.

Main income table with columns: Description, Amount. Rows include Total amount from Form(s) W-2 (624,494), Tax-exempt interest (2a), Taxable interest (2b), Qualified dividends (3a), Ordinary dividends (3b), IRA distributions (4a), Pensions and annuities (5a), Social security benefits (6a), Capital gain or (loss) (7), Other income from Schedule 1 (8), Total income (9), Adjustments to income (10), Adjusted gross income (11), Standard deduction (12), Taxable income (15).

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$12,950
• Married filing jointly or Qualifying surviving spouse, \$25,900
• Head of household, \$19,400
• If you checked any box under Standard Deduction, see instructions.

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	195,692.
	17	Amount from Schedule 2, line 3	17	
	18	Add lines 16 and 17	18	195,692.
	19	Child tax credit or credit for other dependents from Schedule 8812	19	
	20	Amount from Schedule 3, line 8	20	
	21	Add lines 19 and 20	21	
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	195,692.
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	26,618.
	24	Add lines 22 and 23. This is your total tax	24	222,310.

Payments	25	Federal income tax withheld from:		
	a	Form(s) W-2	25a	139,280.
	b	Form(s) 1099	25b	
	c	Other forms (see instructions)	25c	4,005.
	d	Add lines 25a through 25c	25d	143,285.
	26	2022 estimated tax payments and amount applied from 2021 return	26	
	27	Earned income credit (EIC)	27	
	28	Additional child tax credit from Schedule 8812	28	
	29	American opportunity credit from Form 8863, line 8	29	
	30	Reserved for future use	30	
	31	Amount from Schedule 3, line 15	31	
	32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
	33	Add lines 25d, 26, and 32. These are your total payments	33	143,285.

Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34																	
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a																	
Direct deposit? See instructions.	b	Routing number <table border="1"><tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr></table> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	X	X	X	X	X	X	X	X	X	X								
X	X	X	X	X	X	X	X	X	X											
	d	Account number <table border="1"><tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr></table>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					
	36	Amount of line 34 you want applied to your 2023 estimated tax	36																	

Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	79,025.
	38	Estimated tax penalty (see instructions)	38	

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

Designee's name **RANDEL WALLACE CPA** Phone no. **(931) 372-1711** Personal identification number (PIN)

0	2	2	2	0
---	---	---	---	---

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

Your signature	Date	Your occupation APPRAISER	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>						
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation SALES	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>						
Phone no.	Email address								

Paid Preparer Use Only

Preparer's name RANDEL WALLACE CPA	Preparer's signature RANDEL WALLACE CPA	Date 09/07/2023	PTIN P00503355	Check if: <input checked="" type="checkbox"/> Self-employed
Firm's name Wallace & Associates, CPAs	Phone no. (931) 372-1711			
Firm's address 209 N JEFFERSON AVE COOKEVILLE TN 38501	Firm's EIN 20-4165105			

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial CHRISTOPHER R	Last name UPHOLD	Your social security number
If joint return, spouse's first name and middle initial MELISSA A	Last name HOYLE	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions. PO BOX 2935		Apt. no.
City, town, or post office. If you have a foreign address, also complete spaces below. COOKEVILLE		State TN
		ZIP code 38502
Foreign country name	Foreign province/state/county	Foreign postal code

Presidential Election Campaign
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
 You Spouse

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

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

Age/Blindness You: Were born before January 2, 1957 Are blind **Spouse:** Was born before January 2, 1957 Is blind

	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>				Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

	1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	647,142.
Attach Sch. B if required.	2a	Tax-exempt interest	2a	2b	124.
	3a	Qualified dividends	3a	3b	
	4a	IRA distributions	4a	4b	
	5a	Pensions and annuities	5a	5b	
	6a	Social security benefits	6a	6b	
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>		7	
	8	Other income from Schedule 1, line 10		8	166,178.
	9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶		9	813,444.
	10	Adjustments to income from Schedule 1, line 26		10	29,079.
	11	Subtract line 10 from line 9. This is your adjusted gross income ▶		11	784,365.
Standard Deduction for— • Single or Married filing separately, \$12,550 • Married filing jointly or Qualifying widow(er), \$25,100 • Head of household, \$18,800 • If you checked any box under <i>Standard Deduction</i> , see instructions.	12a	Standard deduction or itemized deductions (from Schedule A)	12a	12a	35,592.
	b	Charitable contributions if you take the standard deduction (see instructions)	12b		
	c	Add lines 12a and 12b		12c	35,592.
	13	Qualified business income deduction from Form 8995 or Form 8995-A		13	15,490.
	14	Add lines 12c and 13		14	51,082.
	15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-		15	733,283.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial CHRISTOPHER R		Last name UPHOLD		Your social security number	
If joint return, spouse's first name and middle initial MELISSA A		Last name HOYLE		Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions. PO BOX 2935				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below. COOKEVILLE			State TN	ZIP code 38502	
Foreign country name		Foreign province/state/county		Foreign postal code	

Presidential Election Campaign
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
 You Spouse

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

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

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

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions):	
					Child tax credit	Credit for other dependents
				Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required. Standard Deduction for— • Single or Married filing separately, \$12,400 • Married filing jointly or Qualifying widow(er), \$24,800 • Head of household, \$18,650 • If you checked any box under Standard Deduction, see instructions.	1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	482,625.
	2a	Tax-exempt interest	2a	
	3a	Qualified dividends	3a	
	4a	IRA distributions	4a	
	5a	Pensions and annuities	5a	
	6a	Social security benefits	6a	
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7	
	8	Other income from Schedule 1, line 9	8	179,789.
	9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶	9	662,414.
	10	Adjustments to income:		
	a	From Schedule 1, line 22	10a	28,945.
	b	Charitable contributions if you take the standard deduction. See instructions	10b	
	c	Add lines 10a and 10b. These are your total adjustments to income ▶	10c	28,945.
	11	Subtract line 10c from line 9. This is your adjusted gross income ▶	11	633,469.
	12	Standard deduction or itemized deductions (from Schedule A)	12	26,201.
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	13,230.	
14	Add lines 12 and 13	14	39,431.	
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	594,038.	

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying surviving spouse (QSS)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Your first name and middle initial James	Last name Turnbow	Your social security number
If joint return, spouse's first name and middle initial Christina	Last name Turnbow	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions. 2544 Nova Circle		Apt. no.
City, town, or post office. If you have a foreign address, also complete spaces below. Cookeville		State TN
Foreign country name		ZIP code 38501
Foreign province/state/county		Foreign postal code
<input type="checkbox"/> You <input type="checkbox"/> Spouse		

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) Yes No

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

Age/Blindness **You:** Were born before January 2, 1958 Are blind **Spouse:** Was born before January 2, 1958 Is blind

	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):	Child tax credit	Credit for other dependents
If more than four dependents, see instructions and check here <input type="checkbox"/>				Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
				Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				Son	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Description	Code	Amount
	1a Total amount from Form(s) W-2, box 1 (see instructions)	1a	55,850.
	b Household employee wages not reported on Form(s) W-2.	1b	
	c Tip income not reported on line 1a (see instructions)	1c	
	d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
	e Taxable dependent care benefits from Form 2441, line 26.	1e	
	f Employer-provided adoption benefits from Form 8839, line 29	1f	
	g Wages from Form 8919, line 6	1g	
	h Other earned income (see instructions).	1h	
	i Nontaxable combat pay election (see instructions) 1i		
	z Add lines 1a through 1h	1z	55,850.
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	2a Tax-exempt interest	2a	
	3a Qualified dividends	3a	116.
	4a IRA distributions	4a	
	5a Pensions and annuities	5a	
	6a Social security benefits	6a	
	c If you elect to use the lump-sum election method, check here (see instructions). <input type="checkbox"/>		
	7 Capital gain or (loss). Attach Schedule D if required. If not required, check here. <input type="checkbox"/>	7	-3,000.
	8 Other income from Schedule 1, line 10	8	75,241.
	9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	128,237.
	10 Adjustments to income from Schedule 1, line 26	10	6,784.
	11 Subtract line 10 from line 9. This is your adjusted gross income	11	121,453.
	12 Standard deduction or itemized deductions (from Schedule A)	12	25,900.
	13 Qualified business income deduction from Form 8995 or Form 8995-A	13	13,798.
	14 Add lines 12 and 13	14	39,698.
	15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	81,755.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	9,384.
	17	Amount from Schedule 2, line 3	17	
	18	Add lines 16 and 17	18	9,384.
	19	Child tax credit or credit for other dependents from Schedule 8812	19	3,000.
	20	Amount from Schedule 3, line 8	20	270.
	21	Add lines 19 and 20	21	3,270.
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	6,114.
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	10,631.
24	Add lines 22 and 23. This is your total tax	24	16,745.	

Payments	25	Federal income tax withheld from:			25d	130.
	a	Form(s) W-2	25a	130.		
	b	Form(s) 1099	25b			
	c	Other forms (see instructions)	25c			
	d	Add lines 25a through 25c			25d	130.
	26	2022 estimated tax payments and amount applied from 2021 return			26	
	27	Earned income credit (EIC) NO	27			
	28	Additional child tax credit from Schedule 8812	28			
	29	American opportunity credit from Form 8863, line 8	29	180.		
	30	Reserved for future use	30			
31	Amount from Schedule 3, line 15	31				
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	180.			
33	Add lines 25d, 26, and 32. These are your total payments	33	310.			

If you have a qualifying child, attach Sch. EIC.

Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	0.
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	0.
	b	Routing number XXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number XXXXXX		
	36	Amount of line 34 you want applied to your 2023 estimated tax	36	

Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions.	37	16,954.
	38	Estimated tax penalty (see instructions)	38	519.

Third Party Designee Do you want to allow another person to discuss this return with the IRS? **Yes**. Complete below. **No**

See instructions

Designee's name **STEVEN FARRIS** Phone no. **931-260-3996** Personal identification number (PIN) **03996**

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

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

Paid Preparer Use Only

Preparer's name STEVEN FARRIS	Preparer's signature	Date	PTIN P01390019	Check if: <input checked="" type="checkbox"/> Self-employed
Firm's name Steven Farris	Firm's address 1192 Buffalo Valley Rd, Baxter, TN, 38544		Phone no. (931)260-3996	Firm's EIN

Filing Status [] Single [X] Married filing jointly [] Married filing separately (MFS) [] Head of household (HOH) [] Qualifying widow(er) (QW)

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

Your first name and middle initial: James Turnbow. Last name: Turnbow. Your social security number: [REDACTED]. Spouse's social security number: [REDACTED]. Home address: 2544 Nova Circle, Cookeville, TN 38501.

At any time during 2021, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? [] Yes [X] No

Standard Deduction [] Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: [] Were born before January 2, 1957 [] Are blind Spouse: [] Was born before January 2, 1957 [] Is blind

Table with 4 columns: (1) First name, Last name, (2) Social security number, (3) Relationship to you, (4) Check if qualifies for (Child tax credit, Credit for other dependents). Includes entries for Daughter, Son, and Son.

Main tax calculation table with 15 rows. Includes sections for Attach Sch. B, Standard Deduction for, and Taxable income. Total taxable income: 75,414.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	8,635.
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	8,635.
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,000.
20	Amount from Schedule 3, line 8	20	1,324.
21	Add lines 19 and 20	21	2,324.
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	6,311.
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	9,154.
24	Add lines 22 and 23. This is your total tax	24	15,465.
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	106.
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	106.
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC). Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions	27a	NO
b	Nontaxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	1,500.
29	American opportunity credit from Form 8863, line 8	29	882.
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	2,382.
33	Add lines 25d, 26, and 32. These are your total payments	33	2,488.
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	0.
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here	35a	0.
b	Routing number XXXXXX	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number XXXXXX		
36	Amount of line 34 you want applied to your 2022 estimated tax	36	
37	Amount you owe. Subtract line 33 from line 24. For details on how to pay, see instructions	37	13,054.
38	Estimated tax penalty (see instructions)	38	77.

Refund

Direct deposit? See instructions.

Amount You Owe

Third Party Designee

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

Designee's name **STEVEN FARRIS** Phone no. **931-260-3996** Personal identification number (PIN) **03996**

Sign Here

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

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

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

Paid Preparer Use Only

Preparer's name **STEVEN FARRIS** Preparer's signature Date PTIN **P01390019** Check if: Self-employed
Firm's name **Steven Farris** Phone no. **(931) 260-3996**
Firm's address **1265 Pimlico Dr, Cookeville, TN, 38506** Firm's EIN

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

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

Your first name and middle initial: **James** Last name: **Turnbow** Your social security number: [REDACTED]

If joint return, spouse's first name and middle initial: **Christina** Last name: **Turnbow** Spouse's social security number: [REDACTED]

Home address (number and street). If you have a P.O. box, see instructions. **141 Phillips Bend Ct** Apt. no. [REDACTED] Presidential Election Campaign

City, town, or post office. If you have a foreign address, also complete spaces below. **Cookeville** State: **TN** ZIP code: **38506** Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

Foreign country name: [REDACTED] Foreign province/state/country: [REDACTED] Foreign postal code: [REDACTED] You Spouse

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

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

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

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

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	55,304.
2a	Tax-exempt interest	2a	2b	44.
3a	Qualified dividends	3a	3b	252.
4a	IRA distributions	4a	4b	
5a	Pensions and annuities	5a	5b	
6a	Social security benefits	6a	6b	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here. ▶ <input type="checkbox"/>		7	-3,000.
8	Other income from Schedule 1, line 9		8	-39,440.
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		9	13,160.
10	Adjustments to income:			
a	From Schedule 1, line 22.	10a		7,644.
b	Charitable contributions if you take the standard deduction. See instructions.	10b		300.
c	Add lines 10a and 10b. These are your total adjustments to income		10c	7,944.
11	Subtract line 10c from line 9. This is your adjusted gross income		11	5,216.
12	Standard deduction or itemized deductions (from Schedule A)		12	24,800.
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A		13	
14	Add lines 12 and 13		14	24,800.
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-		15	0.

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	0.
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	0.
19	Child tax credit or credit for other dependents	19	
20	Amount from Schedule 3, line 7	20	
21	Add lines 19 and 20	21	0.
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	0.
23	Other taxes, including self-employment tax, from Schedule 2, line 10	23	9,454.
24	Add lines 22 and 23. This is your total tax	24	9,454.
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	48.
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	48.
26	2020 estimated tax payments and amount applied from 2019 return	26	
27	Earned income credit (EIC) NO	27	
28	Additional child tax credit. Attach Schedule 8812	28	1,400.
29	American opportunity credit from Form 8863, line 8	29	1,710.
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 13	31	2,380.
32	Add lines 27 through 31. These are your total other payments and refundable credits	32	5,490.
33	Add lines 25d, 26, and 32. These are your total payments	33	5,538.
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	0.
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here	35a	0.
b	Routing number XXXXXX	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number XXXXXX		
36	Amount of line 34 you want applied to your 2021 estimated tax	36	
37	Subtract line 33 from line 24. This is the amount you owe now	37	3,977.
38	Estimated tax penalty (see instructions)	38	61.

Refund

Direct deposit? See instructions.

Amount You Owe

For details on how to pay, see instructions.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? Yes. Complete below. No

Designee's name **STEVEN FARRIS** Phone no. **931-260-3996** Personal identification number (PIN) **03996**

Sign Here

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

Your signature Spouse's signature. If a joint return, both must sign.	Date	Your occupation Insurance Sales Spouse's occupation Employee	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
--	------	---	--

Paid Preparer Use Only

Preparer's name STEVEN FARRIS	Preparer's signature	Date	PTIN P01390019	Check if: <input checked="" type="checkbox"/> Self-employed
Firm's name STEVEN R FARRIS	Firm's address 1265 PIMLICO DRIVE, COOKEVILLE, TN, 38506		Phone no. (931) 260-3996	Firm's EIN

U.S. Return of Partnership Income

Department of the Treasury
Internal Revenue Service

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

2022

Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity REAL ESTATE	Type or Print	Name of partnership APPRAISAL SOLUTIONS LLC	D Employer identification number 26-3154420
B Principal product or service APPRAISALS		Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 2935	E Date business started 08/12/2008
C Business code number 531390		City or town, state or province, country, and ZIP or foreign postal code COOKEVILLE TN 38502	F Total assets (see instructions) \$ 31,815.

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

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

Income	1a Gross receipts or sales	1a	491,183.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 491,183.
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3 491,183.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6
7 Other income (loss) (attach statement)			7	
8 Total income (loss). Combine lines 3 through 7			8 491,183.	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9 66,309.
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11
	12 Bad debts			12
	13 Rent			13 9,676.
	14 Taxes and licenses			14 7,825.
	15 Interest (see instructions)			15
	16a Depreciation (if required, attach Form 4562)	16a	0.	
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c 0.
	17 Depletion (Do not deduct oil and gas depletion.)			17
	18 Retirement plans, etc.			18
19 Employee benefit programs			19	
20 Other deductions (attach statement) <i>See Stmt.</i>			20 95,654.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21 179,464.	
22 Ordinary business income (loss). Subtract line 21 from line 8			22 311,719.	
Tax and Payment	23 Interest due under the look-back method—completed long-term contracts (attach Form 8697)			23
	24 Interest due under the look-back method—income forecast method (attach Form 8866)			24
	25 BBA AAR imputed underpayment (see instructions)			25
	26 Other taxes (see instructions)			26
	27 Total balance due. Add lines 23 through 26			27
	28 Payment (see instructions)			28
	29 Amount owed. If line 28 is smaller than line 27, enter amount owed			29
	30 Overpayment. If line 28 is larger than line 27, enter overpayment			30 0.

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

Signature of partner or limited liability company member _____ Date _____

May the IRS discuss this return with the preparer shown below?
See instructions. **Yes** **No**

Paid Preparer Use Only	Print/Type preparer's name RANDEL WALLACE CPA	Preparer's signature RANDEL WALLACE CPA	Date 04/06/2023	Check <input checked="" type="checkbox"/> if self-employed	PTIN P00503355
	Firm's name Wallace & Associates, CPAs	Firm's EIN 20-4165105			
	Firm's address 209 N JEFFERSON AVE COOKEVILLE, TN 38501	Phone no. (931) 372-1711			

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No	
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership					
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership					
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other:					
2 At the end of the tax year:						
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership					X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X		
3 At the end of the tax year, did the partnership:						
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below					X	
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock			
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below					X	
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		
4 Does the partnership satisfy all four of the following conditions?				Yes	No	
a The partnership's total receipts for the tax year were less than \$250,000.						
b The partnership's total assets at the end of the tax year were less than \$1 million.						
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.						
d The partnership is not filing and is not required to file Schedule M-3				X		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.						
5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?					X	
6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					X	
7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					X	
8 At any time during calendar year 2022, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country					X	
9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions					X	
10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.					X	
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions					X	
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions					X	

U.S. Return of Partnership Income

For calendar year 2021, or tax year beginning _____, 2021, ending _____, 20_____.

2021

▶ Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity REAL ESTATE	Type or Print	Name of partnership APPRAISAL SOLUTIONS LLC	D Employer identification number 26-3154420
B Principal product or service APPRAISALS		Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 2935	E Date business started 08/12/2008
C Business code number 531390		City or town, state or province, country, and ZIP or foreign postal code COOKEVILLE TN 38502	F Total assets (see instructions) \$ 32,203.

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

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

Income	1a Gross receipts or sales	1a	590,478.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 590,478.
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3 590,478.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6
7 Other income (loss) (attach statement)			7	
8 Total income (loss). Combine lines 3 through 7			8 590,478.	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9 61,961.
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11 1,216.
	12 Bad debts			12
	13 Rent			13 9,593.
	14 Taxes and licenses			14 6,210.
	15 Interest (see instructions)			15
	16a Depreciation (if required, attach Form 4562)	16a		
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c
	17 Depletion (Do not deduct oil and gas depletion.)			17
	18 Retirement plans, etc.			18
19 Employee benefit programs			19	
20 Other deductions (attach statement) See Stmt			20 156,943.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21 235,923.	
22 Ordinary business income (loss). Subtract line 21 from line 8			22 354,555.	
Tax and Payment	23 Interest due under the look-back method—completed long-term contracts (attach Form 8697)			23
	24 Interest due under the look-back method—income forecast method (attach Form 8866)			24
	25 BBA AAR imputed underpayment (see instructions)			25
	26 Other taxes (see instructions)			26
	27 Total balance due. Add lines 23 through 26			27
	28 Payment (see instructions)			28
	29 Amount owed. If line 28 is smaller than line 27, enter amount owed			29
	30 Overpayment. If line 28 is larger than line 27, enter overpayment			30 0.

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

Signature of partner or limited liability company member _____ Date _____

May the IRS discuss this return with the preparer shown below? See instructions. **Yes** **No**

Paid Preparer Use Only	Print/Type preparer's name RANDEL WALLACE CPA	Preparer's signature RANDEL WALLACE CPA	Date 02/17/2022	Check <input checked="" type="checkbox"/> if self-employed	PTIN P00503355
	Firm's name ▶ Wallace & Associates, CPAs	Firm's EIN ▶ 20-4165105			
	Firm's address ▶ 209 N JEFFERSON AVE COOKEVILLE, TN 38501	Phone no. (931) 372-1711			

Schedule B Other Information

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

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

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

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

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

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

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

5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?		
		X

6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
		X

7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		
		X

8 At any time during calendar year 2021, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶		
		X

9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		
		X

10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		
		X

b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		
		X

Audit Summary: Financial Overview 2023

1. Accounts Payable:

- A substantial increase of \$582,322 in accounts payable was observed, reaching \$937,051. This rise suggests a higher volume of financial commitments at year end.

2. Due From Other Governments:

- An increase of \$248,381, for a total of \$762,811. This is directly related to an increase in receivables from CRDC to UCDD for the housing programs.

3. Grants Receivable:

- Despite a decrease of \$51,410, grants receivable remained significant at \$1,663,069.

4. Certificates of Deposit (CDs):

- UCDD investments in certificate of deposits increased by \$9,414 for a total of \$149,351.

5. Cash & Cash Equivalents:

- During fiscal year 22-23 cash and cash equivalents trended in a positive direction with an increase at year end of \$58,570 from \$2,391,699 in 2022 to \$2,450,269 in year end 2023. This growth reflects the agency's ability to meet short-term financial obligations.

6. Loans Receivable:

- Loans receivable demonstrated significant growth, increasing by \$406,634 from \$6,639,958 in 2022 to a total loan receivable of \$7,046,592 at the end of 2023.

7. Fund Balances:

• Unassigned Fund Balance:

1. Increased by \$3,956 to \$4,176,794 at June 30, 2023.

• Restricted Fund Balance for Revolving Loan Funds:

1. Experienced a notable increase of \$432,674 for a total of \$8,575,009 at year end. This growth reflects effective management of the funds earmarked for the EDA revolving loan funds.

**UPPER CUMBERLAND DEVELOPMENT
DISTRICT**

Cookeville, Tennessee

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2023

DRAFT

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

TABLE OF CONTENTS

DRAFT

Page

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

iii-v

MANAGEMENT'S DISCUSSION AND ANALYSIS

vi-x

ROSTER OF MANAGEMENT AND BOARD MEMBERS

xi

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

Statement of Net Position

1-2

Statement of Activities

3

FUND FINANCIAL STATEMENTS

Governmental Funds

Balance Sheet

4

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

5

Statement of Revenues, Expenditures and Changes in Fund Balances

6

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

7

Fiduciary Fund

Statement of Fiduciary Net Position

8

Statement of Changes in Fiduciary Net Position

9

Component Units

Statement of Net Position

10

Statement of Activities

11

NOTES TO BASIC FINANCIAL STATEMENTS

12-25

TABLE OF CONTENTS

DRAFT

Page

OTHER SUPPLEMENTARY INFORMATION

Schedule of Administrative Costs	27
Schedule of General and Long-Term Debt Requirements	28-29
Schedule of Changes in Long-Term Debt by Individual Issue	30

INTERNAL CONTROL AND COMPLIANCE SECTION

Schedules of Expenditures of Federal and State Awards	31-37
Notes to Schedule of Expenditures of Federal and State Awards	38
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 <i>Government Auditing Standards</i>	39-40
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance With the Uniform Guidance	41-43
Schedule of Findings and Questioned Costs	44

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of the
Upper Cumberland Development District**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the aggregate discretely presented component units of the Upper Cumberland Development District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate discretely presented component units of Upper Cumberland Development District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vi through x be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of administrative costs, schedule of general and long-term debt requirements, schedule of changes in long-term debt by individual issue, and schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the District's basic 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 basic financial statements. The 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 schedule of administrative costs, schedule of general and long-term debt requirements, schedule of changes in long-term debt by individual issue and the schedules of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of management and board members but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the District'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 the District'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 the District's internal control over financial reporting and compliance.

December 21, 2023
Chattanooga, Tennessee

This section of Upper Cumberland Development District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes following this section.

OVERVIEW OF FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: government wide financial statements; fund financial statements; and notes to the financial statements. The District also includes in this report additional information to supplement the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are the statement of net position and the statement of activities. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by federal and state grants and charges for services.

The statement of net position presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. In addition, assets, liabilities and net position are reported for Cumberland Area Investment Corporation and Cumberland Regional Development Corporation, which are considered component units of the District.

The statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government services. Again, expenses and revenues of the component units are reported separately from the primary government's financial information.

Fund Financial Statements

Fund financial statements present financial information for governmental funds and fiduciary funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, change in current financial resources (revenues and expenditures), and current available resources. The statement of fiduciary net position provides information concerning assets held in trust by the District on behalf of Public Guardianship Program clients.

Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all governmental funds. A statement of fiduciary net position is presented for the District's agency fund. Fund financial statements provide more detailed information about the District's activities. Individual funds are established to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The government-wide financial statements and the fund financial statements provide different pictures of the

District. The government-wide financial statements provide an overall picture of the District's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets including capital assets are reported in the statement of net position. All liabilities, including principal outstanding on capital leases, and future employee benefits obligated but not paid by the District are reported in the statement of net position. Transactions between the different functions of the District, however, have been eliminated in order to avoid a duplication of the revenues and expenses. The fund financial statements provide a picture of the major funds and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities, such as capital lease obligations, are not included in the fund financial statements. To provide a link from the fund financial statements to the government-wide financial statements, reconciliation is provided from the fund financial statements to the government-wide financial statements.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. They provide explanation of the financial statements and provide more detailed data.

Other Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position increased \$427,384 during the fiscal year from a beginning balance of \$12,197,553 to \$12,624,937 at fiscal year-end.

	Total Primary Government	
	2023	2022
Current and other assets	\$13,731,231	\$13,028,407
Capital assets	<u>69,721</u>	<u>114,648</u>
Total assets	<u>13,800,952</u>	<u>13,143,055</u>
Current liabilities	1,118,665	809,570
Long-term liabilities	<u>53,289</u>	<u>82,665</u>
Total liabilities	<u>1,171,954</u>	<u>892,235</u>
Deferred inflows of resources	<u>4,061</u>	<u>53,267</u>

Net position		
Net investment in capital assets	16,432	31,983
Restricted for revolving and intermediate loan funds	8,575,009	8,142,335
Unrestricted	<u>4,033,496</u>	<u>4,023,235</u>
Total net position	<u>\$12,624,937</u>	<u>\$12,197,553</u>

Since the District continues to derive the vast majority of its funding from the State and Federal governments, and those funds appear to be stable at the present time, the overall financial outlook of the District can be categorized as “good.” Despite that fact, UCDD continues to seek and implement cost control measures as funding from these sources does not always increase on an annual basis in keeping up with the rate of inflation (i.e., labor, employee benefit, and other operating costs).

	Total Primary Government	
	<u>2023</u>	<u>2022</u>
Program Revenues		
Charges for services	\$ 3,655,486	\$ 3,240,579
Operating grants and contributions	7,728,269	7,659,472
General revenues		
In-kind revenue	8,850	-
Other general revenues	90	35,266
Interest	<u>6,739</u>	<u>-</u>
Total revenues	11,399,434	10,935,317
Program expenses		
General government	<u>10,972,050</u>	<u>10,321,809</u>
Increase (decrease) in net position	<u>\$ 427,384</u>	<u>\$ 613,508</u>

FINANCIAL ANALYSIS OF THE AGENCY’S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of expendable resources focus. This information is useful in assessing resources available at year-end. Governmental funds reported ending fund balance of \$12,751,803. Revenues exceeded expenditures by \$436,630. This was recorded to the fund balance as of June 30, 2023.

General Fund

The general fund is the chief operating fund of Upper Cumberland Development District. At the end of the current fiscal year, unreserved, undesignated, and reserved fund balance of the general fund was \$12,751,803 an increase of \$436,630 from the previous year of \$12,315,173.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Beginning balance was \$114,648, less current year depreciation of \$44,927, resulted in an ending balance of \$69,721. Additional information on the District's capital assets can be found in Note (4) on pages 18-19 of this report.

Debt Administration

Lease finance purchased vehicles represent the District's long-term debt. Additional information on the District's debt can be found in Note (5) on pages 19-22.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While the Upper Cumberland Development District is a governmental entity, it is not a unit of local government (i.e., city, county, etc.). Therefore, economic factors do not have the same direct impact upon UCDD's budgets and operations as they have on governmental bodies. UCDD does not have taxing power, nor does it levy fees or set rates, such as for utilities, which generate income in response to changing economic conditions. UCDD contracts primarily with the State of Tennessee and to a lesser degree the Federal government, to administer certain programs on their behalf. To the extent that economic factors affect the State and Federal Governments UCDD's contracts may be positively or negatively impacted.

On March 11, 2020 a global pandemic was declared in response to the rapid spread of the virus COVID-19. After the historic mobilization and response to the COVID-19 health emergency, a declaration to the end of the pandemic was officially released on May 11, 2023. The virus had a significant impact on local businesses and economic conditions, and resulted in unemployment rates increasing especially during the beginning of the pandemic. The unemployment rate as of April, 2021 was 15.9% versus 4.4% in June of 2019. These rates were significantly higher but were in line with state and national rates. Since that time unemployment has varied significantly. The latest data (October, 2023) shows a rate of 4.3% for the region. This is consistent with Tennessee and national rates of 3.6%. While unemployment rates were somewhat lower during 2023, the current rate is more typical compared to state and national rates. Economic activity measured by state sales tax collections has shown increases for the past 12 months. For the twelve months ending in October, 2023, the area's collections were 5% higher than the 12 months ending October, 2022. The lower performance is certainly related in large part to the declining government stimulus programs.

Bank deposit growth continues to exceed state and national rates.

Census data show population growth for the region is slightly lower than state and national trends while some counties such as Cumberland and Putnam are growing considerably faster than other counties. The region is becoming known as a good area for retirement and growth in the retirement-aged population. This trend is expected to continue. Anecdotal evidence indicates that many people have been moving to the area since 2020 to escape many problems of large metropolitan areas.

Census data also show that income levels, while still relatively low, are continuing to grow somewhat faster than state and national averages.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulation and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like additional information, contact the District's Executive Director at 1104 England Drive, Cookeville, TN 38501.

The Cumberland Area Investment Corporation and the Cumberland Regional Development Corporation issue separate audited financial statements. Copies of these financial statements may be obtained from the Upper Cumberland Development District at 1104 England Drive, Cookeville, TN 38501.

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
ROSTER OF MANAGEMENT AND BOARD MEMBERS
YEAR ENDED JUNE 30, 2023**

DRAFT

MANAGEMENT

Mark Farley	Executive Director
Tommy Lee	Deputy Director
Ginger Stout	Finance Director
Myra Walker	Director of Housing & Family Services
Holly Williams	Area Agency on Aging & Disability Director
Lewis Betterton	IT Director
Megan Choate	Director of Lending & Economic Development
Sherry Thurman	Administrative Services Director

BOARD OF DIRECTORS

Randy Heady, Jackson County	Chairman
Jeff Mason, Smith County	Vice Chair
Jimmy Johnson, Fentress County	Secretary
Raney Porter, Putnam County	Treasurer
Greg Mitchell, Cannon County	Andy Duggin, Cannon County
Roger Turney, Cannon County	Fred Howell, Cannon County
Dale Reagan, Clay County	Luke Collins, Clay County
Doug Young, Clay County	Allen Foster, Cumberland County
Emmett Sherrill, Cumberland County	R.J. Crawford, Cumberland County
Don Dowdey, Cumberland County	Ethan Hadley, Cumberland County
Matt Adcock, Dekalb County	Josh Miller, Dekalb County
Russell Bradshaw, Dekalb County	Pam Redmon, Dekalb County
Audrey Martin, Dekalb County	Suzanne Williams, Dekalb County
Jacob Rosenbaum, Fentress County	Harvey Stowers, Fentress County
Yvonne Gernt, Fentress County	Lloyd Williams, Jackson County
Troy York, Jackson County	Jerry Wilmore, Macon County
Steve Jones, Macon County	Kenneth Hollis, Macon County
Richard Thomas, Macon County	Steven Barlow, Overton County
Curtis Hayes, Overton County	Shannon Cantrell, Overton County
Stephen Bilbrey, Pickett County	Sam Gibson, Pickett County
Bruce Elder, Pickett County	John Martin, Putnam County
Lisa Chapman-Fowler, Putnam County	Mark Farley, Putnam County
Laurin Wheaton, Putnam County	Amy New, Putnam County
Stephen Babcock, Smith County	Joey Nixon, Smith County
John Potts, Smith County	Patrick Geho, Smith County
David Sullivan, Van Buren County	Alisa Farmer, Van Buren County
Stacy Mills, Van Buren County	Terry Bell, Warren County
Ryle Chastain, Warren County	Joel Akers, Warren County
Trent Prater, Warren County	Sue Anderson, Warren County
Marvin Lusk, Warren County	Don Alexander, Warren County
Jerry Lowery, White County	Ray Spivey, White County
Roger McCann, White County	Denny Wayne Robinson, White County
Senator Paul Bailey	Representative Cameron Sexton

UPPER CUMBERLAND DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

DRAFT

	Total Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents		
Available	\$ 2,450,269	\$ 89,493
Restricted	1,445,417	1,810,779
Certificates of deposit		
Available	149,351	-
Restricted	83,000	-
Accounts and other receivables	76,300	379,945
Due from other governments	762,811	-
Grants receivable	1,663,069	-
Prepays and other assets	54,422	21,927
Lease receivables	-	555,879
Loans receivable, net of allowance	7,046,592	1,350,946
Land	-	820,766
Other capital assets, net of accumulated depreciation	69,721	7,499,291
Total assets	\$ 13,800,952	\$ 12,529,026
LIABILITIES		
Line of credit	\$ -	\$ 83,000
Accounts payable and accrued expenditures	937,051	613,021
Due to other governments	38,316	-
Security deposit liability	-	32,212
Compensated absences	143,298	-
Prepaid revenue	-	18,927
Long-term liabilities		
Due within one year	31,295	274,073
Due in more than one year	21,994	4,786,346
Total liabilities	\$ 1,171,954	\$ 5,807,579
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leases	\$ -	\$ 553,758
Unearned grantor revenue	4,061	-
Total deferred inflows of resources	\$ 4,061	\$ 553,758

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

DRAFT

	<u>Total Governmental Activities</u>	<u>Component Units</u>
NET POSITION		
Net investment in capital assets	\$ 16,432	\$ 4,267,635
Restricted		
Restricted for revolving and intermediary loan funds	8,575,009	1,993,062
Contractually restricted deposits	-	125,614
Unrestricted	<u>4,033,496</u>	<u>(218,622)</u>
 Total net position	 <u>\$ 12,624,937</u>	 <u>\$ 6,167,689</u>

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

DRAFT

**Total
Governmental
Funds**

ASSETS

Cash and cash equivalents		
Available	\$	2,450,269
Restricted		1,445,417
Certificates of deposit		
Available		149,351
Restricted		83,000
Accounts receivable		76,300
Due from other governments		762,811
Grants receivable		1,663,069
Prepays and other assets		54,422
Loans receivable, net of allowance		<u>7,046,592</u>
Total assets	\$	<u><u>13,731,231</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCES**

Liabilities

Accounts payable		\$ 670,432
Accrued expenditures		266,619
Due to other governments		<u>38,316</u>
Total liabilities		<u>975,367</u>

Deferred inflows of resources

Unearned grantor revenue		<u>4,061</u>
--------------------------	--	--------------

Fund balances

Unassigned		4,176,794
Restricted for revolving loan funds		<u>8,575,009</u>
Total fund balances		<u>12,751,803</u>

Total liabilities, deferred inflows of resources, and fund balances		<u><u>\$ 13,731,231</u></u>
---	--	-----------------------------

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

DRAFT

Differences in amounts reported for governmental activities in the statement of net position on page 1:

Fund balances – total governmental funds \$12,751,803

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 are not reported in the funds. 69,721

Long-term liabilities, such as compensated absences and long-term lease obligations, are not due in the current period and, therefore, are not reported in the funds. (196,587)

\$12,624,937

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

DRAFT

	Total Governmental Funds
REVENUES	
Grantor contributions	\$ 7,728,269
Administration and cost pool agreement	1,878,263
Revenue from projects	1,144,266
Revenue from dues	230,884
Program income	155,106
Interest from revolving loans	246,967
In-kind revenue	8,850
Interest	6,739
Other revenue	90
	11,399,434
 EXPENDITURES	
Salaries	3,724,747
Fringe benefits	1,223,936
Professional fees	319,664
Travel	224,082
Communications	145,746
Financial assistance	190,024
Contracted services	767,174
Supplies	187,898
Payments to subcontractors	2,829,508
In-kind expenses	8,850
Occupancy	352,733
Indirect costs - administrative	830,030
Miscellaneous	124,632
Debt service	
Principal	29,376
Interest	4,404
	10,962,804
 EXCESS OF REVENUES OVER EXPENDITURES	 436,630
 NET CHANGE IN FUND BALANCE	 436,630
 FUND BALANCE	
Beginning	12,315,173
Ending	\$ 12,751,803

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023**

DRAFT

Differences in amounts reported for governmental activities in the statement of activities on page 3:

Net change in fund balances – total governmental funds	\$ 436,630
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on governmental capital assets are included in the statement of activities.	(44,927)
Long-term liabilities in the statement of net position include a liability for future lease payments. These are planned to be liquidated with future resources; therefore, the increase or decrease in the liability does not affect expenditures in the governmental funds.	29,376
The statement of net position include a liability for compensated absences. These are planned to be liquidated with future resources; therefore, the increase or decrease in the liability does not affect expenditures in the governmental funds.	<u>6,305</u>
	<u>\$ 427,384</u>

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
PUBLIC GUARDIAN FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

DRAFT

ASSETS

Cash and cash equivalents	\$ 1,219,664
Property and vehicles	<u>94,800</u>
Total assets	<u>\$ 1,314,464</u>

LIABILITIES AND NET POSITION

Liabilities	\$ -
Net position held in trust	<u>1,314,464</u>
Total liabilities and net position	<u>\$ 1,314,464</u>

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
PUBLIC GUARDIAN FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023**

DRAFT

ADDITIONS

Retirement benefits	\$ 971,406
Dividends and interest	116,827
Transfers	<u>1,657,541</u>
Total additions	<u>2,745,774</u>

DEDUCTIONS

Client expenses	1,254,768
Professional and legal	310,893
Conservator fees	83,584
Taxes	37,093
Transfers	971,353
Estates	<u>110,872</u>
Total deductions	<u>2,768,563</u>

DECREASE IN NET POSITION (22,789)

NET POSITION

Beginning	<u>1,337,253</u>
Ending	<u>\$ 1,314,464</u>

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

UPPER CUMBERLAND DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023

DRAFT

	Cumberland Area Investment Corporation	Cumberland Regional Development Corporation	Total
ASSETS			
Cash and cash equivalents			
Available	\$ 24,701	\$ 64,792	\$ 89,493
Restricted	1,658,763	152,016	1,810,779
Accounts and other receivables	842	379,103	379,945
Prepaid expenses	-	21,927	21,927
Lease receivables	555,879	-	555,879
Loans receivable, net of allowance	1,350,946	-	1,350,946
Land and other nondepreciable assets	-	820,766	820,766
Capital assets, net of accumulated depreciation	650,451	6,848,840	7,499,291
Total assets	\$ 4,241,582	\$ 8,287,444	\$ 12,529,026
LIABILITIES			
Line of credit	\$ -	\$ 83,000	\$ 83,000
Accounts payable and accrued expenditures	15,706	597,315	613,021
Security deposit liability	5,810	26,402	32,212
Prepaid revenue	16,167	2,760	18,927
Notes payable			
Due within one year	123,831	150,242	274,073
Due in more than one year	1,160,885	3,625,461	4,786,346
Total liabilities	\$ 1,322,399	\$ 4,485,180	\$ 5,807,579
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from leases	\$ 553,758	\$ -	\$ 553,758
NET POSITION			
Net investment in capital assets	\$ 373,732	\$ 3,893,903	\$ 4,267,635
Restricted for			
Intermediary relending loan funds	1,993,062	-	1,993,062
Contractually restricted deposits	-	125,614	125,614
Unrestricted	(1,369)	(217,253)	(218,622)
Total net position	\$ 2,365,425	\$ 3,802,264	\$ 6,167,689

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

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2023**

DRAFT

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Cumberland Area Investment Corporation	Cumberland Regional Development Corporation	Total
Cumberland Area Investment Corporation						
CAIC operations	\$ 133,823	\$ 128,061	\$ -	\$ (5,762)	\$ -	\$ (5,762)
Cumberland Regional Development Corporation						
CRDC operations	1,438,302	1,144,741	177,405	-	(116,156)	(116,156)
Total component units	<u>\$ 1,572,125</u>	<u>\$ 1,272,802</u>	<u>\$ 177,405</u>	<u>(5,762)</u>	<u>(116,156)</u>	<u>(121,918)</u>
GENERAL REVENUES						
Interest				4,935	-	4,935
Loss on disposition of capital assets				-	(163,104)	(163,104)
Other				2,909	18,459	21,368
Total general revenues				<u>7,844</u>	<u>(144,645)</u>	<u>(136,801)</u>
Change in net position				<u>2,082</u>	<u>(260,801)</u>	<u>(258,719)</u>
NET POSITION						
Beginning				<u>2,363,343</u>	<u>4,063,065</u>	<u>6,426,408</u>
Ending				<u>\$ 2,365,425</u>	<u>\$ 3,802,264</u>	<u>\$ 6,167,689</u>

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

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Upper Cumberland Development District (District) is a multi-funded quasi-governmental agency created in accordance with Chapter 241 of the Public Acts of 1965, known as the Development District Act. The District was established in 1969, and serves 14 counties in the Upper Cumberland area. The primary function of the District is to assist the local government agencies in economic development, including the areas of housing, assistance to the elderly, and community development planning. These programs are funded for the most part through federal grants, with matching assistance from the local and state levels.

The governing board consists of:

- County and City Mayors within the established region served by the agency,
- one State Senator and one State Representative whose districts lie wholly or in part within the established region served by the District,
- and one additional member from each county of the region, appointed by the County Mayor.

The accounting policies of the District conform to generally accepted accounting principles applicable to local governments. The more significant accounting policies of the District are summarized below.

Reporting entity

The accompanying financial statements include all funds of Upper Cumberland Development District (the primary government).

The discretely presented component units include organizations which are legally separate from the primary government. They are considered component units because a majority of their boards are appointed by the District or because there is a financial benefit/burden relationship with the District. Discretely presented component units are as follows:

Cumberland Area Investment Corporation (CAIC) - is a government-funded agency established in 1982 by the District as a separate entity to accept and administer federal loan programs. CAIC serves 14 counties in the Upper Cumberland area. The primary function of CAIC is to assist commercial development with its chief goal being the economic development of manufacturing and commercial business by providing long-term financing at available market rates from funds provided by government funding and administered by CAIC. This component unit operates as an enterprise fund.

Cumberland Regional Development Corporation (CRDC) - is a government-funded agency chartered as a Tennessee general corporation pursuant to Section 48-1201 of the Tennessee General Corporation Act. CRDC was established in 1996 and works with HUD, THDA, Federal Home Loan Bank and USDA Rural Development to create low cost affordable housing. CRDC currently has complexes in 12 counties throughout the State of Tennessee. This component unit operates as an enterprise fund.

CAIC and CRDC issue separate audited financial statements. Copies of these financial statements may be obtained from the Upper Cumberland Development District. CAIC and CRDC's fiscal year end is June 30.

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

The District presents government-wide as well as fund level financial statements with activities categorized as governmental. The government-wide statements of net position and activities have eliminated internal balances and transfers between the activities of the governmental funds, which were presented separately in the fund financial statements. Cash balances held by agency funds for governmental activities of the primary government are eliminated in the government-wide statement of net position and in the fund financial statements.

The government-wide statement of activities reflects both the gross and net cost of functional categories which are otherwise supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues are those directly associated with administering the District's programs. Operating and capital grants and contributions are limited to the funding of a specific operating expense or capital acquisition.

At the fund level, major funds are presented separately while non-major funds are combined into a single column. Major funds are determined based on their percentage of assets, liabilities, revenues or expenditures compared to the total of the same for all governmental funds, and on their percentage of the same for the total of all governmental and proprietary funds, as applicable. The general fund is reported as a major governmental fund.

Basis of accounting

The government-wide financial statements, consisting of the statement of net position and the statement of activities, are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liability is incurred. The government-wide financial statements report information on all of the non-fiduciary activities of the District as a whole.

The fund-level financial statements of the governmental funds consist of a general fund, use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual, which is defined as being both measurable, meaning that the amount of the transaction can be determined, and available, meaning collectible within the current period or soon enough thereafter (generally defined as within 60 days) to be used to pay liabilities of the current period. Those revenues susceptible to accrual are federal and state grants, other state funds, interest income and charges for services. Expenditures are generally recognized when the liability is incurred. Exceptions to this general rule include accumulated unpaid vacation and long-term lease obligations which are expected to be liquidated with future resources.

Since the governmental funds statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following the applicable fund statement which reconciles.

The fiduciary fund is custodial in nature, as it receives and disburses receipts for clients assigned to the Public Guardian program by the courts. The District's fiduciary fund is presented using the economic resources measurement focus and the accrual basis of accounting.

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting (continued)

The discretely-presented component units, CAIC and CRDC, use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when the liability is incurred.

Fund accounting

The accounts of the District are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government 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. Amounts reported in the fund financial statements as due to or due from other funds are eliminated upon preparation of the government-wide statement of net position. The various funds are grouped into fund types as follows:

Governmental Funds - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund, or those for which it is considered fiscally responsible to be accounted for in a separate fund.

Proprietary Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises and therefore funded primarily through user charges.

Fiduciary Fund - Trust and agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals in the Public Guardian program assigned by the courts.

Non-current governmental assets/liabilities - The District eliminates the presentation of account groups, but provides for these records to be maintained and incorporated into the governmental activities section of the government-wide financial statements.

Fund equity

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

Non-spendable – Fund balances are reported as non-spendable 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 either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund equity (continued)

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the District’s Board of Directors through the adoption of a resolution. The Board also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by Board action to be used for specific purposes, but are neither restricted or committed.

Unassigned – Fund balances are reported as unassigned when the residual amount does not meet any of the above criteria. The District reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

When both restricted and unrestricted amounts of fund balance are available for expenditure, it is the District’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District’s policy to use fund balances in the following order: committed, assigned, unassigned.

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 for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balances section above. All other net assets are reported as unrestricted.

Budget and budgetary control

The District does not have an annual appropriated budget. The grant documents, service contracts and program projections serve as the financial plans for budgetary purposes.

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 these estimates.

Receivables

Receivables are reported at the outstanding principal amount. The District uses the direct write-off method to account for bad debts, which produces no material differences from the allowance method. Individual accounts are written off when they are determined to be uncollectible.

Loans receivable and allowance for loan losses

Loans receivable are stated at unpaid principal balances, less an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management’s periodic evaluation of the adequacy of the allowance is based on the program’s past loan loss experience, known and other risks inherent to the portfolio, specific impaired loans, adverse situations that may affect the borrower’s ability to repay, estimated value of any underlying collateral and current economic conditions.

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans receivable and allowance for loan losses (continued)

Management considers a loan impaired when based on current information factors, it is probable that management will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history, value of collateral, and changes in employment of the borrower. Impairment is measured on a loan by loan basis by using the fair value of the collateral.

Capital assets

For the fund financial statements, capital assets of governmental funds are recorded as expenditures at the time of purchase. For governmental funds at the government-wide presentation, the District capitalizes long-lived assets with an original cost of \$5,000 or more over their estimated useful lives using the straight-line method. CAIC and CRDC capitalize long-lived assets with an original cost of \$5,000 or more over their estimated useful lives using the straight-line method. Such assets are recorded at cost.

Cash equivalents

For purposes of these financial statements, the District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Leasing activities

The District follows the provisions of GASB Statement No. 87, *Leases*. This standard enhances the relevance and consistency of information of the District's leasing activities. GASB 87 establishes requirements for lease accounting based on the principle that leases are long-term contracts that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange like transaction. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Change in accounting principle

On July 1, 2022, the District implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements* (SBITA). This standard provide guidance on the accounting and financial reporting for SBITAs for government end-users. GASB 96 established requirements for SBITA accounting based on the principle that SBITAs are a contract that conveys control of the right to use another party's information technology, alone or in a combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. A government is required to recognize the right of use subscription asset and a corresponding subscription liability. Since all of the District's SBITAs are short-term and cancelable by either party, the implementation of GASB 96 had no effect on the District's beginning net position or on current operations.

Deferred outflows/inflows of resources

GASB has defined deferred outflows of resources and deferred inflows of resources as follows:

Deferred outflows of resources – a consumption of net position by the government that is applicable to a future reporting period.

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred outflows/inflows of resources (continued)

Deferred inflows of resources – an acquisition of net position by the government that is applicable to a future reporting period.

As of June 30, 2023, the District did not have any deferred outflows of resources and had \$4,061 of deferred inflows of resources from unearned grantor revenue. CAIC had \$553,758 of deferred inflows of resources from leases as of June 30, 2023.

(2) CASH AND INVESTMENTS

The District reports its cash and investments under professional guidance designed to improve financial reporting of deposit and investment risks.

At June 30, 2023, the District's cash and investments consist of the following:

Checking accounts	\$ 3,895,686
Certificates of deposit	<u>232,351</u>
	<u>\$ 4,128,037</u>

Interest Rate Risk – As a means of limiting its exposure to losses resulting from rising interest rates, the District's usual policy is to invest in certificates of three years or less. The exposure to interest rate changes is presented using the weighted average maturity method. Its policy is to limit exposure to interest rate risk by requiring sufficient liquidity in the investment portfolio. The District's investments experienced no significant fluctuations in fair value during the year.

Custodial Credit Risk – The District's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. The deposits must be covered by federal deposit insurance or the Tennessee Bank Collateral Pool, by collateral held by the District's agent in the District's name, or by Federal Reserve Banks acting as third party agents. State statutes also authorize the types of investments in which the District may participate. The District's policy is to limit its investments to certificates of deposit and savings and money market accounts with local banks. The District could also invest with the State of Tennessee local government pooled investment fund, but has chosen not to do so.

Credit Risk – The District's policies are designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws.

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(3) LOANS RECEIVABLE

UCDD receives funding through Economic Development Agency grants and CAIC receives funding through Department of Agriculture loans to provide financing to local businesses in order to promote economic development and provide jobs in the 14 counties served.

Loans receivable at June 30, 2023, consisted of the following:

Governmental activities

Economic Development Administration loans	\$ 7,199,857
Less allowance for loan losses	<u>153,265</u>
	<u>\$ 7,046,592</u>

Component units

Farmers Home Administration loans	\$ 1,346,448
Rural Business Enterprise loans	52,106
Farm loans	<u>193,593</u>
	1,592,147
Less: allowance for loan losses	<u>241,201</u>
	<u>\$ 1,350,946</u>

(4) CAPITAL ASSETS

Governmental activities

A summary of changes in capital assets and accumulated depreciation for governmental activities is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and reclassifications</u>	<u>Ending</u>
Depreciable capital assets				
Vehicles	\$ 400,499	\$ -	\$ -	\$ 400,499
Equipment, furniture and fixtures	<u>179,832</u>	<u>-</u>	<u>-</u>	<u>179,832</u>
	<u>\$ 580,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,331</u>
Less accumulated depreciation				
Vehicles	\$ 289,385	\$ 41,393	\$ -	\$ 330,778
Equipment, furniture and fixtures	<u>176,298</u>	<u>3,534</u>	<u>-</u>	<u>179,832</u>
	<u>465,683</u>	<u>44,927</u>	<u>-</u>	<u>510,610</u>
Depreciable capital assets, net	<u>\$ 114,648</u>	<u>\$ (44,927)</u>	<u>\$ -</u>	<u>\$ 69,721</u>

Depreciation expense for governmental activities is charged to functions as follows:

General government	<u>\$ 44,927</u>
--------------------	------------------

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(4) CAPITAL ASSETS (continued)

Component units

A summary of changes in capital assets and accumulated depreciation for the CAIC and CRDC is as follows:

	Beginning	Additions	Dispositions and reclassifications	Ending
Non-depreciable capital assets				
Land	\$ 820,766	\$ -	\$ -	\$ 820,766
Construction in process	147,704	15,400	(163,104)	-
	<u>968,470</u>	<u>15,400</u>	<u>(163,104)</u>	<u>820,766</u>
Depreciable capital assets				
Building and improvements	\$ 9,604,381	\$ 266,465	\$ -	\$ 9,870,846
Vehicles	17,675	-	-	17,675
Equipment, furniture and fixtures	280,585	-	-	280,585
	<u>9,902,641</u>	<u>266,465</u>	<u>-</u>	<u>10,169,106</u>
Less accumulated depreciation				
Building and improvements	2,280,327	237,424	-	2,517,751
Vehicles	17,675	-	-	17,675
Equipment, furniture and fixtures	98,526	35,863	-	134,389
	<u>2,396,528</u>	<u>273,287</u>	<u>-</u>	<u>2,669,815</u>
Depreciable capital assets, net	<u>\$ 7,506,113</u>	<u>\$ (6,822)</u>	<u>\$ -</u>	<u>\$ 7,499,291</u>
Depreciation expense for the component units totaled				<u>\$ 273,287</u>

On June 1, 2023, CRDC renewed the operating lease for a portion of the building to the Upper Cumberland Development District under a one year lease expiring June 1, 2024. The lease requires monthly installments of \$16,300.

(5) LONG-TERM DEBT

Governmental activities

Debt for governmental activities reported in the government-wide statement of net position represents amounts not expected to be paid with expendable, available resources, and consists of the following:

Lease financed purchase of vehicles with Ford Motor Credit, payable in monthly installments of \$2,815, including interest at 6.35% through February 2025, secured by vehicles \$ 53,289

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(5) LONG-TERM DEBT (continued)

Future maturities are as follows:

	Gross Payment	Interest	Principal
For the year ending:			
June 30, 2024	\$ 33,778	\$ 2,483	\$ 31,295
2025	22,821	827	21,994
	\$ 56,599	\$ 3,310	\$ 53,289

A summary of changes in long-term debt for governmental activities is as follows:

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Lease finance purchase	\$ 82,665	\$ -	\$ (29,376)	\$ 53,289

Component units

Notes payable of CAIC and CRDC consist of the following:

Note to Farmers Home Administration Intermediary Relending Program, payable in annual installments of \$42,500, including interest at 1.0% due March 2025, secured by bank accounts	\$ 71,572
Note to Farmers Home Administration Intermediary Relending Program, payable in annual installments of \$22,250, including interest at 1.0% due September 2038, secured by bank accounts	469,320
Note to Farmers Home Administration Intermediary Relending Program, payable in annual installments of \$31,838, including interest at 1.0%, due June 2043, secured by bank accounts	467,105
Note to One Bank, payable in monthly installments of \$2,825, including interest at 4.75%, due July 2029, secured by building and improvements.	176,719
Note to One Bank, payable in monthly installments of \$1,552, including interest at 4.75%, due June 2030, secured by building and improvements.	100,000
Mortgage payable to Wilson Bank & Trust at a calculated payment of \$1,016 including principal and interest at a rate of 2.0%, through June 2030, then variable interest adjusted annually to a fixed rate calculated at New York Prime minus 3% with a floor of 1.85% through May 2045. The mortgage is collateralized by both Cookeville office buildings and guarantees of UCDD, CAIC and CRDC.	2,318,252

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) LONG-TERM DEBT (continued)

Component units (continued)

Mortgage payable to Wilson Bank & Trust at a calculated payment of \$5,268 including principal and interest at a rate of 3.98%, through June 2030, then payments of \$5,186 including principal and interest at a variable interest rate at New York Prime plus 0.50%, through May 2045. The mortgage is secured by all real estate and guarantees of UCDD, CAIC and CRDC.	\$ 923,355
Mortgage payable to Progressive Savings Bank at a calculated payment of \$1,272 including principal and interest at a rate of 4.5%, through July 2036. The mortgage is secured by all real estate and the assignment of rents and profits	128,748
Mortgage payable to the U.S. Department of Agriculture at a calculated payment of \$2,253 including principal and interest at a rate of 1%, through May 2038. The mortgage is secured by all real estate and the assignment of all rents and profits	374,421
Mortgage payable to the U.S. Department of Agriculture at a calculated payment of \$464, including principal and interest at a rate of 1%, through May 2038. The mortgage is secured by the assignment of all rents and profits	<u>77,091</u>
	5,106,583
Less unamortized deferred financing costs	<u>46,164</u>
	<u>\$ 5,060,419</u>

Future maturities are as follows:

		Gross Payment	Interest	Principal
Year ending June 30,	2024	\$ 390,862	\$ 116,789	\$ 274,073
	2025	378,547	110,494	268,053
	2026	348,414	103,820	244,594
	2027	348,415	97,194	251,221
	2028	348,406	90,305	258,101
	2029-2033	1,648,513	630,327	1,018,186
	2034-2038	1,603,367	644,602	958,765
	2039-2043	1,221,715	489,546	732,169
	2044-2047	<u>1,248,766</u>	<u>147,345</u>	<u>1,101,421</u>
		<u>\$ 7,537,005</u>	<u>\$ 2,430,422</u>	<u>\$ 5,106,583</u>

UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) LONG-TERM DEBT (continued)
Component units (continued)

A summary of changes in long-term debt for component units is as follows:

	<u>Beginning</u>	<u>Adjustments and additions</u>	<u>Adjustments and retirements</u>	<u>Ending</u>
Notes payable	\$ 5,077,857	\$ 302,349	\$ (273,623)	\$ 5,106,583
Notes payable, net of deferred financing costs				
Due within one year				\$ 274,073
Due within more than one year				<u>4,786,346</u>
				<u>\$ 5,060,419</u>

Deferred financing costs as of June 30, 2023, are as follows:

Deferred financing costs	\$ 52,857
Less accumulated amortization	<u>6,693</u>
Deferred financing costs, net	<u>\$ 46,164</u>

Amortization included in interest expense for the year ended June 30, 2023, was \$2,114. Estimated amortization expense for the next five fiscal years are as follows:

Year ending June 30, 2024	\$ 2,114
2025	2,114
2026	2,114
2027	2,114
2028	2,114
Thereafter	<u>35,594</u>
	<u>\$ 46,164</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(6) LINE OF CREDIT

Component units

CRDC maintains a line of credit with First National Bank of Tennessee. The line provides for borrowings of up to \$200,000 including interest, and maturing December 2023. The line is secured by UCDD CD's. As of June 30, 2023, there was an outstanding balance of \$83,000 on this line.

A summary of changes in line of credit is as follows:

	Beginning	Adjustments and additions	Adjustments and retirements	Ending
Line of credit	\$ 90,000	\$ -	\$ (7,000)	\$ 83,000

(7) EMPLOYEE RETIREMENT PLAN

Primary government

The Upper Cumberland Development District Money Purchase Pension Plan is a defined contribution profit sharing plan established by the District to provide benefits at retirement age to full-time, permanent employees of the District. This plan is administered by trustees appointed by the Board of Directors. Participation in the plan is elective, subject to certain eligibility requirements. Each year the District makes a contribution to the plan equal to 7% of the compensation of all eligible participants plus an additional 3% for those who participate in the 457 Deferred Compensation Plan. Participants vest in employer contributions at 20% per year of service (1,000 hours) until fully vested at five years of service. Forfeitures are used first to pay administrative expenses and any remaining forfeitures are used to reduce District contributions. For the year ended June 30, 2023, District contributions were \$369,003. Plan provisions and contribution requirements are established and may be amended by the Upper Cumberland Development District Board of Directors.

(8) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, errors and omissions, damages to assets, and injuries to employees. It is the policy of the District to obtain insurance, including general liability, property, casualty, and workers' compensation, to manage these risks. The Agency has joined the Tennessee Municipal League Risk Management Pool (TML), whose membership allows the District to share liability, motor vehicle, and employee injury risks. Other risks are managed through the purchase of commercial insurance.

The TML Risk Management Pool is a governmental entity organized by Tennessee governmental entities as a not-for-profit corporation to provide liability and workers' compensation coverage to Tennessee governmental entities with an emphasis on risk management and controlling losses, as all costs are shared by the Pool member governmental entities.

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(8) RISK MANAGEMENT (continued)

The District has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year also settlements did not exceed insurance coverage for any of the past three fiscal years. The District is not aware of any claims, for which it is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2023. No provision has been made in the financial statements for the year ended June 30, 2023, for any estimate of potential unpaid claims.

(9) LITIGATION AND CLAIMS

District management is not aware of any litigation or claims that would be material to the District’s combined financial statements.

(10) COMPENSATED ABSENCES

The District has a policy of compensated annual vacation/personal leave based upon years of service. The leave is cumulative and vesting, to a maximum of 80 hours, and any unused leave is payable upon the employee’s termination, resignation, retirement, death, or request.

An estimated liability, in the amount of \$143,298, for unpaid vacation is recorded in the government-wide financial statements. None of the government activities liability is recorded in the fund financial statements, because any payments, even those which would be paid in the next twelve months, if susceptible to a reasonable estimate, are expected to be liquidated with future resources.

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Compensated absences	\$ 149,603	\$ -	\$ 6,305	\$ 143,298

(11) LEASE REVENUE

Component Units

On February 26, 2020, CAIC entered into a long-term rental agreement with Independent Opportunities, Inc. for the rental of 4,000 square feet of office space located at 1225 South Willow Avenue in Cookeville. The lease term is for 60 months requiring monthly installments of \$4,000 including interest at 3.05% through March 31, 2025. The lease is not renewable and Independent Opportunities, Inc. will not acquire the office space at the end of the 60 months. As of June 30, 2023, leases receivable totaled \$81,696.

On May 6, 2022, CAIC entered into a long-term rental agreement with Cedar Recovery of Middle Tennessee, LLC for the rental of 4,000 square feet of office space located at 1225 South Willow Avenue in Cookeville. The lease term is for 84 months requiring monthly installments of \$5,810 at 3.05% beginning June 1, 2023, and is subject to a 3% annual increase through May 31, 2030. The lease is not renewable and Cedar Recovery of Middle Tennessee, LLC will not acquire the office space at the end of the 60 months. As of June 30, 2023, lease receivable totaled \$474,183 from this lease.

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(11) LEASE REVENUE (continued)
Component Units (continued)

For the year ended June 30, 2023, CAIC received lease revenue from the rental of office space of \$51,132 and interest revenue from leases of \$4,326. Future payment due to CAIC are as follows:

	Total Receipts	Principal	Interest
For the year ended June 30, 2024	\$ 117,894	\$ 102,360	\$ 15,534
2025	107,991	95,622	12,369
2026	74,151	64,124	10,027
2027	76,375	68,363	8,012
2028	78,667	72,801	5,866
2029-2030	157,341	152,609	4,732
	\$ 612,419	\$ 555,879	\$ 56,540

(12) SHARED ADMINISTRATION AND COST POOL AGREEMENT

On August 21, 2018, the Upper Cumberland Development District and Upper Cumberland Human Resource Agency entered into a shared administration and cost pool agreement. Under this agreement the District and the Agency will share administrative, management and financial operations personnel and create a cost pool for shared operations. The District and the Agency will remain separate organizations in all respects, and shall retain and operate separate and distinct programs which will each remain an exclusive program of the respective entity, serving the citizens of the Upper Cumberland, businesses and industries, and local governments. Included in administrative costs are \$1,878,263 for the Agency as of June 30, 2023.

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2023, the date which these financial statements were available for issue.

DRAFT

SUPPLEMENTAL INFORMATION

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF ADMINISTRATIVE COSTS
YEAR ENDED JUNE 30, 2023**

DRAFT

ADMINISTRATIVE COSTS

Salaries	\$ 475,871
Fringe benefits	143,118
Professional fees	68,663
Travel	20,298
Communications	30,673
Supplies	26,722
Occupancy	64,529
Miscellaneous	<u>156</u>
Total administrative costs	<u>\$ 830,030</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF GENERAL AND LONG-TERM DEBT REQUIREMENTS
JUNE 30, 2023**

DRAFT

Cumberland Regional Development Corporation

Year Ending June 30,	Progressive Savings Bank Note Payable		U.S.D.A Loan # 1		U.S.D.A. Loan # 2		Wilson Bank & Trust Loan #1		Wilson Bank & Trust Loan #2	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	9,933	5,324	23,393	3,637	4,816	749	85,151	45,586	26,949	36,261
2025	10,118	5,140	23,628	3,402	4,865	700	86,870	43,867	28,042	35,168
2026	10,582	4,675	23,865	3,165	4,914	652	88,625	42,114	29,179	34,032
2027	11,069	4,189	24,105	2,925	4,963	602	90,415	40,325	30,361	32,849
2028	11,577	3,680	24,347	2,683	5,013	552	92,231	38,500	31,592	31,618
2029	12,109	3,148	24,592	2,438	5,063	502	94,094	36,638	32,872	30,338
2030	12,665	2,592	24,839	2,191	5,114	451	95,993	39,324	31,140	31,988
2031	13,247	2,010	25,088	1,942	5,166	400	97,929	86,103	-	64,271
2032	13,856	1,402	25,340	1,690	5,217	348	99,912	80,914	-	64,464
2033	14,492	765	25,595	1,435	5,270	295	101,931	75,621	-	64,674
2034	9,100	142	25,852	1,178	5,323	243	103,986	70,220	-	64,904
2035	-	-	26,112	918	5,376	189	106,079	64,710	-	65,156
2036	-	-	26,374	656	5,430	135	108,229	59,089	-	65,431
2037	-	-	26,639	391	10,561	25	110,406	53,355	-	65,732
2038	-	-	24,652	112	-	-	112,641	47,505	-	66,062
2039	-	-	-	-	-	-	114,913	41,537	-	66,422
2040	-	-	-	-	-	-	117,233	35,448	-	66,816
2041	-	-	-	-	-	-	119,601	29,237	-	67,247
2042	-	-	-	-	-	-	122,016	22,900	-	67,719
2043	-	-	-	-	-	-	124,469	16,435	-	68,234
2044	-	-	-	-	-	-	126,980	9,840	-	68,799
2045	-	-	-	-	-	-	118,548	3,112	713,220	63,606
	<u>\$ 128,748</u>	<u>\$ 33,067</u>	<u>\$ 374,421</u>	<u>\$ 28,763</u>	<u>\$ 77,091</u>	<u>\$ 5,843</u>	<u>\$ 2,318,252</u>	<u>\$ 982,380</u>	<u>\$ 923,355</u>	<u>\$ 1,221,791</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF GENERAL AND LONG-TERM DEBT REQUIREMENTS
JUNE 30, 2023**

DRAFT

Cumberland Area Investment Corporation										
Year Ending June 30,	Farmers Home Intermediary Relending Program Loan #3		Farmers Home Intermediary Relending Program Loan #4		Farmers Home Intermediary Relending Program Loan #5		ONE BANK #1		ONE BANK #2	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	41,735	715	27,160	4,678	17,565	4,688	25,958	7,939	11,413	7,212
2025	29,837	298	27,431	4,407	17,740	4,513	27,218	6,679	12,305	6,320
2026	-	-	27,706	4,132	17,918	4,335	28,539	5,357	13,266	5,358
2027	-	-	27,983	3,855	18,097	4,156	29,925	3,972	14,303	4,321
2028	-	-	28,263	3,575	18,278	3,975	31,378	2,519	15,422	3,203
2029	-	-	28,545	3,293	18,461	3,792	32,901	996	16,627	1,998
2030	-	-	28,831	3,007	18,645	3,608	800	12	16,664	699
2031	-	-	29,119	2,719	18,832	3,421	-	-	-	-
2032	-	-	29,410	2,428	19,020	3,233	-	-	-	-
2033	-	-	29,704	2,134	19,210	3,043	-	-	-	-
2034	-	-	30,001	1,837	19,402	2,851	-	-	-	-
2035	-	-	30,301	1,537	19,596	2,657	-	-	-	-
2036	-	-	30,604	1,234	19,792	2,461	-	-	-	-
2037	-	-	30,910	928	19,990	2,263	-	-	-	-
2038	-	-	31,220	618	20,190	2,063	-	-	-	-
2039	-	-	29,917	306	20,392	1,861	-	-	-	-
2040	-	-	-	-	20,596	1,657	-	-	-	-
2041	-	-	-	-	20,802	1,451	-	-	-	-
2042	-	-	-	-	21,010	1,243	-	-	-	-
2043	-	-	-	-	21,220	1,033	-	-	-	-
2044	-	-	-	-	21,432	821	-	-	-	-
2045	-	-	-	-	21,647	606	-	-	-	-
2046	-	-	-	-	21,863	390	-	-	-	-
2047	-	-	-	-	17,622	171	-	-	-	-
	<u>\$ 71,572</u>	<u>\$ 1,013</u>	<u>\$ 467,105</u>	<u>\$ 40,688</u>	<u>\$ 469,320</u>	<u>\$ 60,292</u>	<u>\$ 176,719</u>	<u>\$ 27,474</u>	<u>\$ 100,000</u>	<u>\$ 29,111</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Description of loan</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity Date</u>	<u>Outstanding July 1, 2022</u>	<u>Issued During Period</u>	<u>Paid During Period</u>	<u>Outstanding June 30, 2023</u>
<u>Primary Government</u>								
Governmental Activities								
<u>Lease Purchase Obligation</u>								
Ford Motor Credit	\$ 89,722	6.35%	March 12, 2022	February 2025	\$ 82,665	\$ -	\$ 29,376	\$ 53,289
<u>Discretely Presented Component Units</u>								
Business-Type Activites								
Cumberland Area Investment Corporation								
<u>Notes Payable</u>								
Farmers Home Intermediary Relending Program Loan #3	\$ 992,500	1.00%	March 29, 1995	March 2025	\$ 112,905	\$ -	\$ 41,333	\$ 71,572
Farmers Home Intermediary Relending Program Loan #4	750,000	1.00%	September 5, 2008	September 2038	487,266	-	17,946	469,320
Farmers Home Intermediary Relending Program Loan #5	466,406	1.00%	June 27, 2016	June 2043	494,258	-	27,153	467,105
One Bank #1	201,664	4.75%	July 29, 2022	July, 2029	-	201,664	24,945	176,719
One Bank #2	100,685	7.55%	June 1, 2023	June, 2030	-	100,685	685	100,000
Cumberland Regional Development Corporation								
<u>Notes Payable</u>								
Progressive Savings Bank	200,000	4.50%	April 17, 2017	July 2036	152,721	-	23,973	128,748
U.S.D.A. Loan # 1	627,284	1.00%	December 1, 2011	May 2038	397,581	-	23,160	374,421
U.S.D.A. Loan # 2	129,154	1.00%	December 1, 2011	May 2038	81,860	-	4,769	77,091
Wilson Bank & Trust Loan #1	2,570,400	2.00%	May 14, 2020	May 2045	2,401,719	-	83,467	2,318,252
Wilson Bank & Trust Loan #2	1,000,000	3.98%	May 14, 2020	May 2045	949,547	-	26,192	923,355
	<u>\$ 7,038,093</u>				<u>\$ 5,077,857</u>	<u>\$ 302,349</u>	<u>\$ 273,623</u>	<u>\$ 5,106,583</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Grantor/Pass-Through Grantor</u>	<u>Assistance Listing No.</u>	<u>Contract No.</u>	<u>Beginning Accrued (Deferred)</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Accrued (Deferred)</u>	<u>Passed through to Subrecipients</u>	<u>Capital Advance</u>
Federal Awards								
U.S. Department of Commerce								
Economic Development Cluster								
COVID-19 - RLF Economic Adjustment Assistance	11.307		\$ 63,858	\$ 63,858	\$ -	\$ -	\$ -	\$ 5,443,033
Total Economic Development Cluster			<u>63,858</u>	<u>63,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,443,033</u>
Economic Development Support for Planning Organizations								
Economic Adjustment Assistance	11.302		17,500	52,500	35,000	-	-	-
Economic Adjustment Assistance	11.302		-	17,500	35,000	17,500	-	-
Economic Adjustment Assistance	11.302		88,252	88,252	-	-	-	-
Economic Adjustment Assistance	11.302		<u>-</u>	<u>46,286</u>	<u>82,682</u>	<u>36,396</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Commerce			<u>169,610</u>	<u>268,396</u>	<u>152,682</u>	<u>53,896</u>	<u>-</u>	<u>5,443,033</u>
U.S. Department of Agriculture								
SNAP Cluster								
Supplemental Nutrition Assistance Program	10.561		17,064	25,841	8,777	-	-	-
Supplemental Nutrition Assistance Program	10.561		<u>-</u>	<u>33,330</u>	<u>48,165</u>	<u>14,835</u>	<u>-</u>	<u>-</u>
Total SNAP Cluster			<u>17,064</u>	<u>59,171</u>	<u>56,942</u>	<u>14,835</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>17,064</u>	<u>59,171</u>	<u>56,942</u>	<u>14,835</u>	<u>-</u>	<u>-</u>
U.S. Department of the Interior								
Historic Preservation Fund Grants-In-Aid	15.904		24,674	33,871	9,197	-	-	-
Historic Preservation Fund Grants-In-Aid	15.904		<u>-</u>	<u>6,702</u>	<u>24,011</u>	<u>17,309</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of the Interior			<u>24,674</u>	<u>40,573</u>	<u>33,208</u>	<u>17,309</u>	<u>-</u>	<u>-</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Grantor/Pass-Through Grantor</u>	<u>Assistance Listing No.</u>	<u>Contract No.</u>	<u>Beginning Accrued (Deferred)</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Accrued (Deferred)</u>	<u>Passed through to Subrecipients</u>	<u>Capital Advance</u>
Federal Awards								
U.S. Department of Transportation								
Rural Planning Organization Program								
Highway Planning & Construction Cluster								
Appalachian Development Highway System - Power Grant	23.003		\$ -	\$ 213,769	\$ 260,454	\$ 46,685	\$ 213,769	\$ -
Appalachian Development Highway System - Inspire	23.003		28,020	159,870	154,560	22,710	-	-
Appalachian Development Highway System	23.003		-	79,264	79,264	-	-	-
Appalachian Development Highway System	23.003		-	93,710	93,710	-	-	-
Highway Planning & Construction	20.205		112,296	140,050	27,754	-	-	-
Highway Planning & Construction	20.205		-	46,838	73,672	26,834	-	-
			<u>140,316</u>	<u>733,501</u>	<u>689,414</u>	<u>96,229</u>	<u>213,769</u>	<u>-</u>
Total Highway Planing & Construction Cluster			<u>140,316</u>	<u>733,501</u>	<u>689,414</u>	<u>96,229</u>	<u>213,769</u>	<u>-</u>
			<u>140,316</u>	<u>733,501</u>	<u>689,414</u>	<u>96,229</u>	<u>213,769</u>	<u>-</u>
Total U.S. Dept. of Transportation								
U.S. Department of Health and Human Services								
Aging Cluster								
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		116,134	116,134	-	-	-	-
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		-	442,159	524,125	81,966	372,436	-
COVID-19 - Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		38,258	38,258	-	-	-	-
COVID-19 - Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		-	121,874	138,780	16,906	-	-
Special Programs for the Aging - Title III, Part C - Planning	93.045		38,800	38,800	-	-	-	-
Special Programs for the Aging - Title III, Part C - Planning	93.045		-	194,000	232,800	38,800	-	-
Special Programs for the Aging - Title III, Part C - Congregate	93.045		106,588	106,588	-	-	-	-
Special Programs for the Aging - Title III, Part C - Congregate	93.045		-	448,581	480,015	31,434	480,015	-
COVID-19 - Special Programs for the Aging - Title III, Part C - Congregate	93.045		-	-	66,421	66,421	-	-
Special Programs for the Aging - Title III, Part C - Home Delivered	93.045		158,855	158,855	-	-	-	-
Special Programs for the Aging - Title III, Part C - Home Delivered	93.045		-	324,566	390,924	66,358	390,398	-
COVID-19 - Special Programs for the Aging - Title III, Part C - Home Delivered	93.045		36,819	39,715	2,896	-	-	-

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Grantor/Pass-Through Grantor</u>	<u>Assistance Listing No.</u>	<u>Contract No.</u>	<u>Beginning Accrued (Deferred)</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Accrued (Deferred)</u>	<u>Passed through to Subrecipients</u>	<u>Capital Advance</u>
Federal Awards								
COVID-19 - Special Programs for the Aging - Title III, Part C - Home Delivered	93.045		\$ (36,798)	\$ 134,197	\$ 206,417	\$ 35,422	\$ -	\$ -
Nutrition Services Incentive Program	93.053		21,570	21,570	-	-	-	-
Nutrition Services Incentive Program	93.053		-	129,330	154,600	25,270	154,600	-
Total Aging Cluster			480,226	2,314,627	2,196,978	362,577	1,397,449	-
Medicaid Cluster								
Medical Assistance Program	93.778		1,360	1,360	-	-	-	-
Medical Assistance Program	93.778		102,208	102,208	-	-	-	-
Medical Assistance Program	93.778		-	231,806	368,215	136,409	5,000	-
Total Medicaid Cluster			103,568	335,374	368,215	136,409	5,000	-
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		1,200	1,200	-	-	-	-
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		-	4,000	4,800	800	4,800	-
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042		8,350	8,350	-	-	-	-
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042		-	22,670	27,200	4,530	27,200	-
COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042		19,641	19,641	-	-	-	-
COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042		-	4,000	4,800	800	4,800	-
COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042		-	19,641	19,641	-	19,641	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		8,864	8,864	-	-	-	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		-	21,517	21,522	5	11,945	-
COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		-	4,056	4,056	-	-	-

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Assistance Listing No.	Contract No.	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)	Passed through to Subrecipients	Capital Advance
Federal Awards								
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		\$ 51,424	\$ 51,424	\$ -	\$ -	\$ -	\$ -
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		9,664	308,212	367,278	68,730	-	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		-	-	32,763	32,763	-	-
COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		4,037	17,301	13,264	-	-	-
COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		31,511	73,668	42,157	-	-	-
National Family Caregiver Support, Title III, Part E	93.052		4,383	4,383	-	-	-	-
National Family Caregiver Support, Title III, Part E	93.052		-	21,917	26,300	4,383	-	-
National Family Caregiver Support, Title III, Part E	93.052		-	170,630	218,502	47,872	109,222	-
National Family Caregiver Support, Title III, Part E	93.052		25,564	25,564	-	-	-	-
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052		13,462	13,462	-	-	-	-
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052		-	69,400	69,400	-	-	-
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052		19,636	19,636	-	-	-	-
Alzheimer's Disease Program Initiative	93.470		(3,484)	8,168	11,652	-	-	-
Temporary Assistance for Needy Families	93.558		-	106,011	136,317	30,306	-	-
Medicare Enrollment Assistance Program	93.071		-	51,625	61,207	9,582	-	-
Medicare Enrollment Assistance Program	93.071		11,790	28,875	17,085	-	-	-
COVID-19 - Elder Abuse Prevention Interventions Program	93.747		8,135	56,376	55,738	7,497	-	-
COVID-19 - Elder Abuse Prevention Interventions Program	93.747		-	21,439	27,565	6,126	27,565	-
State Health Insurance Assistance Program	93.779		21,231	74,554	53,323	-	-	-
State Health Insurance Assistance Program	93.779		-	-	17,677	17,677	-	-
Total U.S. Department of Health and Human Services			819,202	3,886,585	3,797,440	730,057	1,607,622	-
U.S. Department of Justice								
Crime Victim Assistance	16.575		13,326	13,326	-	-	-	-
Crime Victim Assistance	16.575		-	37,010	37,010	-	-	-
Crime Victim Assistance	16.575		-	21,414	37,341	15,927	-	-
Total U.S. Department of Justice			13,326	71,750	74,351	15,927	-	-

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Grantor/Pass-Through Grantor</u>	<u>Assistance Listing No.</u>	<u>Contract No.</u>	<u>Beginning Accrued (Deferred)</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Accrued (Deferred)</u>	<u>Passed through to Subrecipients</u>	<u>Capital Advance</u>
Small Business Administration								
Passed through Tennessee Technological University								
Small Business Development Centers	59.037		\$ -	\$ 36,396	\$ 80,444	\$ 44,048	\$ -	\$ -
Small Business Development Centers	59.037		<u>25,393</u>	<u>102,767</u>	<u>77,374</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Small Business Administration			<u>25,393</u>	<u>139,163</u>	<u>157,818</u>	<u>44,048</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>1,209,585</u>	<u>5,199,139</u>	<u>4,961,855</u>	<u>972,301</u>	<u>1,821,391</u>	<u>5,443,033</u>
State Awards								
Tennessee Arts Commission	N/A		11,988	11,988	-	-	-	-
Tennessee Arts Commission	N/A		<u>-</u>	<u>14,354</u>	<u>23,820</u>	<u>9,466</u>	<u>23,820</u>	<u>-</u>
Total Tennessee Arts Commission			<u>11,988</u>	<u>26,342</u>	<u>23,820</u>	<u>9,466</u>	<u>23,820</u>	<u>-</u>
Tennessee Commission on Aging and Disability								
State Caregiver	N/A		-	31,200	31,200	-	31,200	-
Public Guardian	N/A		-	155,423	226,534	71,111	-	-
Public Guardian	N/A		78,071	78,071	-	-	-	-
Homemaker	N/A		-	18,400	18,400	-	18,400	-
COVID-19 Homemaker	N/A		-	5,000	5,000	-	5,000	-
Senior Centers	N/A		-	69,717	92,700	22,983	92,700	-
COVID-19 - Senior Centers	N/A		-	25,119	33,400	8,281	34,600	-
Nutrition	N/A		-	34,600	34,600	-	34,600	-
Nutrition	N/A		31,250	31,250	-	-	-	-
COVID-19 - Nutrition	N/A		-	9,400	9,400	-	-	-
Options	N/A		-	420,490	612,835	192,345	320,143	-
Options	N/A		95,744	95,744	-	-	-	-
Options	N/A		-	178,112	249,110	70,998	-	-
Alzheimer'S Dementia Respite	N/A		<u>-</u>	<u>18,366</u>	<u>24,622</u>	<u>6,256</u>	<u>-</u>	<u>-</u>
Total Tennessee Commission on Aging and Disability			<u>205,065</u>	<u>1,170,892</u>	<u>1,337,801</u>	<u>371,974</u>	<u>536,643</u>	<u>-</u>

State Awards

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Grantor/Pass-Through Grantor</u>	<u>Assistance Listing No.</u>	<u>Contract No.</u>	<u>Beginning Accrued (Deferred)</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Accrued (Deferred)</u>	<u>Passed through to Subrecipients</u>	<u>Capital Advance</u>
TennCare								
Waiver Administration	N/A		\$ 102,208	\$ 102,208	\$ -	\$ -	\$ -	\$ -
Waiver Administration	N/A		-	231,806	368,215	136,409	5,000	-
Total TennCare			<u>102,208</u>	<u>334,014</u>	<u>368,215</u>	<u>136,409</u>	<u>5,000</u>	<u>-</u>
Tennessee Department of Environment and Conservation								
Solid Waste management	N/A		-	23,773	46,426	22,653	-	-
Total Tennessee Department of Environment and Conservation			<u>-</u>	<u>23,773</u>	<u>46,426</u>	<u>22,653</u>	<u>-</u>	<u>-</u>
Tennessee Advisory Commission on Intergovernmental Relations (TACIR)								
Infrastructure Grant	N/A		-	59,629	59,629	-	-	-
Total TACIR			<u>-</u>	<u>59,629</u>	<u>59,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tennessee Department of Economic and Community Development (TDECD)								
Matching Funds Grant	N/A		-	230,000	230,000	-	-	-
Total TDECD			<u>-</u>	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tennessee Department of Children's Services								
Relative Caregiver Program	N/A		-	140,749	140,749	-	-	-
Relative Caregiver Program	N/A		-	84,755	223,450	138,695	-	-
Relative Caregiver Program	N/A		74,626	74,626	-	-	-	-
Total Tennessee Department of Children's Services			<u>74,626</u>	<u>300,130</u>	<u>364,199</u>	<u>138,695</u>	<u>-</u>	<u>-</u>
Tennessee Developmental Housing Agency								
Emergency Home Repair	N/A		-	314,325	314,325	-	224,000	-
Emergency Home Repair	N/A		59,919	59,919	-	-	-	-
Affordable Housing Program	N/A		-	8,428	20,000	11,572	-	-

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Assistance Listing No.	Contract No.	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)	Passed through to Subrecipients	Capital Advance
Affordable Housing Program	N/A		\$ 7,170	\$ 7,170	\$ -	\$ -	\$ -	\$ -
Total Tennessee Developmental Housing Agency			<u>67,089</u>	<u>389,842</u>	<u>334,325</u>	<u>11,572</u>	<u>224,000</u>	<u>-</u>
Total Expenditures of State Awards			<u>460,976</u>	<u>2,534,622</u>	<u>2,764,415</u>	<u>690,769</u>	<u>789,463</u>	<u>-</u>
Total Expenditures of Federal and State Awards			<u>\$ 1,670,561</u>	<u>\$ 7,733,761</u>	<u>\$ 7,726,270</u>	<u>\$ 1,663,070</u>	<u>\$ 2,610,854</u>	<u>\$ 5,443,033</u>

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
JUNE 30, 2023**

DRAFT

(1) BASIS OF PRESENTATION

The schedule of expenditures of federal and state awards includes the federal and state grant activity for the Upper Cumberland Development District (UCDD) and is presented on the accrual basis of accounting. The information in this schedule 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 Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

(3) SUBRECIPIENTS

Of the federal and state expenditures presented in the schedule, the District provided federal and state awards of \$1,103,419 to subrecipients.

(4) EDA REVOLVING LOAN FUND

The Economic Development Administration Revolving Loan Fund presented as a loan program in the Schedule of Expenditures of Federal Awards for the year ending June 30, 2023, is calculated as follows:

Outstanding principal on RLF loans as of June 30, 2023	\$ 3,896,795
RLF cash and investments as of June 30, 2023	1,445,417
Administrative expenses paid using RLF income during 2023	100,821
Administrative expenses paid using award funds designated for administrative expenses during 2023	-
Unpaid principal of all loans written off during 2023	-
 Total	 5,443,033
Multiplied by the Federal participation rate	100%
 Economic Development Administration Revolving Loan Funds	 \$ 5,443,033

DRAFT

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 the
Upper Cumberland Development District**

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 and the aggregate discretely presented component units of the Upper Cumberland Development District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 21, 2023
Chattanooga, Tennessee

**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 the
Upper Cumberland Development District**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Upper Cumberland Development District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Upper Cumberland Development District 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, 2023.

Basis of Opinion on Each Major Federal Program

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 of America; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical requirements, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

DRAFT

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

December 21, 2023
Chattanooga, Tennessee

**UPPER CUMBERLAND DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

DRAFT

A. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of Upper Cumberland Development District were prepared in accordance with GAAP.
2. No significant deficiencies were reported and no material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Upper Cumberland Development District were disclosed by the audit.
4. No significant deficiencies were reported and no material weaknesses were identified during the audit of the major federal award program.
5. The auditors' report on the major federal awards program for Upper Cumberland Development District expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were:
 - U.S. Department of Commerce
 - Economic Development Cluster – Assistance Listing No. 11.307
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Upper Cumberland Development District was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Current Year Findings

None

Prior Year Findings

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Current Year Findings

None

Prior Year Findings

None

**CUMBERLAND AREA INVESTMENT
CORPORATION**

Cookeville, Tennessee

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2023

DRAFT

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

TABLE OF CONTENTS

DRAFT

	<u>Page</u>
ROSTER OF MANAGEMENT AND BOARD OF DIRECTORS	ii
INDEPENDENT AUDITORS' REPORT	iii-v
MANAGEMENT'S DISCUSSION AND ANALYSIS	vi-viii
BASIC FINANCIAL STATEMENTS	
Statement of net position	1
Statement of revenues, expenses and changes in net position	2
Statement of cash flows	3-4
Notes to financial statements	5-12
SUPPLEMENTAL INFORMATION	
Schedule of expenditures of federal awards	14
Notes to the schedule of expenditures of federal awards	15
Schedule of general and long-term debt requirements	16-17
Schedule of changes in long-term debt by individual issue	18
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 <i>GOVERNMENT AUDITING STANDARDS</i>	19-20
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE	21-23
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	24

**CUMBERLAND AREA INVESTMENT CORPORATION
ROSTER OF MANAGEMENT AND BOARD OF DIRECTORS
YEAR ENDED JUNE 30, 2023**

DRAFT

MANAGEMENT

Mark Farley	Executive Director
Megan Choate	Director of Lending & Economic Development
Ginger Stout	Finance Director

BOARD OF DIRECTORS

Randy Heady, Jackson County	Chairman
Jeff Mason, Smith County	Vice Chairman
Jimmy Johnson, Fentress County	Secretary
Randy Porter, Putnam County	Treasurer
Greg Mitchell, Cannon County	Director
Dale Reagan, Clay County	Director
Allen Foster, Cumberland County	Director
Steve Jones, Macon County	Director
Matt Adcock, Dekalb County	Director
Steven Barlow, Overton County	Director
Stephen Bilbrey, Pickett County	Director
Denny Wayne Robinson, White County	Director
David Sullivan, Van Buren County	Director
Terry Bell, Warren County	Director

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Cumberland Area Investment Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Cumberland Area Investment Corporation, a component unit of Upper Cumberland Development District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cumberland Area Investment Corporation as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cumberland Area Investment Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cumberland Area Investment Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vi through viii be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cumberland Area Investment Corporation's basic financial statements. The accompanying schedules of general and long-term debt requirements, changes in long-term debt by individual issue and schedule of expenditures of federal awards, 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 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 schedule of general and long-term debt requirements, schedule of changes in long-term debt by individual issue and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of management and board members but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of Cumberland Area Investment Corporation'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Chattanooga, Tennessee
December 21, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management’s discussion and analysis of Cumberland Area Investment Corporation’s financial performance provides an overview of the Organization’s financial activities for the fiscal year ended June 30, 2023. This should be read in conjunction with the Organization’s financial statements, which begin on page 1.

USING THIS ANNUAL REPORT

This annual report consists of the following financial statements: the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. These statements provide information about the activities of the Organization as a whole and present an overview of the Organization’s finances.

THE STATEMENT OF NET POSITION AND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

It is always interesting to review an entity’s financial performance over the year to determine how successful the entity was at meeting their financial objectives. The Organization accounts for its financial activities where determination of income (increase in net position) or loss (decrease in net position) is necessary or useful for sound financial administration. The statements are prepared on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. The statement of net position shows the assets that the Organization owns and the liabilities (debts) that the Organization owes. The information contained in the statement of revenues, expenses, and changes in net position is used as a “report card” to determine if the Organization has been successful at meeting its financial objectives.

Net assets and changes in net position for the past two years are summarized as follows:

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 3,591,131	\$ 3,199,995
Capital assets	<u>650,451</u>	<u>404,881</u>
Total assets	<u>4,241,582</u>	<u>3,604,876</u>
Current liabilities	37,683	22,206
Long-term liabilities	1,284,716	1,094,429
Deferred inflows of resources	<u>553,758</u>	<u>124,898</u>
Net position	<u>\$ 2,363,343</u>	<u>\$ 2,363,343</u>
Summary of net position:		
Investment in capital assets	\$ 373,732	\$ 404,881
Restricted for revolving loan fund	1,993,062	1,959,367
Unrestricted	<u>(1,369)</u>	<u>(905)</u>
Total net position	<u>\$ 2,365,425</u>	<u>\$ 2,363,343</u>

DRAFT

	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 130,970	\$ 145,579
Operating expenses	<u>114,725</u>	<u>124,729</u>
Operating income	16,245	20,850
Non-operating income (expense)	<u>(14,163)</u>	<u>(11,034)</u>
Changes in net position	2,082	9,816
Beginning net position	<u>2,363,343</u>	<u>2,353,527</u>
Ending net position	<u>\$ 2,365,425</u>	<u>\$ 2,363,343</u>

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The fiscal year ending June 30, 2023 proved to be a financially sound year for the Organization.

Net position increased \$2,082 over the prior year. CAIC has a stable and strong source of operating revenue.

The Organization's operating revenues decreased by \$14,609. A decrease in revolving loan program interest resulted in the difference.

Operating expenses decreased by \$10,004.

NET POSITION

The Organization continues to maintain a significant net worth (total net position) which exceeds liabilities by \$2,365,425 at June 30, 2023. Net position consisted of investment in capital assets totaling \$373,732, restricted for relending loan program totaling \$1,993,062 and unrestricted net position totaling \$(1,369).

CAPITAL ASSETS

At June 30, 2022 the Organization had \$404,881 invested in capital assets, predominantly in buildings and improvements. The Organization now has capital assets totaling \$373,732. The net amount represents a decrease of \$31,149 due to depreciation expense.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While the Cumberland Area Investment Corporation is a governmental entity, it is not a unit of local government (i.e., city, county, etc.). Therefore, economic factors do not have the same direct impact upon CAIC's budgets and operations as they have on governmental bodies. CAIC does not have taxing power, nor does it levy fees or set rates, such as for utilities, which generate income in response to changing economic conditions. CAIC contracts primarily with borrowers in the revolving loan program. To the extent that economic factors affect the revolving loan program, contracts may be positively or negatively impacted.

CONTACTING THE ORGANIZATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Organization's finances, comply with finance related laws and regulation and demonstrate the Organization's commitment to public accountability. If you have any questions about this report or would like additional information, contact the Organization's Executive Director at 1104 England Drive, Cookeville, TN 38501.

CUMBERLAND AREA INVESTMENT CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2023

DRAFT

ASSETS

Cash and cash equivalents		
Available	\$	24,701
Restricted		1,658,763
Accounts and other receivables		842
Lease receivables		555,879
Notes receivable, net of provision		1,350,946
Capital assets, net		<u>650,451</u>
Total assets	\$	<u>4,241,582</u>

LIABILITIES

Accounts payable		
Accrued interest	\$	5,404
Security deposits		10,302
Deferred revenue		5,810
Notes payable		16,167
Due within one year		123,831
Due in more than one year		<u>1,160,885</u>
Total liabilities	\$	<u>1,322,399</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows from leases		
	\$	<u>553,758</u>

NET POSITION

Net investment in capital assets		
Restricted for relending loan program	\$	373,732
Unrestricted		1,993,062
		<u>(1,369)</u>
Total net position	\$	<u>2,365,425</u>

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

CUMBERLAND AREA INVESTMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

DRAFT

OPERATING REVENUES

Revolving loan program interest	\$ 72,603
Lease revenue	55,458
Other income	<u>2,909</u>
Total operating revenues	<u>130,970</u>

OPERATING EXPENSES

Salaries	18,950
Payroll taxes and fringe benefits	5,915
Professional fees	39,432
Travel	838
Communications	700
Depreciation expense	20,895
Contracted services	4,250
Supplies	412
Occupancy	16,022
Maintenance and repairs	7,187
Other	<u>124</u>
Total operating expenses	<u>114,725</u>

OPERATING INCOME

16,245

NONOPERATING REVENUE (EXPENSE)

Interest income	4,935
Interest expense	<u>(19,098)</u>

INCREASE IN NET POSITION

2,082

NET POSITION

Beginning	<u>2,363,343</u>
Ending	<u>\$ 2,365,425</u>

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

CUMBERLAND AREA INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

DRAFT

CASH FLOWS FROM OPERATING ACTIVITIES

Interest received from the revolving loan fund program	\$ 72,603
Rent receipts	65,294
Other cash receipts	2,909
Payments to employees for services	(18,950)
Payments of operating expenses	<u>(71,545)</u>
Net cash provided by operating activities	<u>50,311</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Cash paid for capital assets	(266,465)
Proceeds from notes payable	302,349
Principal payments on notes payable	<u>(25,630)</u>
Net cash provided by capital and related financing activities	<u>10,254</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES

Principal payments on notes payable	(86,432)
Interest paid on notes payable	<u>(17,869)</u>
Net cash used by noncapital and related financing activities	<u>(104,301)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Principal payments on notes receivable, net	153,781
Interest received from banks	<u>4,935</u>
Net cash provided by investing activities	<u>158,716</u>

NET INCREASE IN CASH 114,980

CASH AND CASH EQUIVALENTS

Beginning	<u>1,568,484</u>
Ending	<u><u>\$ 1,683,464</u></u>

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

DRAFT

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 16,245
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	20,895
Deferred inflows from leases	428,860
(Increase) decrease in operating assets	
Accounts and other receivables	(521)
Lease receivable	(429,417)
Increase (decrease) in operating liabilities	
Accounts payable	3,892
Deferred revenue	<u>10,357</u>
Net cash provided by operating activities	<u>\$ 50,311</u>

CASH AND CASH EQUIVALENTS CONSISTS OF

Available	\$ 24,701
Restricted	<u>1,658,763</u>
	<u>\$ 1,683,464</u>

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

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cumberland Area Investment Corporation (the “Organization”) was established in 1982 by the Upper Cumberland Development District as a separate entity to accept and administer its federal revolving loan programs. Cumberland Area Investment Corporation is a component unit of Upper Cumberland Development District.

The Organization serves 14 counties in the Upper Cumberland region. The primary function of the Organization is to assist commercial development with its chief goal being the economic development of manufacturing and commercial business by providing long-term financing at available market rates from funds provided by government funding and administered by the Organization.

Basis of presentation

The Organization is a governmental unit, subject to accounting directives issued by the Governmental Accounting Standards Board (GASB), and anticipates recovering the cost of its services in a manner similar to a private business enterprise. Therefore, the Organization uses the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

Operating revenues are those that result from the activities of the Organization, including expense reimbursements and grants for operations. All other revenue is considered nonoperating revenue.

Likewise, operating expenses are those related to the principle activities of the Organization including salaries and related costs, other services, operating supplies and depreciation. Nonoperating expenses include all other expenses not considered operating.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support, revenues, and expenses. Actual results could vary from the estimates that were used.

Cash equivalents

For purposes of the cash flow statement, the Organization considers all unrestricted, highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Notes receivable and allowance for loan losses

Notes receivable are stated at unpaid principal balances, less an allowance for loan losses. Interest is recognized over the term of the note and is calculated using the simple-interest method on principal amounts outstanding.

The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management’s periodic evaluation of the adequacy of the allowance is based on the Organization’s past loan loss experience known and other risks inherent to the portfolio, specific impaired loans, adverse situations that may affect the borrower’s ability to repay, estimated value of any underlying collateral and current economic conditions.

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes receivable and allowance for loan losses (continued)

The Organization considers a note impaired when, based on current information factors, it is probable that the Organization will not collect the principal and interest payments according to the note agreement. Management considers many factors in determining whether a note is impaired, such as payment history, value of collateral, and changes in employment of the borrower. The Organization measures impairment on a note by note basis by using the fair value of the collateral.

Capital assets

The Organization capitalizes long-lived assets with an original cost of \$5,000 or more. Donated property is recorded as a contribution at its estimated fair value at the date of donation.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The useful life on buildings is 40 years and for all other assets is 5 years.

Depreciation expense of \$20,895 was charged to operations for the period ended June 30, 2023.

Deferred outflows/inflows of resources

GASB has defined deferred outflows of resources and deferred inflows of resources as follows:

Deferred outflows of resources – a consumption of net position by the Organization that is applicable to a future reporting period.

Deferred inflows of resources – an acquisition of net position by the Organization that is applicable to a future reporting period.

As of June 30, 2023, the Organization did not have any deferred outflows of resources and deferred inflows of resources from leases totaled \$553,758.

Net position

Net position represents the residual of all elements presented in a statement of net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

The terms of the Rural Development Relending Program, Rural Business Enterprise Grant Program, and Department of Agriculture Low Interest Farm Loan Program restrict the loan funds and accumulated income on those loans to reuse in the programs.

Net position reported as restricted consists of the outstanding principal balances on all revolving and intermediary loans and the accumulated income and principal repayments on those loans held in separate bank accounts. All other net position is reported as unrestricted.

When both restricted and unrestricted amounts of net position are available for expenditure, it is the Organization's policy to use restricted amounts first and then unrestricted amounts as they are needed.

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing activities

The Organization follows the provisions of GASB Statement No. 87, *Leases*. This standard enhances the relevance and consistency of information of the Organization’s leasing activities. GASB 87 establishes requirements for lease accounting based on the principle that leases are long-term contracts that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange like transaction. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Change in accounting principle

On July 1, 2022, the Organization implemented GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITA). This standard provide guidance on the accounting and financial reporting for SBITAs for government end-users. GASB 96 established requirements for SBITA accounting based on the principle that SBITAs are a contract that conveys control of the right to use another party’s information technology, alone or in a combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. A government is required to recognize the right of use subscription asset and a corresponding subscription liability. Since all of the Organization’s SBITAs are short-term and cancelable by either party, the implementation of GASB 96 had no effect on the Organization’s beginning net position or on current operations.

(2) CASH AND INVESTMENTS

At June 30, 2023, the Organization reports cash equivalents as follows:

Money market accounts	0.00	\$ 391,123
Checking and savings accounts	0.00	1,292,341
	0.00	\$ 1,683,464

Interest rate risk - As a means of limiting its exposure to losses resulting from rising interest rates, the Organization’s usual policy is to invest in certificates of three years or less. The exposure to interest rate changes is presented using the weighted average maturity method. Its policy is to limit exposure to interest rate risk by requiring sufficient liquidity in the investment portfolio. The Organization did not have any investments that experienced significant fluctuations in fair value during the year.

Custodial credit risk - The Organization’s policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. The deposits must be covered by federal deposit insurance or the Tennessee Bank Collateral Pool, by collateral held by the Organization’s agent in the Organization’s name, or by Federal Reserve Banks acting as third party agents. State statutes also authorize the types of investments in which the Organization may participate. The Organization limits its investments to certificates of deposit and savings and money market accounts with local banks.

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(2) CASH AND INVESTMENTS (continued)

Credit risk - The Organization's policies are designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws.

At June 30, 2023, bank money market funds consist of the following:

Financial Institution	Type of Instrument	Interest	Maturity Date	Amount
One Bank of Tennessee	Money market	Variable	N/A	\$ 391,123

(3) NOTES RECEIVABLE AND FEDERAL GRANTS

The Organization receives funding through Department of Agriculture revolving loan funds to provide financing to local businesses in order to promote economic development and provide jobs in the 14 counties served.

Notes receivable at June 30, 2023, consisted of the following:

Farmers Home Administration loans	\$ 1,346,448
Rural Business Enterprise loans	52,106
Farm loans	193,593
	1,592,147
Less provision for loan losses	241,201
	\$ 1,350,946

(4) PROPERTY AND EQUIPMENT

A summary of changes in capital assets and accumulated depreciation is as follows:

	Beginning	Additions	Dispositions and reclassifications	Ending
Depreciable capital assets				
Building and improvements	\$ 796,083	\$ 266,465	\$ -	\$ 1,062,548
Vehicles	17,675	-	-	17,675
Equipment, furniture and fixtures	1,799	-	-	1,799
	815,557	266,465	-	1,082,022

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(4) PROPERTY AND EQUIPMENT

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and reclassifications</u>	<u>Ending</u>
Less accumulated depreciation				
Building and improvements	391,202	20,895	-	412,097
Vehicles	17,675	-	-	17,675
Equipment, furniture and fixtures	1,799	-	-	1,799
	<u>410,676</u>	<u>20,895</u>	<u>-</u>	<u>431,571</u>
Depreciable capital assets, net	<u>\$ 404,881</u>	<u>\$ 245,570</u>	<u>\$ -</u>	<u>\$ 650,451</u>

(5) NOTES PAYABLE

Notes payable consists of the following:

Note to Farmers Home Administration Intermediary Relending Program, payable in annual installments of \$42,500, including interest at 1.0%, due March 2025, secured by bank accounts.	\$ 71,572
Note to Farmers Home Administration Intermediary Relending Program, payable in annual installments of \$22,250, including interest at 1.0%, due September 2038, secured by bank accounts.	469,320
Note to Farmers Home Administration Intermediary Relending Program, payable in annual installments of \$31,838, including interest at 1.0%, due June 2043, secured by bank accounts.	467,105
Note to One Bank, payable in monthly installments of \$2,825, including interest at 4.75%, due July 2029, secured by building and improvements.	176,719
Note to One Bank, payable in monthly installments of \$1,552, including interest at 4.75%, due June 2030, secured by building and improvements.	<u>100,000</u>
	1,284,716
Less current maturities	<u>123,831</u>
	<u>\$ 1,160,885</u>

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) NOTES PAYABLE (continued)

Maturities of notes payable are as follows:

		Gross Payment	Interest	Principal
For the year ending June 30,	2024	\$ 149,063	\$ 25,232	\$ 123,831
	2025	136,748	22,217	114,531
	2026	106,611	19,182	87,429
	2027	106,612	16,304	90,308
	2028	106,613	13,272	93,341
	2029-2033	341,152	34,383	306,769
	2034-2038	270,455	18,449	252,006
	2039-2043	141,488	7,551	133,937
	2044-2047	84,552	1,988	82,564
		<u>\$ 1,443,294</u>	<u>\$ 158,578</u>	<u>\$ 1,284,716</u>

A summary of changes in notes payable is as follows:

	Beginning	Adjustments and additions	Adjustments and retirements	Ending
Notes payable	<u>\$ 1,094,429</u>	<u>\$ 302,349</u>	<u>\$ (112,062)</u>	<u>\$ 1,284,716</u>

(6) NET POSITION RESTRICTED FOR REVOLVING LOAN FUNDS

The Organization participates with surrounding counties in loans made available by the Tennessee Growth Fund. A portion of the revolving loan fund income may be used to cover administrative expenses. Any revolving loan fund income not used for administrative expenses must remain in the revolving loan program and may not be used for any other purpose other than expanding the capital base for additional lending activities.

(7) RELATED PARTY TRANSACTIONS

The Organization and the Upper Cumberland Development District (UCDD) entered into an agreement for services contract on December 23, 1999, which requires the Organization to reimburse UCDD for the costs of administering and servicing the revolving loan funds.

During the year ended June 30, 2023, the Organization reimbursed UCDD a total of \$33,147 for operating costs. At June 30, 2023, the Organization owed UCDD a total \$5,404 for operating costs that are included in accounts payable on the statement of net position.

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(8) LEASE REVENUE

On February 26, 2020, the Organization entered into long-term rental agreement with Independent Opportunities, Inc. for the rental of 4,000 square feet of office space located at 1225 South Willow Avenue in Cookeville. The lease term is for 60 months requiring monthly installments of \$4,000 including interest at 3.05% through March 31, 2025. The lease is not renewable and Independent Opportunities, Inc. will not acquire the office space at the end of the 60 months. As of June 30, 2023, lease receivable totaled \$81,696 for this lease.

On May 6, 2022, the Organization entered into a long-term rental agreement with Cedar Recovery of Middle Tennessee, LLC for the rental of 4,000 square feet of office space located at 1225 South Willow Avenue in Cookeville. The lease term is for 84 months requiring monthly installments of \$5,810 at 3.05% beginning June 1, 2023, and is subject to a 3% annual increase through May 31, 2030. The lease is not renewable and Cedar Recovery of Middle Tennessee, LLC will not acquire the office space at the end of the 60 months. As of June 30, 2023, lease receivable totaled \$474,183 for this lease.

For the year ended June 30, 2023, the Organization received lease revenue from the rental of office space of \$51,132 and interest revenue from leases of \$4,326. Future payments due to the Organization are as follows:

	<u>Total Receipts</u>	<u>Principal</u>	<u>Interest</u>
For the year ended June 30, 2024	\$ 117,894	\$ 102,360	\$ 15,534
2025	107,991	95,622	12,369
2026	74,151	64,124	10,027
2027	76,375	68,363	8,012
2028	78,667	72,801	5,866
2029-2030	<u>157,341</u>	<u>152,609</u>	<u>4,732</u>
	<u>\$ 612,419</u>	<u>\$ 555,879</u>	<u>\$ 56,540</u>

(9) RISK MANAGEMENT

The Organization participates in the Tennessee Municipal League (TML) Risk Management Pool, for the following risks of loss: commercial general liability, bodily injury, property damage, physical damage, and personal injury liability for vehicle operation, employer’s liability and worker’s compensation. Worker’s compensation is based on previous year’s salaries at a predefined rate; however at the end of the policy year (December 31) a worker’s compensation audit is conducted. At that time the Organization could be subject to additional payment or a refund of premiums.

The Organization’s participation in the TML Risk Management Pool is similar to purchasing commercial insurance, in that the agreement provides for payment of premiums and does not provide for additional member assessments. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. The Organization carries commercial insurance for employee dishonesty. There were no claims filed against this policy in the past year.

CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(9) RISK MANAGEMENT (continued)

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

(10) SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 21, 2023, the date the financial statements were available to be issued.

DRAFT

SUPPLEMENTAL INFORMATION

**CUMBERLAND AREA INVESTMENT CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Assistance Listing No.	Outstanding Loans/Capital Advance
Federal Awards		
U.S. Department of Agriculture		
Rural Business Enterprise Grant	10.351	\$ 100,000
Intermediary Relending Program	10.767	<u>1,094,429</u>
Total U.S. Department of Agriculture		<u>\$ 1,194,429</u>

**CUMBERLAND AREA INVESTMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cumberland Area Investment Corporation. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

(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 limited as to reimbursement. Cumberland Area Investment Corporation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) U.S. DEPARTMENT OF AGRICULTURE INTERMEDIARY RELENDING PROGRAM

Cumberland Area Investment Corporation has received direct loans under the U.S. Department of Agriculture Intermediary Relending Program. The loan balance outstanding at the beginning of the year is included in the outstanding loans/capital advance column presented in the Schedule of Expenditures of Federal Awards. The balance of loans outstanding at June 30, 2023, consists of the following:

<u>Assistance No.</u>	<u>Program Name</u>	<u>Balance at June 30, 2023</u>
10.767	Intermediary Relending Program	\$ 469,320
10.767	Intermediary Relending Program	71,572
10.767	Intermediary Relending Program	<u>467,105</u>
		<u>\$ 1,007,997</u>

(4) U.S. DEPARTMENT OF AGRICULTURE RURAL BUSINESS ENTERPRISE GRANT

On September 16, 1993, the Cumberland Area Investment Corporation received a capital advance under the U.S. Department of Agriculture Rural Business Enterprise Grant Program. The capital advance outstanding at the beginning of the year is included in the outstanding loans/capital advance column presented in the Schedule of Expenditures of Federal Awards. The Corporation received no additional advances under this program during the year. The balance of the capital advance at June 30, 2023, consists of the following:

<u>CFDA No.</u>	<u>Program Name</u>	<u>Balance at June 30, 2023</u>
10.351	Rural Business Enterprise Grant	<u>\$ 100,000</u>

CUMBERLAND AREA INVESTMENT CORPORATION
SCHEDULE OF GENERAL AND LONG-TERM DEBT REQUIREMENTS
JUNE 30, 2023

DRAFT

Year Ending June 30,	FARMERS HOME INTERMEDIARY RELENDING PROGRAM LOAN #3		FARMERS HOME INTERMEDIARY RELENDING PROGRAM LOAN #4		FARMERS HOME INTERMEDIARY RELENDING PROGRAM LOAN #5	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	41,735	715	27,160	4,678	17,565	4,688
2025	29,837	298	27,431	4,407	17,740	4,513
2026	-	-	27,706	4,132	17,918	4,335
2027	-	-	27,983	3,855	18,097	4,156
2028	-	-	28,263	3,575	18,278	3,975
2029	-	-	28,545	3,293	18,461	3,792
2030	-	-	28,831	3,007	18,645	3,608
2031	-	-	29,119	2,719	18,832	3,421
2032	-	-	29,410	2,428	19,020	3,233
2033	-	-	29,704	2,134	19,210	3,043
2034	-	-	30,001	1,837	19,402	2,851
2035	-	-	30,301	1,537	19,596	2,657
2036	-	-	30,604	1,234	19,792	2,461
2037	-	-	30,910	928	19,990	2,263
2038	-	-	31,220	618	20,190	2,063
2039	-	-	29,917	306	20,392	1,861
2040	-	-	-	-	20,596	1,657
2041	-	-	-	-	20,802	1,451
2042	-	-	-	-	21,010	1,243
2043	-	-	-	-	21,220	1,033
2044	-	-	-	-	21,432	821
2045	-	-	-	-	21,647	606
2046	-	-	-	-	21,863	390
2047	-	-	-	-	17,622	171
	\$ 71,572	\$ 1,013	\$ 467,105	\$ 40,688	\$ 469,320	\$ 60,292

CUMBERLAND AREA INVESTMENT CORPORATION
SCHEDULE OF GENERAL AND LONG-TERM DEBT REQUIREMENTS
JUNE 30, 2023

DRAFT

Year Ending June 30,	ONE BANK #1		ONE BANK #2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	25,958	7,939	11,413	7,212	123,831	25,232
2025	27,218	6,679	12,305	6,320	114,531	22,217
2026	28,539	5,357	13,266	5,358	87,429	19,182
2027	29,925	3,972	14,303	4,321	90,308	16,304
2028	31,378	2,519	15,422	3,203	93,341	13,272
2029	32,901	996	16,627	1,998	96,534	10,079
2030	800	12	16,664	699	64,940	7,326
2031	-	-	-	-	47,951	6,140
2032	-	-	-	-	48,430	5,661
2033	-	-	-	-	48,914	5,177
2034	-	-	-	-	49,403	4,688
2035	-	-	-	-	49,897	4,194
2036	-	-	-	-	50,396	3,695
2037	-	-	-	-	50,900	3,191
2038	-	-	-	-	51,410	2,681
2039	-	-	-	-	50,309	2,167
2040	-	-	-	-	20,596	1,657
2041	-	-	-	-	20,802	1,451
2042	-	-	-	-	21,010	1,243
2043	-	-	-	-	21,220	1,033
2044	-	-	-	-	21,432	821
2045	-	-	-	-	21,647	606
2046	-	-	-	-	21,863	390
2047	-	-	-	-	17,622	171
	<u>\$ 176,719</u>	<u>\$ 27,474</u>	<u>\$ 100,000</u>	<u>\$ 29,111</u>	<u>\$ 1,284,716</u>	<u>\$ 158,578</u>

CUMBERLAND AREA INVESTMENT CORPORATION
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

DRAFT

Description of Loan	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid During Period	Outstanding June 30, 2023
Business-Type Activities								
FARMERS HOME INTERMEDIARY RELENDING PROGRAM LOAN #3	992,500	1%	March 29, 1995	March, 2025	\$ 112,905	\$ -	\$ 41,333	\$ 71,572
FARMERS HOME INTERMEDIARY RELENDING PROGRAM LOAN #4	750,000	1%	September 5, 2008	September, 2038	487,266	-	17,946	469,320
FARMERS HOME INTERMEDIARY RELENDING PROGRAM LOAN #5	466,406	1%	June 27, 2016	June, 2043	494,258	-	27,153	467,105
ONE BANK #1	201,664	4.75%	July 29, 2022	July, 2029	-	201,664	24,945	176,719
ONE BANK #2	<u>100,685</u>	7.55%	June 1, 2023	June, 2030	<u>-</u>	<u>100,685</u>	<u>685</u>	<u>100,000</u>
	<u>\$ 4,511,255</u>				<u>\$ 1,094,429</u>	<u>\$ 302,349</u>	<u>\$ 112,062</u>	<u>\$ 1,284,716</u>

**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 the
Cumberland Area Investment Corporation**

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 business-type activities of the Cumberland Area Investment Corporation, a component unit Upper Cumberland Development District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cumberland Area Investment Corporation's basic financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Chattanooga, Tennessee
December 21, 2023

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 the
Cumberland Area Investment Corporation**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cumberland Area Investment Corporation's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cumberland Area Investment Corporation's major federal programs for the year ended June 30, 2023. Cumberland Area Investment Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cumberland Area Investment Corporation 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cumberland Area Investment Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cumberland Area Investment Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cumberland Area Investment Corporation's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cumberland Area Investment Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cumberland Area Investment Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cumberland Area Investment Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cumberland Area Investment Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Cumberland Area Investment Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Chattanooga, Tennessee
December 21, 2023

**CUMBERLAND AREA INVESTMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

DRAFT

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors’ report expresses an unmodified opinion on whether the financial statements of Cumberland Area Investment Corporation were prepared in accordance with GAAP.
2. No significant deficiencies were reported and no material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Cumberland Area Investment Corporation were disclosed by the audit.
4. No significant deficiencies were reported and no material weaknesses were identified during the audit of the major federal award program.
5. The auditors’ report on the major federal awards program for Cumberland Area Investment Corporation expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.
7. The program tested as a major program was:
U.S. Department of Agriculture
Intermediary Relending Program–Assistance Listing Number 10.767
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Cumberland Area Investment Corporation was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Current Year Findings

None

Prior Year Findings

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Current Year Findings

None

Prior Year Findings

None

**CUMBERLAND REGIONAL
DEVELOPMENT CORPORATION**

Cookeville, Tennessee

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2023

DRAFT

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

TABLE OF CONTENTS

DRAFT

	<u>Page</u>
ROSTER OF MANAGEMENT AND BOARD MEMBERS	2
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION	3-5
FINANCIAL STATEMENTS	
Statement of financial position	6
Statement of activities and changes in net assets	7
Statement of functional expenses	8
Statement of cash flows	9
Notes to financial statements	10-17
SUPPLEMENTAL INFORMATION	
Schedule of expenditures of federal awards	19
Notes to the schedule of expenditures of federal awards	20
Schedule of general and long-term debt requirements	21
Schedule of changes in long-term debt by individual issue	22
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 <i>GOVERNMENT AUDITING STANDARDS</i>	23-24
SCHEDULE OF FINDINGS AND RESPONSES	25

**CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
ROSTER OF MANAGEMENT AND BOARD MEMBERS
YEAR ENDED JUNE 30, 2023**

DRAFT

MANAGEMENT

Mark Farley	Executive Director
Myra Walker	Director of Housing and Family Services
Ginger Stout	Finance Director

BOARD OF DIRECTORS

Marvin Lusk	Chairman
Holly Williams	Secretary
Barbara Witzigman	Director
Richard Driver	Director
Jeff Brown	Director
David Vidrine	Director

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION**

**To the Board of Directors of the
Cumberland Regional Development Corporation**

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of Cumberland Regional Development Corporation (a nonprofit organization), a component unit of Upper Cumberland Development District, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cumberland Regional Development Corporation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplemental 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, notes to the schedule of expenditures of federal awards, the schedule of general and long-term debt requirements, and the schedule of changes in long-term debt by individual issue on pages 19 through 22 are presented for purposes of additional analysis and are 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 supplemental information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of management and board members, but does not include the basis financial statements and

our auditors' report there in. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion of assurance there on.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Organization's internal control over financial reporting and 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 the Organization'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 Cumberland Regional Development Corporation's internal control over financial reporting and compliance.

Chattanooga, Tennessee
December 21, 2023

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

DRAFT

ASSETS

CURRENT ASSETS

Cash and cash equivalents		
Available	\$	64,792
Restricted		152,016
Accounts receivable		379,103
Prepaid expenses		21,927
Total current assets		617,838

NON-CURRENT ASSETS

Land		820,766
Capital assets, net of accumulated depreciation		6,848,840
Total non-current assets		7,669,606
	\$	8,287,444

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Line of credit	\$	83,000
Current maturities of notes payable		150,242
Accounts payable and accrued expenses		597,315
Security deposit liability		26,402
Prepaid revenue		2,760
Total current liabilities		859,719

LONG-TERM LIABILITIES

Notes payable, less current maturities and net of unamortized deferred financing costs		3,625,461
--	--	-----------

NET ASSETS

Net assets without donor restrictions		3,802,264
	\$	8,287,444

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

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023

DRAFT

	<u>Without Donor Restrictions</u>
REVENUE	
Development and management fees	\$ 545,458
Rent income	599,283
Grant revenue	171,855
Contributions	5,550
Loss on disposition of capital assets	(163,104)
Other income	<u>18,459</u>
Total revenues	<u>1,177,501</u>
OPERATING EXPENSES	
Program services	1,336,978
Management and general	<u>101,324</u>
Total expenses	<u>1,438,302</u>
DECREASE IN NET ASSETS	(260,801)
NET ASSETS	
Beginning of year	<u>4,063,065</u>
End of year	<u><u>\$ 3,802,264</u></u>

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

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

DRAFT

	Program Services	Management and General	Total
Salaries and wages	\$ 450,434	\$ 68,254	\$ 518,688
Contracted services	162,371	-	162,371
Occupancy	62,155	15,539	77,694
Real estate taxes	55,951	-	55,951
Repairs and maintenance	67,692	-	67,692
Supplies	14,230	3,558	17,788
Property and liability insurance	29,111	7,278	36,389
Professional fees	17,720	4,280	22,000
Interest expense	100,576	-	100,576
Communications	9,766	2,415	12,181
Bad debt	54,602	-	54,602
Other	21,893	-	21,893
Travel	38,085	-	38,085
	1,084,586	101,324	1,185,910
Expenses before depreciation			
Depreciation	252,392	-	252,392
	1,336,978	101,324	1,438,302
Total expenses	\$ 1,336,978	\$ 101,324	\$ 1,438,302

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

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

DRAFT

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (260,801)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation and amortization	254,506
Loss on disposal of capital assets	163,104
Net (increase) decrease in operating assets	
Accounts receivable	(140,961)
Prepaid expenses	(7,032)
Net increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	241,395
Security deposit liability	2,183
Prepaid revenue	<u>(1,731)</u>
Net cash provided by operating activities	<u>250,663</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for capital assets	<u>(15,400)</u>
Net cash used by investing activities	<u>(15,400)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net payments on line of credit	(7,000)
Payments on notes payable	<u>(161,561)</u>
Net cash used by financing activities	<u>(168,561)</u>

INCREASE IN CASH

66,702

CASH AND CASH EQUIVALENTS

Beginning	<u>150,106</u>
Ending	<u><u>\$ 216,808</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for -	
Interest	<u><u>\$ 98,462</u></u>

CASH AND CASH EQUIVALENTS CONSISTS OF

Available	\$ 64,792
Restricted	<u>152,016</u>
	<u><u>\$ 216,808</u></u>

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

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cumberland Regional Development Corporation (Organization) was established by Upper Cumberland Development District (UCDD) as a separate entity to assist HUD, THDA, Federal Home Loan Bank and USDA Rural Development in creating low cost affordable housing in the Upper Cumberland region.

Cumberland Regional Development Corporation DBA Beacon Light Apartments (Beacon Light Apartments) operates a twenty-four unit U.S. Department of Agriculture Section 515 rental housing project for persons of low and moderate income in Morrison, Tennessee.

The Organization is a Tennessee nonprofit corporation, and is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

The Organization records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes there in are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2023, the Organization did not have any net assets with donor restrictions.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash equivalents

For purposes of the cash flow statement, the Organization considers all unrestricted, highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Restricted cash

The Organization is required to hold cash in separate accounts restricted for the purposes of repairs and replacements, taxes and insurance, and tenant security deposits.

Accounts receivable

Accounts receivable for management and development fees is reported at the outstanding principal amount. Uncollectible accounts, if any, are accounted for by the direct write-off method, which would produce no material differences from the allowance method.

Capital assets

The Organization capitalizes long-lived assets with an original cost of \$5,000 or more. Donated property is recorded as a contribution at its estimated fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The useful life on buildings is forty years and five years for all other assets. Depreciation expense of \$252,392 was charged to operations for the year ended June 30, 2023.

Revenue recognition

The Organization recognizes revenue from exchange transactions in accordance with FASB ASU 2014-09, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization presents the following exchange transaction revenue in its statement of activities and changes in net assets:

Development and management fees - The Organization has contracts to manage seventeen HUD Section 202 and 811 properties located throughout middle Tennessee. In exchange the Organization charges management fees, bookkeeping fees, and service coordinator fees based upon a predetermined contractual rate for each service times the number of units in each property. The performance obligation is considered to be met when the contractual services are rendered. The Organization recognizes revenue when the performance obligations are met.

Rent income – The Organization generates revenue from the lease of the building to UCDD and other leases to tenants at the various low-income apartment complexes located throughout the Organization’s fourteen county region. The lease contract with UCDD and the tenants are for periods less than twelve months, which is excluded from the revenue recognition criteria and falls under ASU 2016-02, “Leases”.

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization has adopted professional guidance relating to uncertain tax positions. Under this guidance, an Organization must 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 with taxing authorities. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2023, there were no interest or penalties recorded or included in its financial statements.

The Organization's information returns for tax years ended June 30, 2020, and beyond remain subject to examination.

Functional expenses

The costs of providing the programs and services have been summarized on the statement of activities and changes in net assets on a functional basis. All expenses can be directly allocated to the program or supporting functions. Certain categories of expenses are attributed to both the program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses related to more than one function are allocated on the basis of the personnel's time.

Deferred financing costs

Deferred financing costs of \$52,857 are being amortized on the straight-line method over 300 months. The costs, net of amortization, are reported as a reduction of the carrying amount of the associated debt. Amortization of the deferred financing costs is included in interest expense.

Change in accounting principle

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which supersedes existing guidance in *Topic 840, Leases*. The FASB subsequently issued the following additional ASUs, which amend and clarify Topic 842. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities on the balance sheet for operating leases.

The Organization adopted Topic 842 effective July 1, 2022, and has elected to apply the short-term lease exception to all leases with a term of one year or less and recognize the lease payments as lease cost on a straight-line basis over the lease term. The Organization has also elected to apply the available practical expedients provided in the transition guidance without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result, adopting FASB ASC 842 had no impact on the Organization's beginning net assets, current year statements of financial position, activities and cash flows since the Organization's leasing activities are all short-term operating leases.

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(2) ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, is as follows:

Rent receivable	\$ 35,013
Development and management fees receivable	<u>344,090</u>
	<u>\$ 379,103</u>

(3) CAPITAL ASSETS

A summary of changes in capital assets and accumulated depreciation is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and reclassifications</u>	<u>Ending</u>
Non-depreciable capital assets				
Land	\$ 820,766	\$ -	\$ -	\$ 820,766
Construction in process	<u>147,704</u>	<u>15,400</u>	<u>(163,104)</u>	<u>-</u>
	<u>\$ 968,470</u>	<u>\$ 15,400</u>	<u>\$ (163,104)</u>	<u>\$ 820,766</u>
Depreciable capital assets				
Building and improvements	\$ 8,808,298	\$ -	\$ -	\$ 8,808,298
Equipment, furniture and fixtures	<u>278,786</u>	<u>-</u>	<u>-</u>	<u>278,786</u>
	<u>9,087,084</u>	<u>-</u>	<u>-</u>	<u>9,087,084</u>
Less accumulated depreciation				
Building and improvements	1,889,125	216,529	-	2,105,654
Equipment, furniture and fixtures	<u>96,727</u>	<u>35,863</u>	<u>-</u>	<u>132,590</u>
	<u>1,985,852</u>	<u>252,392</u>	<u>-</u>	<u>2,238,244</u>
Depreciable capital assets, net	<u>\$ 7,101,232</u>	<u>\$ (252,392)</u>	<u>\$ -</u>	<u>\$ 6,848,840</u>

Property and equipment acquired by the Organization with grant funds are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant funds as well as the right to determine the use of any proceeds from the sale of those assets.

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(4) LINE OF CREDIT

The Organization maintains a line of credit with First National Bank of Tennessee. The line provides for borrowings of up to \$200,000 including interest, and maturing December 2023. As of June 30, 2023, there was an outstanding balance of \$83,000 on this line.

A summary of changes in line of credit is as follows:

	<u>Beginning</u>	<u>Adjustments and additions</u>	<u>Adjustments and retirements</u>	<u>Ending</u>
Line of credit	\$ 90,000	\$ -	\$ (7,000)	\$ 83,000

(5) LONG TERM DEBT

Long-term debt consists of the following:

Mortgage payable to the U.S. Department of Agriculture at a calculated payment of \$2,253 including principal and interest at a rate of 1%, through May 2038. The mortgage is secured by all real estate and the assignment of all rents and profits.	\$ 374,421
Mortgage payable to the U.S. Department of Agriculture at a calculated payment of \$464, including principal and interest at a rate of 1%, through May 2038. The mortgage is secured by the assignment of all rents and profits.	77,091
Mortgage payable to Progressive Savings Bank at a calculated payment of \$1,272 including principal and interest at a rate of 4.5%, through July 2036. The mortgage is secured by all real estate and the assignment of rents and profits.	128,748
Mortgage payable to Wilson Bank & Trust at a calculated payment of \$1,016 including principal and interest at a rate of 2.0%, through June 2030, then variable interest adjusted annually to a fixed rate calculated at New York Prime minus 3% with a floor of 1.85% through May 2045. The mortgage is secured by all real estate and guarantees of UCDD, CAIC and CRDC.	2,318,252
Mortgage payable to Wilson Bank & Trust at a calculated payment of \$5,268 including principal and interest at a rate of 3.98%, through June 2030, then payments of \$5,186 including principal and interest at a variable interest rate at New York Prime plus 0.50%, through May 2045. The mortgage is secured by all real estate and guarantees of UCDD, CAIC and CRDC.	923,355
	3,821,867
Less unamortized deferred financing costs	46,164
	3,775,703
Less current maturities	150,242
	\$ 3,625,461

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) LONG TERM DEBT (continued)

Deferred financing costs as of June 30, 2023, are as follows:

Deferred financing costs	\$ 52,857
Less accumulated amortization	<u>6,693</u>
Deferred financing costs, net	<u><u>\$ 46,164</u></u>

Amortization included in interest expense for the year ended June 30, 2023, was \$2,114. Estimated amortization expense for the next five fiscal years are as follows:

Year ending June 30, 2024	\$ 2,114
2025	2,114
2026	2,114
2027	2,114
2028	2,114
Thereafter	<u>35,594</u>
	<u><u>\$ 46,164</u></u>

Future maturities of long-term debt are as follows:

	Gross Payment	Interest	Principal
Year ending June 30, 2024	\$ 241,800	\$ 91,557	\$ 150,243
2025	241,799	88,277	153,522
2026	241,803	84,638	157,165
2027	241,803	80,890	160,913
2028	241,793	77,033	164,760
2029-2033	1,307,361	595,944	711,417
2034-2038	1,332,912	626,153	706,759
2039-2043	1,080,227	481,995	598,232
2044-2045	<u>1,164,213</u>	<u>145,357</u>	<u>1,018,856</u>
	<u><u>\$ 6,093,711</u></u>	<u><u>\$ 2,271,844</u></u>	<u><u>\$ 3,821,867</u></u>

A summary of changes in long-term debt is as follows:

	Beginning	Adjustments and additions	Adjustments and retirements	Ending
Notes payable	<u>\$ 3,983,428</u>	<u>\$ -</u>	<u>\$ (161,561)</u>	<u>\$ 3,821,867</u>

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(6) RELATED PARTY TRANSACTIONS

The following transactions occurred between the Organization and other affiliated organizations:

The Organization and the Upper Cumberland Development District entered into an agreement for services contract on December 14, 1999, which requires the Organization to reimburse UCDD for the personnel and administrative costs for program administration. The Organization also leases the building located on England Drive to UCDD. For the year ended June 30, 2023 the Organization received payments from UCDD totaling \$195,600 included in rent income on the statement of activities and changes in net assets. The Organization also has a management agreement with 17 HUD Section 202 and 811 properties. Management and development fees totaling \$545,458 were recognized as revenue and management and development fee receivables at June 30, 2023, totaled \$344,090.

A portion of accounts payable at June 30, 2023, was due to Upper Cumberland Development District in the amount of \$540,578.

(7) LIQUIDITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 64,792
Accounts receivable	<u>379,103</u>
	<u>\$ 443,895</u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization maintains a \$200,000 line of credit at First National Bank of Tennessee and receives financial support from the Upper Cumberland Development District which are used to cover operating deficits.

(8) COMMITMENTS AND CONTINGENCIES

The Organization is subject to possible examinations made by federal, state and local regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Organization in the current and prior years. These examinations may result in required refunds by the entity to grantors and/or program beneficiaries.

(9) SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 21, 2023, the date these financial statements were available to be issued.

DRAFT

SUPPLEMENTAL INFORMATION

**CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Assistance Listing No.	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)	Outstanding Mortgage Payable
Federal Awards						
U.S. Department of Agriculture						
Section 515 Rural Rental Housing	10.415	\$ -	\$ -	\$ -	\$ -	\$ 479,440
Rural Rental Assistance Payments	10.427	-	116,035	116,035	-	-
		\$ -	\$ 116,035	\$ 116,035	\$ -	\$ 479,440
Total Federal Awards		\$ -	\$ 116,035	\$ 116,035	\$ -	\$ 479,440

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

DRAFT

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cumberland Regional Development Corporation and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cumberland Regional Development Corporation has elected not to use the 10-percent de minimis indirect cost rate.

(3) SECTION 515 RURAL RENTAL HOUSING

Cumberland Regional Development Corporation has received direct loans under the U.S. Department of Agriculture Section 515 Rural Rental Housing program. The loan balance outstanding at the beginning of the year is included in the outstanding mortgage payable column presented in the Schedule of Expenditures of Federal Awards. The Corporation did not receive any additional loans under this program during the year. The Balance of loans outstanding at June 30, 2023, for CFDA number 10.415 totaled \$451,511.

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
SCHEDULE OF GENERAL AND LONG-TERM DEBT REQUIREMENTS
JUNE 30, 2023

DRAFT

Year Ending June 30,	Progressive Savings Bank Note Payable		U.S.D.A Loan # 1		U.S.D.A. Loan # 2		Wilson Bank & Trust Note Payable # 1		Wilson Bank & Trust Note Payable # 2	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	9,933	5,324	23,393	3,637	4,816	749	85,151	45,586	26,949	36,261
2025	10,118	5,140	23,628	3,402	4,865	700	86,870	43,867	28,042	35,168
2026	10,582	4,675	23,865	3,165	4,914	652	88,625	42,114	29,179	34,032
2027	11,069	4,189	24,105	2,925	4,963	602	90,415	40,325	30,361	32,849
2028	11,577	3,680	24,347	2,683	5,013	552	92,231	38,500	31,592	31,618
2029	12,109	3,148	24,592	2,438	5,063	502	94,094	36,638	32,872	30,338
2030	12,665	2,592	24,839	2,191	5,114	451	95,993	39,324	31,140	31,988
2031	13,247	2,010	25,088	1,942	5,166	400	97,929	86,103	-	64,271
2032	13,856	1,402	25,340	1,690	5,217	348	99,912	80,914	-	64,464
2033	14,492	765	25,595	1,435	5,270	295	101,931	75,621	-	64,674
2034	9,100	142	25,852	1,178	5,323	243	103,986	70,220	-	64,904
2035	-	-	26,112	918	5,376	189	106,079	64,710	-	65,156
2036	-	-	26,374	656	5,430	135	108,229	59,089	-	65,431
2037	-	-	26,639	391	10,561	25	110,406	53,355	-	65,732
2038	-	-	24,652	112	-	-	112,641	47,505	-	66,062
2039	-	-	-	-	-	-	114,913	41,537	-	66,422
2040	-	-	-	-	-	-	117,233	35,448	-	66,816
2041	-	-	-	-	-	-	119,601	29,237	-	67,247
2042	-	-	-	-	-	-	122,016	22,900	-	67,719
2043	-	-	-	-	-	-	124,469	16,435	-	68,234
2044	-	-	-	-	-	-	126,980	9,840	-	68,799
2045	-	-	-	-	-	-	118,548	3,112	713,220	63,606
	<u>\$ 128,748</u>	<u>\$ 33,067</u>	<u>\$ 374,421</u>	<u>\$ 28,763</u>	<u>\$ 77,091</u>	<u>\$ 5,843</u>	<u>\$ 2,318,252</u>	<u>\$ 982,380</u>	<u>\$ 923,355</u>	<u>\$ 1,221,791</u>

CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

DRAFT

Description of loan	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid During Period	Outstanding June 30, 2023
Notes Payable								
Progressive Savings Bank	200,000	4.50%	April 17, 2017	July 2036	\$ 152,721	\$ -	\$ 23,973	\$ 128,748
U.S.D.A. Loan # 1	627,284	1.00%	December 1, 2011	May 2038	397,581	-	23,160	374,421
U.S.D.A. Loan # 2	129,154	1.00%	December 1, 2011	May 2038	81,860	-	4,769	77,091
Wilson Bank & Trust Loan #1	2,570,400	2.00%	May 14, 2020	May 2045	2,401,719	-	83,467	2,318,252
Wilson Bank & Trust Loan #2	<u>1,000,000</u>	3.98%	May 14, 2020	May 2045	<u>949,547</u>	<u>-</u>	<u>26,192</u>	<u>923,355</u>
	<u>\$ 4,526,838</u>				<u>\$ 3,983,428</u>	<u>\$ -</u>	<u>\$ 161,561</u>	<u>\$ 3,821,867</u>

**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 the
Cumberland Regional Development Corporation**

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 Cumberland Regional Development Corporation which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, 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 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Chattanooga, Tennessee
December 21, 2023

**CUMBERLAND REGIONAL DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

DRAFT

Current Year Findings

None

Prior Year Findings

None

Audit Summary: Financial Overview 2023

1. Line of Credit:

- No change from 2022, with the line of credit remaining at zero. This indicates a stable credit position, and increased liquidity.

2. Grants Receivable:

- Demonstrated a substantial increase of \$1,182,963, rising from \$4,103,072 in 2022 to \$5,286,035 in 2023. This growth is directly related to addition of the Empower program which has added an additional funding source to the agency, and the new TDOC model (Day Reporting Center).

3. Fund Balance:

- **Unassigned Fund Balance:**

1. A marked increase of \$451,841, suggests the efforts of the organization to stabilize the agency through evaluating the performance of non-grant related programs has been successful.

**UPPER CUMBERLAND HUMAN RESOURCE
AGENCY**

Cookeville, Tennessee

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2023

DRAFT

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

TABLE OF CONTENTS

DRAFT

Page

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	ii-iv
MANAGEMENT'S DISCUSSION AND ANALYSIS	v-viii
ROSTER OF MANAGEMENT AND BOARD MEMBERS	ix

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

Statement of net position	1-2
Statement of activities	3

FUND FINANCIAL STATEMENTS

Governmental Funds

Balance sheet	4
Reconciliation of the balance sheet of governmental funds to the statement of net position	5
Statement of revenues, expenditures and changes in fund balances	6
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	7

NOTES TO BASIC FINANCIAL STATEMENTS

8-28

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS	31-32
Schedule of contributions based on participation in the public employee pension plan of TCRS	33-34
Schedule of changes in total OPEB liability and related ratios	35

SUPPLEMENTAL INFORMATION

Administrative expenses	37
Schedule of general and long-term debt requirements	38-39
Schedule of changes in long-term debt by individual issue	40
Schedules of expenditures of federal and state awards	41-47
Notes to schedules of expenditures of federal and state awards	48

INTERNAL CONTROL AND COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	49-50
Independent auditors' report on compliance for each major program and on internal control over compliance required by the Uniform Guidance	51-53
Schedule of findings and questioned costs	54
Schedule of prior year findings and questioned costs	55

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of the
Upper Cumberland Human Resource Agency**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Upper Cumberland Human Resource Agency, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Upper Cumberland Human Resource Agency, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, certain pension information, and certain OPEB information on pages v through viii and pages 31 through 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of administrative expenses, schedule of general and long-term debt requirements, schedule of long-term debt by individual issue, and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 schedule of general and long-term debt requirements, schedule of long-term debt by individual issue, and schedule 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 Information

Management is responsible for the other information included in the annual report. The other information comprises of the roster of management and board members but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form to assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our opinion.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the 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 the 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 the Agency's internal control over financial reporting and compliance.

Chattanooga, Tennessee
December 21, 2023

**Upper Cumberland Human Resource Agency
Management's Discussion and Analysis
Year Ended June 30, 2023**

This section of Upper Cumberland Human Resource Agency's annual financial report presents our discussion and analysis of the Agency's financial performance during the fiscal year that ended June 30, 2023. The Agency's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes following this section.

OVERVIEW OF FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the Agency's basic financial statements. The basic financial statements include: government wide financial statements; fund financial statements; and notes to the financial statements. The Agency also includes in this report additional information to supplement the financial statements.

Government-Wide Financial Statements

The Agency's annual reports includes 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. The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The first of these government-wide financial statements is the Statement of Net Position. This is the agency-wide statement of financial position presenting information that includes all of the Agency's assets and liabilities, deferred outflows of resources, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency as a whole is improving or deteriorating. Evaluation of the overall health of the Agency would extend to other non-financial factors in addition to the financial information provided in this report.

The second government-wide financial statement is the Statement of Activities, which reports how the Agency's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Agency's distinct activities or functions on revenues provided by the Agency's local governments and grantors.

The Agency operates programs through federal, state, and local government grants. All revenues generated through these programs are from grants, contracts, and fees for services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Agency uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Agency's funds rather than the Agency as a whole. The Agency utilizes one governmental fund – a general fund – to account for all of its activities.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Agency's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of the short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. They provide explanation of the financial statements and provide more detailed data.

Other Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency's net position increased \$1,288,234 during the fiscal year from a beginning balance of \$9,963,282 to \$11,251,516 at fiscal yearend.

	Total Primary Government	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 7,429,375	\$7,641,885
Capital assets	<u>6,167,360</u>	<u>5,803,767</u>
Total assets	<u>13,596,735</u>	<u>13,445,652</u>
Deferred outflows of resources	<u>1,284,714</u>	<u>1,390,340</u>
Current liabilities	1,382,707	1,113,891
Long-term liabilities	<u>2,047,984</u>	<u>2,259,057</u>
Total liabilities	<u>3,430,691</u>	<u>3,372,948</u>
Deferred inflows of resources	<u>199,242</u>	<u>1,499,762</u>
Net position		
Net investment in capital assets	4,315,275	3,694,597
Restricted	4,266,812	5,435,977
Unrestricted	<u>2,669,429</u>	<u>832,708</u>
Total net position	<u>\$11,251,516</u>	<u>\$9,963,282</u>

Investment in capital assets represents net assets used to acquire those assets and 38.35% of total net position. Unrestricted net position comprises 23.73% of total net position.

	Total Primary Government	
	<u>2023</u>	<u>2022</u>
Program Revenues		
Charges for services	\$ 3,056,506	\$ 2,732,642
Operating grants and contributions	27,443,843	21,093,242
Capital grants and contributions	-	-
General revenues		
Interest	11,352	7,106
Other general revenues(expenses)	<u>(5,792)</u>	<u>2,447,801</u>
Total revenues	30,505,909	26,280,791
Program expenses		
General government	<u>29,217,675</u>	<u>23,668,057</u>
Increase (decrease) in net position	<u>\$ 1,288,234</u>	<u>\$ 2,612,734</u>

Governmental activities are supported by charges for services and grants/contributions. Additionally, general revenues cover any net expenses after program specific revenues are applied.

Since the Agency continues to derive the vast majority of its funding from the State and Federal governments, and those funds appear to be stable at the present time, the overall financial outlook of the Agency can be characterized as “good.” Despite the fact, the Agency continues to seek and implement cost control measures as funding from those sources does not always increase on an annual basis in keeping up with the rate of inflation (i.e., labor, employee benefit, and other operating costs).

FINANCIAL ANALYSIS OF THE AGENCY’S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of expendable resources focus. This information is useful in assessing resources available at year-end. Governmental funds reported ending fund balance of \$5,516,320. Of this year-end total, \$1,043,072 is unassigned, indicating availability for continuing Agency requirements. The remaining fund balance is comprised of \$3,436,479 restricted for transportation programs, \$2,549 restricted for CASA programs, \$42,694 restricted for energy programs, \$6,929 restricted for community service programs, \$347,754 assigned to the retiree account, \$1 assigned to the flower fund, and \$636,842 is nonspendable. Revenues exceeded expenditures by \$533,534.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency’s capital assets totaled \$14,523,270, with accumulated depreciation and amortization of \$8,355,910 for a net book value of \$6,167,360 at June 30, 2023. There were capital outlays of \$1,619,084 during the period ending June 30, 2023. Depreciation and amortization in the current period was \$1,169,096.

Debt Administration

During the year ending June 30, 2023, debt had a net decrease of \$211,073 which resulted in an ending balance of \$2,047,983.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

On March 11, 2020 a global pandemic was declared in response to the rapid spread of the virus COVID-19. This global health emergency has had a significant impact on some of the service programs that UCHRA administers, and the global economy. After the historic mobilization and response to the COVID-19 health emergency, a declaration to the end of the pandemic was officially released on May 11, 2023.

Residual funds from the CARES Act have been depleted this fiscal year in most departments within UCHRA. These funds have provided assistance to supplement transportation when ridership has decreased due to spikes of COVID-19 cases. Funding was also provided through Community Service and Social Services Block grants to provide financial assistance, direct care, protective equipment to vulnerable adults during the pandemic.

UCHRA was awarded a new contract from Tennessee Department of Human Services through the new TANF Opportunity Act Pilot in the amount of \$25 million dollars over a three-year period starting November 1, 2023. This model is designed to reach over 1,200 families moving, 800 families and 1,600 children out of poverty. Part of this grant will be used to provide supportive services to families as they reach the benefit cliff through job growth. UCHRA has partnered with Highlands Economic, Upper Cumberland Workforce Board, CRMC Foundation, UC Broadcast Council, and Upper Cumberland Development District to reduce barriers for families.

The Agency contracts primarily with agencies the State of Tennessee and managed care organizations (MCO); therefore, they are not directly affected by macroeconomic factors. However, the state, federal and local governments and MCOs are affected by these factors, indirectly affecting our Agency's grant and operating budgets. These effects can be positive or negative due to the economic environment. The Agency will continue to be cautious and efficient with controlling costs to assure it remains within its budgetary spending limits on a grant by grant basis.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Agency's finances, comply with finance-related laws and regulation and demonstrate the Agency's commitment to public accountability. If you have any questions about this report or would like additional information, contact the Agency's Executive Director at 1104 England Drive, Cookeville, TN 38501.

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
ROSTER OF MANAGEMENT AND BOARD MEMBERS
YEAR ENDED JUNE 30, 2023**

DRAFT

MANAGEMENT

Mark Farley
Ginger Stout

Executive Director
Finance Director

BOARD OF DIRECTORS

Officers

Randy Heady, Jackson County
Jeff Mason, Smith County
Sam Gibson, Pickett County
Denny Wayne Robinson, White County

Chairman
Vice Chairman
Secretary
Treasurer

Other Members of the Board

Greg Mitchell, Cannon County
Allen Foster, Cumberland County
Josh Miller, DeKalb County
Lloyd Williams, Jackson County
Steven Barlow, Overton County
Lauren Wheaton, Putnam County
John Potts, Smith Country
Mickey Robinson, Van Buren County
Terry Bell, Warren County
Representative Cameron Sexton

Dale Reagan, Clay County
Matt Adcock, DeKalb County
Jimmy Johnson, Fentress County
Steve Jones, Macon County
Stephen Bilbray, Pickett County
Randy Porter, Putnam County
David Sullivan, Van Buren County
Ryle Chastain, Warren County
Jerry Lowery, White County
Senator Paul Bailey

POLICY COUNCIL

Officers

Randy Heady, Jackson County
Jeff Mason, Smith County
Sam Gibson, Pickett County

Chairman
Vice Chairman
Secretary

Other Members of the Policy Council

Charlene Whitaker, Utilities
Cindy Putman, Education
Katelyn Hicks, Consumer Representative
Don Hollingsworth, Consumer Representative
Linda Pastrick, Consumer Representative
Terri Dunn, Provider Representative
Marie Ferran, Provider Representative
Anne Stamps, Provider Representative
Marvin Lusk, Minority Representative
Bob DePriest, Consumer Representative

Keisha Richards, Public Housing
Brent Anderson, Law Enforcement
Barbara Wheeler, Consumer Representative
Ashley Gray, Provider Representative
Marilyn Davis, Consumer Representative
Kristi Paling, Provider Representative
Bill Gibson, Provider Representative
Michael Burton, Provider Representative
Paula Rodriguez, Provider Representative

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2023

DRAFT

	Governmental Activities
ASSETS	
Cash and cash equivalents	
Available	\$ 541,356
Grants receivable	5,286,035
Other receivables	186,978
Prepays	36,138
Inventories	600,704
Net pension asset	778,164
Land and other nondepreciable assets	497,100
Other capital assets, net of accumulated depreciation and amortization	5,670,260
Total assets	\$ 13,596,735
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pensions	\$ 1,139,041
Deferred outflows from OPEB plan	145,673
Total deferred outflows of resources	\$ 1,284,714
LIABILITIES	
Accounts payable	\$ 400,052
Due to other governments	34,209
Accrued expenses	629,109
Unearned revenue	71,521
Net post employment healthcare plan obligation	247,816
Long-term liabilities	
Due within one year	432,639
Due in more than one year	1,615,345
Total liabilities	\$ 3,430,691
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension plan	\$ 4,546
Deferred inflows related to OPEB plan	194,696
Total deferred inflows of resources	\$ 199,242

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

DRAFT

	<u>Governmental Activities</u>
NET POSITION	
Net investment in capital assets	\$ 4,315,275
Restricted for	
Pensions	778,164
Transportation programs	3,692,747
CASA programs	4,617
Energy programs	42,694
Community service programs	6,929
Unrestricted	<u>2,411,090</u>
 Total net position	 <u><u>\$ 11,251,516</u></u>

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

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

DRAFT

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Net Governmental Activities
Governmental activities				
Local programs and administration	\$ 381,181	\$ 14,140	\$ 259,495	\$ (107,546)
LIHEAP programs	6,974,859	-	7,016,789	41,930
Transportation programs	10,622,805	2,433,670	8,611,701	422,566
Nutrition programs	38,159	-	45,965	7,806
Residential programs	756,203	543,716	130,309	(82,178)
Other community services programs	9,806,320	64,980	10,776,897	1,035,557
Commodities	638,148	-	602,687	(35,461)
	<u>29,217,675</u>	<u>3,056,506</u>	<u>27,443,843</u>	<u>1,282,674</u>
Total governmental activities				
Total primary government	<u>\$ 29,217,675</u>	<u>\$ 3,056,506</u>	<u>\$ 27,443,843</u>	<u>1,282,674</u>
GENERAL REVENUES				
				11,352
				(5,792)
				5,560
				1,288,234
NET POSITION				
				9,963,282
				\$ 11,251,516

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

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

DRAFT

	<u>Total Governmental Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	
Available	\$ 541,356
Grants receivable	5,286,035
Other receivables	186,978
Prepays	36,138
Inventories	<u>600,704</u>
Total assets	<u>\$ 6,651,211</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts payable	\$ 400,052
Accrued expenditures	629,109
Unearned revenue	71,521
Due to other governments	<u>34,209</u>
Total liabilities	<u>1,134,891</u>
Fund balances	
Nonspendable	
Inventory	600,704
Prepaid items	36,138
Restricted for	
Transportation programs	3,692,747
CASA programs	4,617
Energy programs	42,694
Community service programs	6,929
Assigned to	
Flower fund	1
Retiree account	347,754
Unassigned	<u>784,736</u>
Total fund balances	<u>5,516,320</u>
Total liabilities and fund balances	<u>\$ 6,651,211</u>

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

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

DRAFT

Differences in amounts reported for governmental activities in the statement of net position on page 1:

Fund balances – total governmental funds	\$ 5,516,320
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 are not reported in the funds.	6,167,360
Net pension assets are not available for current-period expenditures and, therefore, are not reported in the funds.	778,164
Deferred outflows, such as deferred outflows from other post-employment healthcare plan obligations and from pensions, are not due in the current period and, therefore, are not reported in the funds.	1,284,714
Deferred inflows, such as deferred inflows from other post-employment benefits and from pensions, are not received in the current period and, therefore, are not reported in the funds.	(199,242)
Long-term liabilities, such as compensated absences, that are not due in the current period and, therefore, are not reported in the funds.	(195,899)
Long-term liabilities, such as net post-employment healthcare plan obligation, that are not due in the current period and, therefore, are not reported in the funds.	(247,816)
Long-term liabilities, such as lease purchase obligations and long-term lease obligations, that are not due in the current period and, therefore, are not reported in the funds.	<u>(1,852,085)</u>
	<u>\$11,251,516</u>

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

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

DRAFT

	Total Governmental Funds
REVENUES	
Grantor contributions	\$ 26,115,102
Fees for service	592,070
Contract revenue	1,967,889
State and local contributions	726,054
Commodities received	602,687
Performance based revenue	85,483
Program income	396,924
Interest	11,352
	30,497,561
EXPENDITURES	
Salaries and wages	8,798,828
Payroll taxes and fringe benefits	2,479,842
Professional fees	1,823,785
Supplies	373,627
Telephone and communications	278,856
Occupancy	251,347
Printing and publications	69,400
Equipment rental and leasing	57,011
Insurance	386,538
Travel	1,608,481
Assistance to individuals	8,474,798
Contract services	1,482,366
Miscellaneous	105,629
Cost Allocations	1,878,263
Capital outlay	1,619,084
Debt service	
Principal	410,881
Interest	113,832
	30,212,568
EXCESS OF REVENUES OVER EXPENDITURES	284,993
OTHER FINANCING SOURCES (USES)	
Proceeds from capital lease obligations	167,939
Proceeds from sale of capital assets	80,602
	248,541
NET CHANGE IN FUND BALANCE	533,534
FUND BALANCE	
Beginning	4,982,786
Ending	\$ 5,516,320

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

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES**

JUNE 30, 2023

DRAFT

Differences in amounts reported for governmental activities in the statement of activities on page 3:

Net change in fund balances – total governmental funds \$ 533,534

Amounts reported for governmental activities in the statement of activities are different because:

Depreciation expense on governmental capital assets are included in the statement of activities. (1,169,096)

Capital outlay reported as expenditures in the governmental funds are reported as capital assets in the statement of activities. 1,619,084

Proceeds for capital assets disposed of provide current financial resources to governmental funds, but only the gain/(loss) on disposal are reported in the statement of activities. (86,396)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 257,084

The statement of net position includes a liability for the net post-employment healthcare plan obligation for participation in the Local Government OPEB Plan. The increase or decrease in the liability does not affect expenditures in the governmental funds. 10,355

The statement of net position includes an asset for the net pension asset for participation in the Tennessee Consolidated Retirement System plan. The increase or decrease in the asset does not affect expenditures in the governmental funds. 169,680

The statement of net position includes a liability for compensated absences. These are planned to be liquidated with future resources; therefore, the increase or decrease in the liability does not affect expenditures in the governmental funds. (46,011)

\$ 1,288,234

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

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Upper Cumberland Human Resource Agency (Agency) was established in 1973 in accordance with Title 13, Chapter 26, as amended, of Tennessee Code Annotated. This legislation provides a regional system to deliver human resource agency programs in the State's counties and cities. It is governed by a member governing board and a member policy council. The board consists of fourteen county executives and six mayors within the area served by the Agency, one state senator and one state representative whose districts lie wholly or in part within the area served by the Agency. The policy council has twenty one council members and consists of mixture of elected officials, consumer, provider and minority representatives from the fourteen counties served by the Agency. For financial reporting purposes, the Agency includes all fund types and account groups over which the Board of Directors is financially accountable.

The accounting and reporting policies of the Agency relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). The GASB periodically updates its codification of the existing standards, which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant accounting policies for the Agency are described below.

Reporting entity

The Agency, for financial purposes, includes all the funds relevant to the operations of the Upper Cumberland Human Resource Agency (the primary government). The Agency is also required to include in its financial statements those separately administered organizations (component units) with which the Agency has significant operational or financial relationships. The criteria for including organizations as component units within the Agency's reporting entity include whether the organization is legally separate and whether the Agency holds the corporate powers, whether the Agency appoints a majority of the organization's board and is able to impose its will, and the ability of the organization to impose a financial benefit or burden on the Agency. Based on the foregoing criteria, the Agency has no component units.

Basis of presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by assessments and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* for administrative overhead are allocated among the function and activities using a full cost allocation approach and are presented separately. Program *revenues* include (1) charges to customers or applicants who purchase use, or directly benefit from goods, services, or privileges provided by the given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Basis of accounting

The government-wide financial statements, consist of the statement of net position and the statement of activities, are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liability is incurred. The government-wide financial statements report information on all of the non-fiduciary activities of the Agency as a whole.

The fund-level financial statements of the governmental funds consist of a general fund, use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual, which is defined as being both measurable, meaning that the amount of the transaction can be determined, and available, meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Those revenues susceptible to accrual are federal and state grants, other state funds, interest income and charges for services. Expenditures are generally recognized when the liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Since the governmental funds statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following the applicable fund statement which it reconciles.

The Agency reports the following major governmental fund:

General fund – The general fund is the primary operating fund of the Agency. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Fund accounting

The accounts of the Agency are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government 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. Amounts reported in the fund financial statements as due to or due from other funds are eliminated upon preparation of the government-wide statement of net position. The various funds are grouped into fund types as follows:

Governmental Funds - The general fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund, or those for which it is considered fiscally responsible to be accounted for in a separate fund.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting (continued)

Proprietary Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises and therefore funded primarily through user charges.

Non-current governmental assets/liabilities - The Agency eliminates the presentation of account groups, but provides for these records to be maintained and incorporated into the governmental activities section of the government-wide financial statements.

Fund equity

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

Fund balance represents the difference between assets and 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:

Non-spendable – Fund balances are reported as non-spendable 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 either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Agency’s Board of Directors through the adoption of a resolution. The Board also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by Board action to be used for specific purposes, but are neither restricted or committed.

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

When both restricted and unrestricted amounts of fund balance are available for expenditure, it is the Agency’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Agency’s policy to use fund balances in the following order: committed, assigned, unassigned.

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 for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balances section above. All other net assets are reported as unrestricted.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget and budgetary control

The Agency does not have an annual appropriated budget. The grant documents, service contracts and program projections serve as the financial plans for budgetary purposes.

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 these estimates.

Cash equivalents

For purposes of these financial statements, the Agency considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Receivables

Receivables are reported at the outstanding principal amount. The Agency uses the direct write-off method to account for bad debts, which produces no material differences from the allowance method. Individual accounts are written off when they are determined to be uncollectible.

Inventories

The consumption method is used to account for inventories. Under the consumption method, an expenditure is recognized when inventory is consumed. Commodities inventory is valued using Tennessee Department of Agriculture issued price list.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

For the fund financial statements, capital assets of governmental funds are recorded as expenditures at the time of purchase. For governmental funds at the government-wide presentation, the Agency capitalizes long-lived assets with an original cost of \$1,000 or more over their estimated useful lives using the straight-line method. Such assets are recorded at cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	25-40 years
Leasehold and land improvements	15-24 years
Vehicles	5 years
Equipment	5 years

Long-term debt

In government-wide financial statements, long-term debt or other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated absences

Agency employees are paid for vacation and absences due to sickness by prescribed formulas based on length of service. Vacation and sick leave for employees of governmental funds are recorded as expenditures in the period they are used and considered payable from current financial resources. Vacation leave is based on employment date, and unused vacation leave is converted into sick leave at the end of the fiscal year-end.

The Agency's policies allow an employee who has been employed with the Agency for twenty consecutive years and is 59 ½ to receive a payment of accumulated sick leave up to six months upon retirement. The estimated value of accumulated benefits earned by these employees, which may be used in subsequent years and paid upon retirement, is recorded as long-term debt in the government-wide statements.

Deferred outflows/inflows of resources

GASB has defined deferred outflows of resources and deferred inflows of resources as follows:

Deferred outflows of resources – a consumption of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources – an acquisition of net position by the government that is applicable to a future reporting period.

As of June 30, 2023, the Agency had \$1,284,714 of deferred outflows of resources from other post-employment benefits and pensions and had \$199,242 of deferred inflows of resources from other post-employment benefits and pensions.

Indirect costs

Indirect costs are allocated to the functions of the Agency based on the ratio of the individual direct program salaries to direct program salaries applied to the administrative costs.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Upper Cumberland Human Resource Agency's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and addition to/deductions from the Agency's fiduciary net position have been determined on the same basis as they are reported by TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of the TCRS. Investments are reported at fair value.

Leasing activities

The Agency has implemented GASB Statement No. 87, *Leases*. GASB 87 establishes requirements for lease accounting based on the principle that leases are long-term contracts that convey control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange like transaction. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

On July 1, 2022, the Agency implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements* (SBITA). This standard provide guidance on the accounting and financial reporting for SBITAs for government end-users. GASB 96 established requirements for SBITA accounting based on the principle that SBITAs are a contract that conveys control of the right to use another party’s information technology, alone or in a combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. A government is required to recognize the right of use subscription asset and a corresponding subscription liability. Since all of the Agency’s SBITAs are short-term and cancelable by either party, the implementation of GASB 96 had no effect on the Agency’s beginning net position or on current operations.

(2) CASH AND INVESTMENTS

The Agency does not have a formal policy regarding the types of investment authorized. However, State statutes authorize the Agency to invest operating funds in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and state pooled investment funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction.

At June 30, 2023, the Agency’s cash and investments consist of the following:

Checking accounts	\$ 805,773
Petty cash	<u>450</u>
	<u>\$ 806,223</u>

Custodial Credit Risk – The Agency’s policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. The deposits must be covered by federal deposit insurance or the Tennessee Bank Collateral Pool, by collateral held by the Agency’s agent in the Agency’s name, or by Federal Reserve Banks acting as third party agents. State statutes also authorize the types of investments in which the Agency may participate.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(3) CAPITAL ASSETS

Governmental activities

A summary of changes in capital assets and accumulated depreciation for governmental activities is as follows:

	Beginning	Additions	Dispositions and reclassifications	Ending
Non-depreciable capital assets				
Land	\$ 497,100	\$ -	\$ -	\$ 497,100
Total non-depreciable capital assets	\$ 497,100	\$ -	\$ -	\$ 497,100
Depreciable capital assets				
Buildings	\$ 823,512	\$ -	\$ -	\$ 823,512
Right-to-use asset - office space	2,462,137	147,693	(21,350)	2,588,480
Equipment	1,978,937	283,103	-	2,262,040
Vehicles	7,358,638	1,188,288	(194,788)	8,352,138
	12,623,224	1,619,084	(216,138)	14,026,170
Less accumulated depreciation and amortization				
Buildings	293,083	41,264	-	334,347
Right-to-use asset - office space	413,505	428,916	(3,050)	839,371
Equipment	1,614,270	151,900	-	1,766,170
Vehicles	4,995,698	547,016	(126,692)	5,416,022
	7,316,556	1,169,096	(129,742)	8,355,910
Depreciable capital assets, net	\$ 5,306,668	\$ 449,988	\$ (86,396)	\$ 5,670,260

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(3) CAPITAL ASSETS (continued)

Governmental activities (continued)

The office space lease amortization is presented as amortization expense on the statement of activities related to the Agency’s intangible asset of office space, which is included in the above table as right-to-use asset – office space. With the implementation of GASB No. 87, *Leases*, a lease meeting the criteria of GASB No. 87 requires the lessee to recognize a lease liability and an intangible right-to-use asset.

Depreciation and amortization was charged to the functions of the primary government as follows:

Local programs and administration	\$ 68,404
Transportation	1,035,780
Residential	17,821
Temporary Assistance for Needy Families	5,526
Nutrition	633
Other community services	40,932
Total governmental activities depreciation and amortization expense	\$ 1,169,096

(4) LONG-TERM LIABILITIES

Governmental activities

A summary of changes in long-term liabilities for governmental activities is as follows:

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Long-term lease obligations	\$ 2,109,169	\$ 165,439	\$ (422,523)	\$ 1,852,085
Compensated absences	149,887	46,011	-	195,898
	\$ 2,259,056	\$ 211,450	\$ (422,523)	\$ 2,047,983

Presentation of long-term debt of governmental activities in the government-wide statement of net position is as follows:

Due within one year	\$ 432,639
Due in more than one year	1,615,345
	\$ 2,047,983

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(4) LONG-TERM LIABILITIES (continued)

Long-term lease obligations are summarized as follows:

Description	Lease Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2023
Chrysler Caravan Purchase Lease	2/20/2019	20 Quarterly	\$ 1,976	6.66%	\$ 144,000	\$ 7,584
Nissan Altima Purchase Lease	9/2/2022	12 Quarterly	\$ 1,829	0.50%	\$ 20,246	15,053
Cumberland Co. Office Space	7/1/2021	13 Monthly	\$ 2,000	4.95%	\$ 257,273	225,284
Putnam Co. Office Space	7/1/2021	66 Monthly	\$ 29,994	4.95%	\$1,737,069	1,154,500
Smith Co. Office Space	7/1/2021	84 Monthly	\$ 3,084	4.95%	\$ 219,469	163,626
Warren Co. Office Space	10/1/2022	72 Monthly	\$ 2,500	6.95%	\$ 145,193	131,648
Jackson Co. Office Space	7/1/2021	160 Monthly	\$ 400	4.95%	\$ 46,976	41,571
DeKalb Co. Office Space	7/1/2021	60 Monthly	\$ 3,379	4.95%	\$ 179,999	112,819
Total long-term lease obligations						\$ 1,852,085

Chrysler Caravan purchase lease - The Agency entered into a lease purchase obligation with Santander Bank N.A. for the lease/purchase of four Chrysler Caravans. The terms of the lease require quarterly payments of \$1,976 including interest at 6.66% through June 2024 and the Agency will retain ownership of the vehicles at the end of the lease term.

Nissan Altima purchase lease - The Agency entered into a lease purchase obligation with Bancorp Bank for the lease/purchase of a Nissan Altima. The terms of the lease require quarterly payments of \$1,829 including interest at 0.50% through August 2025 and the Agency will retain ownership of the vehicle at the end of the lease term.

Cumberland Co. office space lease - The Agency entered into an office space lease agreement with Otto Rental Properties. The lease requires monthly payments of \$2,000 through April 2022. The lease allows for 2 additional 5 year terms with 60 monthly payments of \$2,500 through April 2027 and 60 monthly payments of \$2,750 through April 2032. The Agency is reasonably certain that the 2 additional 5 year renewal terms will be exercised. The Agency will not acquire the office space at the end of the lease term.

Putnam Co. office space lease - The Agency entered into an office space lease agreement with McNabb 2016 Community Property Trust. The lease requires monthly payments of \$29,994 through December 2026. The lease allows for 10 additional 5 year terms. The Agency is reasonably certain that the additional 5 year renewal terms will not be exercised. The Agency will not acquire the office space at the end of the lease term.

Smith Co. office space lease - The Agency entered into an office space lease agreement with Smith County Government. The lease requires monthly payments of \$3,084 through June 2028. The lease allows for an additional 5 year renewal term. The Agency is reasonably certain that the additional 5 year renewal term will be exercised. The Agency will not acquire the office space at the end of the lease term.

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(4) LONG-TERM LIABILITIES (continued)

Warren Co. office space lease – The Agency entered into an office space lease agreement with Harry and Roxie St. John. The lease requires monthly payments of \$2,500 through September 2028. The lease allows for an additional 3 year renewal term. The Agency is reasonably certain that the additional 3 year renewal term will be exercised. The Agency will not acquire the office space at the end of the lease term.

Jackson Co. office space lease – The Agency entered into an office space lease agreement with Jackson County Government. The lease requires monthly payments of \$400 through October 2034. The lease allows for additional 5 year renewal terms. The Agency is reasonably certain that the additional 5 year renewal terms will be exercised. The Agency will not acquire the office space at the end of the lease term.

DeKalb Co. office space lease – The Agency entered into an office space lease agreement with DeKalb County Government. The lease requires monthly payments of \$3,379 through June 2026. The Agency will not acquire the office space at the end of the lease term.

At the time of initial measurement, there was no interest rate specified in the various office space rental agreements. The Agency has used the Agency’s effective interest rate on the Agency’s current line of credit. The weighted average borrowing rate for the long-term office space rental agreements was 5.28% which was used to discount the monthly lease payments to recognize the intangible right-to-use asset – office space and the lease liabilities as of June 30, 2023.

The long-term lease obligations debt service requirements to maturity are as follows:

	Gross Payment	Interest	Principal
For the year ending June 30, 2024	\$ 517,285	\$ 84,646	\$ 432,639
2025	509,517	62,265	447,253
2026	504,116	39,156	464,960
2027	282,275	17,961	264,314
2028	104,810	10,363	94,447
2029-2033	158,001	15,710	142,291
2034-2035	6,400	218	6,182
	\$ 2,082,404	\$ 230,320	\$ 1,852,085

Interest has been included as a direct expense of the local program and administration activity in the amount of \$113,832.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) PENSION PLANS

Tennessee Consolidated Retirement System

Plan description

Employees of the Agency are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under the Tennessee Code of Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than 0.5%. A 1% COLA is granted if the CPI change is between 0.5% and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	219
Active employees	159
Total employees	434

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of their salary. The Agency makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for the Agency was \$489,812 based on a rate of 7.57% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Agency's state shared taxes if required employer contributions are not remitted.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) PENSION PLANS (continued)

Contributions (continued)

The employer's Actuarial Determined Contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net pension liability (asset)

The Agency's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability as of June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44 % based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25%. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(5) PENSION PLANS (continued)
Actuarial assumptions (continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Agency will be made at the actuarially determined contribution rate pursuant to an actuarial evaluation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) PENSION PLANS (continued)
Changes in net pension liability (asset)

	Increase (Decrease)		
	Total Pension Liability (a.)	Plan Fiduciary Net Position (b.)	Net Pension Liability (Asset) (a.)-(b.)
Balance at June 30, 2021	\$ 9,668,546	\$ 11,540,910	\$ (1,872,364)
Changes for the year			
Service cost	485,012	-	485,012
Interest	673,192	-	673,192
Differences between expected and actual experience	5,707	-	5,707
Contributions – employer	-	300,323	(300,323)
Contributions – employees	-	229,607	(229,607)
Net investment income	-	(444,447)	444,447
Benefit payments, including refunds of employee contributions	(360,682)	(360,682)	-
Administrative expense	-	(15,772)	15,772
Net changes	803,229	(290,971)	1,094,200
Balance at June 30, 2022	\$ 10,471,775	\$ 11,249,939	\$ (778,164)

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the Agency calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 735,043	\$ (778,164)	\$ (2,015,391)

Pension expense

For the year ended June 30, 2023, the Agency recognized pension expense of \$320,591.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) PENSION PLANS (continued)

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 149,650	\$ 4,546
Net difference between projected and actual earnings on pension plan investments	46,998	-
Changes in assumptions	452,581	-
Contributions subsequent to the measurement date Of June 30, 2022	489,812	-
	\$ 1,139,041	\$ 4,546

* The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2024	\$ 240,510
2025	\$ 248,075
2026	\$ (89,622)
2027	\$ 245,728

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the pension plan

At June 30, 2023, the Agency reported a payable of \$86,138 for the outstanding amount of contributions to the pension plan required at the year end June 30, 2023

Defined contribution plan

In addition to the TCRS plan, the Agency continues to provide pension benefits for full-time (hired on or before December 31, 2007) and permanent part-time employees who work at least 1,000 hours annually through a defined contribution plan administered by the State of Tennessee. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. Employees are eligible to make contributions immediately; however, employees are not eligible for the employer match until after 12 months of service.

Any amendments to the defined contribution plan have been approved by the Board of Directors of the Agency. According to the Agency's personnel policies approved by the Board of Directors, the Agency contributes 5% of the employee's base salary each month, and the employee contributes at least 5% of the base salary.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(5) PENSION PLANS (continued)

Defined contribution plan (continued)

However, employees that are also participants in the TCRS plan do not receive the agency match. The employee is allowed to contribute up to federally defined limits. All contributions by the employee are fully vested upon participation in the retirement plan.

Employer contributions are vested at a rate of 20% per year. The Agency contributed \$8,555 for the year ended June 30, 2023.

(6) OTHER POST EMPLOYMENT BENEFITS

Plan description

Employees of the Agency are provided with pre-65 retiree health insurance benefits through the Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB). However for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP.

Benefits provided

The Agency offers the LGOP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGOP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The Agency does not provide any direct subsidy for pre-65 retired insurance coverage and is only subject to the implicit. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No.75.

Employees covered by benefit terms

At July 1, 2022, the following employees of the Agency was covered by the benefit terms of the LGOP:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>123</u>
 Total employees	 <u>130</u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2023, the Agency paid \$30,748 to the LGOP for OPEB benefits as they came due.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(6) OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44% to 8.72% based on age, including inflation, averaging 4.00%.
Healthcare cost trend rates	8.37% for pre-65 in 2022, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 8.99% for post-65 in 2022, decreasing annually over a 8 year period to an ultimate rate of 4.50%.
Retiree’s share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. This rate reflects the interest rate derived from yields on a 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(6) OTHER POST EMPLOYMENT BENEFITS (continued)
Changes in the Total OPEB Liability

	Total OPEB Liability (a.)
Balance at June 30, 2021	<u>\$ 327,156</u>
Changes for the year	
Service cost	28,618
Interest	7,382
Differences between expected and actual experience	(17,672)
Change in assumptions	(69,488)
Benefit payments	<u>(28,180)</u>
Net changes	<u>(79,340)</u>
Balance at June 30, 2022	<u><u>\$ 247,816</u></u>

Changes in assumptions

The discount rate was changed from 2.16% as of the beginning of the measurement period to 3.54% as of June 30, 2022. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

Sensitivity of total OPEB liability to changes in the discount rate

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>(2.54%)</u>	<u>(3.54%)</u>	<u>(4.54%)</u>
Total OPEB liability	<u>\$ 264,422</u>	<u>\$ 247,816</u>	<u>\$ 232,437</u>

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(6) OTHER POST EMPLOYMENT BENEFITS (continued)

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	\$ 225,939	\$ 247,816	\$ 273,497

OPEB expense

For the fiscal year ended June 30, 2023, the Agency recognized OPEB expense of \$20,394.

Deferred outflows of resources and deferred inflows of resources

For the fiscal year ended June 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 99,511	\$ 90,861
Changes in assumptions	15,414	103,835
Contributions subsequent to the measurement date of June 30, 2022	30,748	-
	\$ 145,673	\$ 194,696

* The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to total OPEB liability in the following measurement period.

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(6) OTHER POST EMPLOYMENT BENEFITS (continued)

Deferred outflows of resources and deferred inflows of resources (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30, 2024	\$	(15,606)
2025	\$	(15,606)
2026	\$	(17,564)
2027	\$	(13,353)
2028	\$	(9,958)
Thereafter	\$	(7,684)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

(7) RISK MANAGEMENT

The Agency participates in the Tennessee Municipal League (TML) Risk Management Pool, for the following risks of loss: commercial general liability, bodily injury, property damage, physical damage, and personal injury liability for vehicle operation, employer’s liability and worker’s compensation. Worker’s compensation is based on previous year’s salaries at a predefined rate; however at the end of the policy year (December 31) a worker’s compensation audit is conducted. At that time the Agency could be subject to additional payment or a refund of premiums.

The Agency’s participation in the TML Risk Management Pool is similar to purchasing commercial insurance, in that the agreement provides for payment of premiums and does not provide for additional member assessments. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. The Agency carries commercial insurance for employee dishonesty. There were no claims filed against this policy in the past year.

The responsibilities of the Agency include:

- Pay all contributions or other sums due to TML.
- Allow attorneys appointed by TML to represent the Agency and assist and cooperate in the defense and settlement of claims against the Agency.
- Follow all loss reduction and prevention procedures established by TML where possible.
- Furnish to TML such operating and underwriting information as may be requested.
- Report as promptly as possible, all incidents which could result in TML being required to pay a claim for loss or injuries.
- Allow TML to inspect and appraise any damaged property before its repair or disposition.
- Cooperate with the pool in any dispute resolutions with other insurance companies.

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

(7) RISK MANAGEMENT (continued)

The responsibilities of TML include:

- TML will defend any suit against the Agency or covered party seeking damages even if any of the allegations of the suit are groundless, false or fraudulent.
- TML's duty to pay on behalf of or to indemnify a covered party other than the Agency does not apply to any act, error or omission that constitutes malfeasance in office, willful and wanton neglect of duty, dishonesty on the part of a covered party, or the willful violation of a statute or ordinance by any official, employee, or agent of the Agency.

(8) COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

(9) LINE OF CREDIT

The Agency renewed a line of credit with One Bank of Tennessee on February 27, 2023, for a term of one year ending on February 15, 2024, to provide working capital for the Agency. The maximum available line of credit balance was \$2,500,000. The line of credit has a fixed interest rate of 6.95%.

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Line of credit	\$ _____ -	\$ 457,988	\$ (457,988)	\$ _____ -

The Agency has pledged as collateral land and buildings located at Indian Mound and Chance residential centers, various vehicles owned by the Agency, accounts and other rights to payment, instruments and chattel paper, general intangibles, documents, government payments and programs, investment property and deposit accounts. In the event of default, including failure to pay upon final maturity, the total sum due under this line of credit will continue to accrue interest at 6.95%.

Interest has been included as a direct expense of the local program and administration activity in the amount of \$11,447.

(10) LITIGATION AND CLAIMS

Agency management is not aware of any litigation or claims that would be material to the Agency's financial statements.

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

(11) SHARED ADMINISTRATION AND COST POOL AGREEMENT

On August 21, 2018, the Agency and Upper Cumberland Development District (District) entered into a shared administration and cost pool agreement. Under this agreement the District and the Agency will share administrative, management and financial operations personnel and create a cost pool for shared operations. The District and the Agency will remain separate organizations in all respects, and shall retain and operate separate and distinct programs which will each remain an exclusive program of the respective entity, serving the citizens of the Upper Cumberland, businesses and industries, and local governments. As of June 30, 2023, the Agency paid the District \$1,878,263 for shared administration and cost pool expenses.

(12) RISKS AND UNCERTAINTIES

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time.

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2023, the date which these financial statements were available for issue.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
(ASSET) AND RELATED RATIOS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
LAST FISCAL YEAR ENDING JUNE 30**

DRAFT

	2014	2015
TOTAL PENSION LIABILITY (ASSET)		
Service cost	\$ 385,303	\$ 403,133
Interest	280,006	335,166
Difference between expected and actual experience	117,205	(159,342)
Change in assumptions	-	-
Benefit payments, including refunds of employee contributions	(33,199)	(96,528)
Net change in total pension liability	749,315	482,429
Beginning	3,364,702	4,114,017
Ending (a)	\$ 4,114,017	\$ 4,596,446
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 315,430	\$ 292,707
Contributions - employee	222,448	223,782
Net investment income	600,086	144,292
Benefit payments, including refunds of employee contributions	(33,199)	(96,528)
Administrative expense	(5,214)	(7,694)
Net change in plan fiduciary net position	1,099,551	556,559
Beginning	3,379,281	4,478,832
Ending (b)	\$ 4,478,832	\$ 5,035,391
NET PENSION LIABILITY (ASSET) (a-b)		
Net pension (asset) liability	\$ (364,815)	\$ (438,945)
Plan fiduciary net position as a percentage of total pension liability	108.87%	109.55%
Covered employee payroll	\$ 4,448,938	\$ 4,475,647
Net pension asset as a percentage of covered-employee payroll	-8.20%	-9.81%

NOTES TO SCHEDULE

Changes in assumptions

In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

This is a 10-year schedule; however the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years information are available.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 380,258	\$ 404,868	\$ 417,766	\$ 342,106	\$ 313,537	\$ 421,227	\$ 485,012
370,974	429,784	470,346	491,720	531,010	589,365	673,192
75,435	(110,823)	(339,795)	(22,722)	127,218	188,970	5,707
-	124,802	-	-	-	905,163	-
<u>(60,760)</u>	<u>(73,543)</u>	<u>(135,346)</u>	<u>(220,357)</u>	<u>(260,845)</u>	<u>(288,258)</u>	<u>(360,682)</u>
765,907	775,088	412,971	590,747	710,920	1,816,467	803,229
<u>4,596,446</u>	<u>5,362,353</u>	<u>6,137,441</u>	<u>6,550,412</u>	<u>7,141,159</u>	<u>7,852,079</u>	<u>9,668,546</u>
<u>\$ 5,362,353</u>	<u>\$ 6,137,441</u>	<u>\$ 6,550,412</u>	<u>\$ 7,141,159</u>	<u>\$ 7,852,079</u>	<u>\$ 9,668,546</u>	<u>\$ 10,471,775</u>
\$ 294,017	\$ 300,121	\$ 266,093	\$ 230,037	\$ 252,056	\$ 307,217	\$ 300,323
224,785	229,451	203,436	175,870	192,703	234,876	229,607
139,527	662,313	571,728	573,891	419,339	2,342,121	(444,447)
(60,760)	(73,543)	(135,346)	(220,357)	(260,845)	(288,258)	(360,682)
<u>(11,288)</u>	<u>(12,913)</u>	<u>(12,817)</u>	<u>(11,095)</u>	<u>(12,416)</u>	<u>(14,424)</u>	<u>(15,772)</u>
586,281	1,105,429	893,094	748,346	590,837	2,581,532	(290,971)
<u>5,035,391</u>	<u>5,621,672</u>	<u>6,727,101</u>	<u>7,620,195</u>	<u>8,368,541</u>	<u>8,959,378</u>	<u>11,540,910</u>
<u>\$ 5,621,672</u>	<u>\$ 6,727,101</u>	<u>\$ 7,620,195</u>	<u>\$ 8,368,541</u>	<u>\$ 8,959,378</u>	<u>\$ 11,540,910</u>	<u>\$ 11,249,939</u>
<u>\$ (259,319)</u>	<u>\$ (589,660)</u>	<u>\$ (1,069,783)</u>	<u>\$ (1,227,382)</u>	<u>\$ (1,107,299)</u>	<u>\$ (1,872,364)</u>	<u>\$ (778,164)</u>
104.84%	109.61%	116.33%	117.19%	114.10%	119.37%	107.43%
\$ 4,495,668	\$ 4,588,994	\$ 4,068,698	\$ 3,517,378	\$ 3,854,043	\$ 4,697,491	\$ 4,592,076
-5.77%	-12.85%	-26.29%	-34.89%	-28.73%	-39.86%	-16.95%

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
LAST FISCAL YEAR ENDING JUNE 30**

DRAFT

	2014	2015	2016	2017
Actuarially determined contribution	\$ 315,430	\$ 292,707	\$ 294,017	\$ 217,977
Contributions in relation to the actuarially determined contribution	315,430	292,707	294,017	300,120
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (82,143)
Covered employee payroll	\$ 4,448,938	\$ 4,475,647	\$ 4,495,668	\$ 4,588,994
Contributions as a percentage of covered employee payroll	7.09%	6.54%	6.54%	6.54%

NOTES TO SCHEDULE

Valuation date

Actuarially determined contribution rates for 2023 were calculated based on the June 30, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed twenty years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customizable table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustment	2.125%

Change in assumptions

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

DRAFT

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 184,719	\$ 138,585	\$ 115,622	\$ 103,815	\$ 114,802	\$ 489,812
<u>266,093</u>	<u>230,037</u>	<u>252,056</u>	<u>307,217</u>	<u>300,323</u>	<u>489,812</u>
<u>\$ (81,374)</u>	<u>\$ (91,452)</u>	<u>\$ (136,434)</u>	<u>\$ (203,402)</u>	<u>\$ (185,521)</u>	<u>\$ -</u>
\$ 4,068,698	\$ 3,517,378	\$ 3,854,043	\$ 4,697,491	\$ 4,592,076	\$ 6,473,403
6.54%	6.54%	6.54%	6.54%	6.54%	7.57%

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR ENDING JUNE 30**

DRAFT

	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Service cost	\$ 25,913	\$ 24,357	\$ 23,258	\$ 25,626	\$ 32,452	\$ 28,618
Interest	8,403	10,436	6,213	7,877	5,540	7,382
Changes in benefit terms	-	2,889	-	-	-	-
Difference between expected and actual experience	-	(148,241)	22,591	(24,745)	133,012	(17,672)
Change in assumptions	(13,707)	4,046	10,564	18,420	(59,338)	(69,488)
Benefit payments	(13,771)	(13,604)	(14,329)	(10,048)	(5,421)	(28,180)
 Net change in total OPEB liability	 6,838	 (120,117)	 48,297	 17,130	 106,245	 (79,340)
 Beginning	 268,763	 275,601	 155,484	 203,781	 220,911	 327,156
 Ending	 \$ 275,601	 \$ 155,484	 \$ 203,781	 \$ 220,911	 \$ 327,156	 \$ 247,816
 Covered employee payroll	 \$ 5,564,732	 \$ 3,475,673	 \$ 3,943,901	 \$ 4,794,887	 \$ 4,662,811	 \$ 6,473,403
 Total OPEB liability as a percentage of covered payroll	 4.95%	 4.47%	 5.17%	 4.61%	 7.02%	 3.83%

NOTES TO SCHEDULE

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

This is a 10-year schedule; however the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

DRAFT

SUPPLEMENTAL INFORMATION

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF ADMINISTRATIVE COSTS
YEAR ENDED JUNE 30, 2023**

DRAFT

ADMINISTRATIVE COSTS

Salaries	\$ 1,076,842
Fringe benefits	323,861
Professional fees	155,377
Travel	45,931
Communications	69,410
Supplies	60,469
Occupancy	146,021
Miscellaneous	<u>352</u>
Total administrative costs	<u>\$ 1,878,263</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF GENERAL AND LONG-TERM DEBT REQUIREMENTS**

JUNE 30, 2023

DRAFT

Year Ending June 30,	Santander Bank N.A. Vehicle Purchase Lease		The Bancorp Bank Vehicle Purchase Lease		Cumberland County Office Space Lease		Putnam County Office Space Lease	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	7,584	320	6,350	743	19,282	10,718	309,751	50,183
2025	-	-	6,891	338	20,258	9,742	325,436	34,498
2026	-	-	1,812	18	21,284	8,716	341,916	18,018
2027	-	-	-	-	22,863	7,636	177,397	2,570
2028	-	-	-	-	26,589	6,411	-	-
2029	-	-	-	-	27,935	5,065	-	-
2030	-	-	-	-	29,350	3,650	-	-
2031	-	-	-	-	30,836	2,164	-	-
2032	-	-	-	-	26,887	614	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
	<u>\$ 7,584</u>	<u>\$ 320</u>	<u>\$ 15,053</u>	<u>\$ 1,099</u>	<u>\$ 225,284</u>	<u>\$ 54,716</u>	<u>\$ 1,154,500</u>	<u>\$ 105,269</u>

DRAFT

<u>Smith County Office Space Lease</u>		<u>Jackson County Office Space Lease</u>		<u>DeKalb County Office Space Lease</u>		<u>Warren County Office Space Lease</u>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
29,574	7,435	2,805	1,995	35,765	4,780	21,528	8,472
31,072	5,937	2,947	1,853	37,576	2,969	23,072	6,928
32,645	4,363	3,097	1,703	39,478	1,066	24,728	5,272
34,299	2,710	3,253	1,547	-	-	26,502	3,498
36,036	974	3,418	1,382	-	-	28,404	1,596
-	-	3,591	1,209	-	-	7,414	86
-	-	3,773	1,027	-	-	-	-
-	-	3,964	836	-	-	-	-
-	-	4,165	635	-	-	-	-
-	-	4,376	424	-	-	-	-
-	-	4,597	203	-	-	-	-
-	-	1,585	15	-	-	-	-
<u>\$ 163,626</u>	<u>\$ 21,419</u>	<u>\$ 41,571</u>	<u>\$ 12,829</u>	<u>\$ 112,819</u>	<u>\$ 8,815</u>	<u>\$ 131,648</u>	<u>\$ 25,852</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
BY INDIVIDUAL ISSUE
YEAR ENDED JUNE 30, 2023**

DRAFT

Description	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid During Period	Outstanding June 30, 2023
<u>Primary Government</u>								
Governmental Activities								
<u>Lease Purchase Obligation</u>								
Santander Bank, N.A.	144,000	6.66%	September 2, 2022	August 2025	14,679	-	7,095	7,584
Bancorp Bank	20,246	0.50%			-	20,248	5,195	15,053
<u>Long-Term Office Space Lease Obligations</u>								
Cumberland County	257,273	4.95%	July 1, 2021	April 2032	243,637	-	18,353	225,284
Putnam County	1,737,069	4.95%	July 1, 2021	December 2026	1,449,321	-	294,821	1,154,500
Smith County	219,469	4.95%	July 1, 2021	June 2028	191,775	-	28,149	163,626
Pickett County	21,349	4.95%	July 1, 2021	June 2023	18,655	-	18,655	-
Jackson County	46,976	4.95%	July 1, 2021	October 2034	44,241	-	2,670	41,571
DeKalb County	179,999	4.95%	July 1, 2021	June 2026	146,859	-	34,040	112,819
Warren County	145,193	6.95%	October 1, 2022	September 2028	-	145,193	13,545	131,648
	<u>\$ 2,771,574</u>				<u>\$ 2,109,167</u>	<u>\$ 165,441</u>	<u>\$ 422,523</u>	<u>\$ 1,852,085</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Contract No.	Beginning	Receipts	Expenditures	Other Additions (Deductions)	Ending	Passed through to Subrecipients
Federal Awards - Cash								
U.S. DEPT. OF AGRICULTURE								
Passed through Tennessee Dept. of Human Services								
	10.558		\$ -	\$ 39,300	\$ 39,300	\$ -	\$ -	\$ -
	10.558		134,438	368,325	233,887	-	-	-
	10.558		<u>-</u>	<u>558,187</u>	<u>633,463</u>	<u>-</u>	<u>75,276</u>	<u>-</u>
			<u>134,438</u>	<u>965,812</u>	<u>906,650</u>	<u>-</u>	<u>75,276</u>	<u>-</u>
Passed through Tennessee Dept. of Education								
	10.553		858	10,280	10,060	-	638	-
	10.555		<u>1,346</u>	<u>14,308</u>	<u>14,021</u>	<u>-</u>	<u>1,059</u>	<u>-</u>
			<u>2,204</u>	<u>24,588</u>	<u>24,081</u>	<u>-</u>	<u>1,697</u>	<u>-</u>
Passed through Tennessee Dept. of Agriculture								
	10.568		31,633	47,483	15,850	-	-	-
	10.568		<u>-</u>	<u>49,900</u>	<u>90,378</u>	<u>-</u>	<u>40,478</u>	<u>-</u>
			<u>31,633</u>	<u>97,383</u>	<u>106,228</u>	<u>-</u>	<u>40,478</u>	<u>-</u>
			<u>168,275</u>	<u>1,087,783</u>	<u>1,036,959</u>	<u>-</u>	<u>117,451</u>	<u>-</u>
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT								
Passed through Tennessee Dept. of Health								
	14.231		-	2,950	3,600	-	650	-
	14.231		<u>205,584</u>	<u>205,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			<u>205,584</u>	<u>208,534</u>	<u>3,600</u>	<u>-</u>	<u>650</u>	<u>-</u>
U.S. DEPT. OF CRIMINAL JUSTICE								
Passed through Institute for Intergovernmental Research								
	16.838		<u>29,454</u>	<u>126,624</u>	<u>97,170</u>	<u>-</u>	<u>-</u>	<u>-</u>
			<u>29,454</u>	<u>126,624</u>	<u>97,170</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. DEPT. OF LABOR								
Passed through Tennessee Dept. of Labor/Workforce Dev.								
	17.235		29,261	29,261	-	-	-	-
	17.235		<u>-</u>	<u>142,743</u>	<u>186,422</u>	<u>-</u>	<u>43,679</u>	<u>-</u>
			<u>29,261</u>	<u>172,004</u>	<u>186,422</u>	<u>-</u>	<u>43,679</u>	<u>-</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Contract No.	Beginning	Receipts	Expenditures	Other Additions (Deductions)	Ending	Passed through to Subrecipients
Federal Awards - Cash								
U.S. DEPT. OF TRANSPORTATION								
Passed through Tennessee Dept. of Transportation								
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509		\$ 1,534,025	\$ 2,965,790	\$ 1,431,765	\$ -	\$ -	\$ -
Formula Grants for Rural Areas and Tribal Transit Programs	20.509		-	182,503	182,503	-	-	-
Formula Grants for Rural Areas and Tribal Transit Programs	20.509		-	2,005,321	3,864,408	-	1,859,087	-
Formula Grants for Rural Areas and Tribal Transit Programs	20.509		-	28,930	28,930	-	-	-
Formula Grants for Rural Areas and Tribal Transit Programs	20.509		-	59,043	59,043	-	-	-
Formula Grants for Rural Areas and Tribal Transit Programs	20.509		179,719	430,592	250,873	-	-	-
Formula Grants for Rural Areas and Tribal Transit Programs	20.509		17,270	47,280	30,010	-	-	-
Total Formula Grants for Rural Areas and Tribal Transit Programs			<u>1,731,014</u>	<u>5,719,459</u>	<u>5,847,532</u>	-	<u>1,859,087</u>	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		72,763	87,160	14,397	-	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	74,650	138,978	-	64,328	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	114,030	114,030	-	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	37,319	37,319	-	-	-
Total Transit Services Programs Cluster			<u>72,763</u>	<u>313,159</u>	<u>304,724</u>	-	<u>64,328</u>	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526		-	545,155	545,155	-	-	-
Total Federal Transit Cluster			-	<u>545,155</u>	<u>545,155</u>	-	-	-
Technical Assistance and Workforce Development	20.531		-	-	6,411	-	6,411	-
Total U.S. Dept. of Transportation			<u>1,803,777</u>	<u>6,577,773</u>	<u>6,703,822</u>	-	<u>1,929,826</u>	-
U.S. DEPT. OF ENERGY								
Passed through Tennessee Dept. of Human Services								
Weatherization Assistance for Low-Income Persons	81.042		6,937	6,937	-	-	-	-
Weatherization Assistance for Low-Income Persons	81.042		37,859	37,859	-	-	-	-
Weatherization Assistance for Low-Income Persons	81.042		-	145,121	204,252	-	59,131	-
Total U.S. Dept. of Energy			<u>44,796</u>	<u>189,917</u>	<u>204,252</u>	-	<u>59,131</u>	-

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Contract No.	Beginning	Receipts	Expenditures	Other Additions (Deductions)	Ending	Passed through to Subrecipients
Federal Awards - Cash								
U.S. DEPT. OF HEALTH AND HUMAN SERVICES								
Head Start	93.600		\$ 78,728	\$ 78,728	\$ -	\$ -	\$ -	\$ -
Head Start	93.600		-	608,087	666,523	-	58,436	-
COVID-19 - Head Start	93.600		10,016	14,382	4,366	-	-	-
COVID-19 - Head Start	93.600		<u>922</u>	<u>922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Head Start Cluster			<u>89,666</u>	<u>702,119</u>	<u>670,889</u>	<u>-</u>	<u>58,436</u>	<u>-</u>
Passed through Upper Cumberland Development District								
Special Programs for the Aging Title III, Part B -								
Grants for Supportive Services and Senior Centers	93.044		27,129	69,286	42,157	-	-	-
Grants for Supportive Services and Senior Centers	93.044		8,399	8,399	-	-	-	-
Grants for Supportive Services and Senior Centers	93.044		-	65,349	77,834	-	12,485	-
Special Programs for the Aging Title III, Part C -								
Nutrition Services - Congregate Meals	93.045		6,358	6,358	-	-	-	-
Nutrition Services - Congregate Meals	93.045		<u>-</u>	<u>45,891</u>	<u>55,882</u>	<u>-</u>	<u>9,991</u>	<u>-</u>
Total aging cluster			<u>41,886</u>	<u>195,283</u>	<u>175,873</u>	<u>-</u>	<u>22,476</u>	<u>-</u>
Passed through Oasis Center								
Affordable Care Act Personal Responsibility Education Prog.	93.092		6,394	6,394	-	-	-	-
Affordable Care Act Personal Responsibility Education Prog.	93.092		<u>-</u>	<u>1,759</u>	<u>9,780</u>	<u>-</u>	<u>8,021</u>	<u>-</u>
Total Oasis Center			<u>6,394</u>	<u>8,153</u>	<u>9,780</u>	<u>-</u>	<u>8,021</u>	<u>-</u>
Passed through Tennessee Dept. of Human Services								
COVID-19 - Low-Income Home Energy Assistance	93.568		44,542	44,542	-	-	-	-
COVID-19 - Low-Income Home Energy Assistance	93.568		827,076	2,012,324	1,185,248	-	-	-
Low-Income Home Energy Assistance	93.568		57,774	1,422,366	1,377,600	-	13,008	-
Low-Income Home Energy Assistance	93.568		67,943	44,880	-	-	23,063	-
Low-Income Home Energy Assistance	93.568		20,796	167,187	196,201	-	49,810	-
Low-Income Home Energy Assistance	93.568		-	17,829	17,829	-	-	-
Low-Income Home Energy Assistance	93.568		3,409	3,409	-	-	-	-
Low-Income Home Energy Assistance	93.568		-	1,190,824	1,708,277	-	517,453	-
Low-Income Home Energy Assistance	93.568		-	3,886,800	4,032,868	-	146,068	-
Low-Income Home Energy Assistance	93.568		<u>-</u>	<u>90,396</u>	<u>90,396</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Low-Income Home Energy Assistance			<u>1,021,540</u>	<u>8,880,557</u>	<u>8,608,419</u>	<u>-</u>	<u>749,402</u>	<u>-</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Contract No.	Beginning	Receipts	Expenditures	Other Additions (Deductions)	Ending	Passed through to Subrecipients
Federal Awards - Cash								
Temporary Assistance for Needy Families	93.558		\$ 32,404	\$ 113,733	\$ 81,329	\$ -	\$ -	\$ -
Temporary Assistance for Needy Families	93.558		<u>-</u>	<u>2,575,128</u>	<u>3,699,906</u>	<u>-</u>	<u>1,124,778</u>	<u>1,686,557</u>
Total Temporary Assistance for Needy Families			<u>32,404</u>	<u>2,688,861</u>	<u>3,781,235</u>	<u>-</u>	<u>1,124,778</u>	<u>1,686,557</u>
COVID-19 - Community Services Block Grant	93.569		112,121	263,343	151,222	-	-	-
Community Services Block Grant	93.569		237,276	355,582	118,306	-	-	-
Community Services Block Grant	93.569		<u>-</u>	<u>610,820</u>	<u>819,963</u>	<u>-</u>	<u>209,143</u>	<u>-</u>
Total Community Services Block Grant			<u>349,397</u>	<u>1,229,745</u>	<u>1,089,491</u>	<u>-</u>	<u>209,143</u>	<u>-</u>
Social Services Block Grant	93.667		54,610	135,310	80,700	-	-	-
Social Services Block Grant	93.667		-	161,517	226,975	-	65,458	-
COVID-19 - Social Services Block Grant	93.667		<u>19,910</u>	<u>29,921</u>	<u>13,909</u>	<u>-</u>	<u>3,898</u>	<u>-</u>
Total Social Services Grant			<u>74,520</u>	<u>326,748</u>	<u>321,584</u>	<u>-</u>	<u>69,356</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959		<u>-</u>	<u>-</u>	<u>9,999</u>	<u>-</u>	<u>9,999</u>	<u>-</u>
Total U.S. Dept. of Health and Human Services			<u>1,615,807</u>	<u>14,031,466</u>	<u>14,667,270</u>	<u>-</u>	<u>2,251,611</u>	<u>1,686,557</u>
U.S. DEPT. OF HOMELAND SECURITY								
Passed through United Way								
COVID-19 - Emergency Food and Shelter National Board Program	97.024		-	65,264	65,264	-	-	-
Emergency Food and Shelter National Board Program	97.024		-	2,124	2,124	-	-	-
Emergency Food and Shelter National Board Program	97.024		<u>-</u>	<u>12,253</u>	<u>12,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Emergency Food and Shelter National Board Program			<u>-</u>	<u>79,641</u>	<u>79,641</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Homeland Security			<u>-</u>	<u>79,641</u>	<u>79,641</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards - Cash			<u>3,896,954</u>	<u>22,473,742</u>	<u>22,979,136</u>	<u>-</u>	<u>4,402,348</u>	<u>1,686,557</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

<u>Grantor/Pass-Through Grantor</u>	<u>Federal Assistance Listing Number</u>	<u>Contract No.</u>	<u>Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Other Additions (Deductions)</u>	<u>Ending</u>	<u>Passed through to Subrecipients</u>
Federal Awards - Noncash								
U.S. DEPT. OF AGRICULTURE								
Passed through Tennessee Dept. of Agriculture								
Emergency Food Assistance Program (Food Commodities)	10.569		\$ (630,802)	\$ 605,128	\$ 637,136	\$ (3,253)	\$ (595,340)	\$ -
Total Food Distribution Cluster - Noncash			<u>(630,802)</u>	<u>605,128</u>	<u>637,136</u>	<u>(3,253)</u>	<u>(595,340)</u>	<u>-</u>
Total Expenditures of Federal Awards - Noncash			<u>(630,802)</u>	<u>605,128</u>	<u>637,136</u>	<u>(3,253)</u>	<u>(595,340)</u>	<u>-</u>
Total Expenditures of Federal Awards - Cash and Noncash			<u>\$ 3,266,152</u>	<u>\$ 23,078,870</u>	<u>\$ 23,616,272</u>	<u>\$ (3,253)</u>	<u>\$ 3,807,008</u>	<u>\$ 1,686,557</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Contract No.	Beginning	Receipts	Expenditures	Other Additions (Deductions)	Ending	Passed through to Subrecipients
State Awards - Cash								
TENNESSEE DEPT. OF PROBATION AND PAROLE								
Community Corrections	N/A		\$ 67,243	\$ 67,243	\$ -	\$ -	\$ -	\$ -
Community Corrections	N/A		-	831,533	932,274	-	100,741	-
			<u>67,243</u>	<u>898,776</u>	<u>932,274</u>	<u>-</u>	<u>100,741</u>	<u>-</u>
TENNESSEE DEPT. OF CHILDREN'S SERVICES								
Community Intervention - Juvenile Services	N/A		61,286	61,286	-	-	-	-
Community Intervention - Juvenile Services	N/A		-	144,841	179,096	-	34,255	-
Court Appointed Special Advocates	N/A		14,665	14,665	-	-	-	-
Court Appointed Special Advocates	N/A		-	83,581	86,499	-	2,918	-
Special Education	N/A		-	2,500	2,500	-	-	-
			<u>75,951</u>	<u>306,873</u>	<u>268,095</u>	<u>-</u>	<u>37,173</u>	<u>-</u>
TENNESSEE DEPT. OF TRANSPORTATION								
Grants for Buses & Bus Facilities Program	N/A		-	209,675	209,675	-	-	-
Special Projects Capital Funding	N/A		-	109,064	109,064	-	-	-
Improve Act Capital Assistance - Bus Shelters	N/A		26,709	26,709	-	-	-	-
Improve Act Capital Assistance	N/A		-	39,364	76,156	-	36,792	-
Mobility Management	N/A		9,094	10,893	1,799	-	-	-
Mobility Management	N/A		-	14,252	14,252	-	-	-
Public Transportation for Non Urbanized Areas - CARTS	N/A		-	711,692	1,416,371	-	704,679	-
Public Transportation for Non Urbanized Areas - CARTS	N/A		-	7,380	7,380	-	-	-
Public Transportation for Non Urbanized Areas - CARTS	N/A		-	3,616	3,616	-	-	-
Public Transportation for Non Urbanized Areas - CARTS	N/A		22,463	69,216	46,753	-	-	-
Public Transportation for Non Urbanized Areas - CARTS	N/A		-	22,813	22,813	-	-	-
			<u>58,266</u>	<u>1,224,674</u>	<u>1,907,879</u>	<u>-</u>	<u>741,471</u>	<u>-</u>
TENNESSEE DEPT. OF MENTAL HEALTH & SUBSTANCE ABUSE SERVICES								
Mental Health Substance Abuse	N/A		1,594	66,471	78,046	-	13,169	-

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

DRAFT

Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Contract No.	Beginning	Receipts	Expenditures	Other Additions (Deductions)	Ending	Passed through to Subrecipients
State Awards - Cash								
UPPER CUMBERLAND DEVELOPMENT DISTRICT								
Senior Centers	N/A		\$ 3,065	\$ 3,065	\$ -	\$ -	\$ -	\$ -
Senior Centers	N/A		<u>-</u>	<u>11,529</u>	<u>12,761</u>	<u>-</u>	<u>1,232</u>	<u>-</u>
			<u>3,065</u>	<u>14,594</u>	<u>12,761</u>	<u>-</u>	<u>1,232</u>	<u>-</u>
Total Expenditures of State Awards - Cash			<u>206,119</u>	<u>2,511,388</u>	<u>3,199,055</u>	<u>-</u>	<u>893,786</u>	<u>-</u>
Total Expenditures of Federal and State Awards			<u>\$ 3,472,271</u>	<u>\$ 25,590,258</u>	<u>\$ 26,815,327</u>	<u>\$ (3,253)</u>	<u>\$ 4,700,794</u>	<u>\$ 1,686,557</u>

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
JUNE 30, 2023**

DRAFT

(1) BASIS OF PRESENTATION

The schedule of expenditures of federal and state awards includes the federal and state grant activity for the Upper Cumberland Human Resource Agency (Agency) and is presented on the accrual basis of accounting. The information in this schedule 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 Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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) NONCASH ASSISTANCE

The accompanying schedule of noncash assistance includes the grant activity of the Upper Cumberland Human Resource Agency (Agency) under commodity programs of the federal government for the year ended June 30, 2023. 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 Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Agency.

The balance at June 30, 2022, represents the beginning inventory of commodities held by the Agency at the end of the prior period.

Receipts represent commodities received from the grantor Agency during the current period.

Federal expenditures represent commodities distributed by the Agency during the current period.

The balance at June 30, 2023, represents the ending inventory of commodities held by the Agency at the end of the current period.

**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 the
Upper 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 and each major fund of the Upper Cumberland Human Resource Agency as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chattanooga, Tennessee
December 21, 2023

**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 the
Upper Cumberland Human Resource Agency**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Upper Cumberland Human Resource Agency's compliance with the types of compliance as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2023. The Agency's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, Upper 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chattanooga, Tennessee
December 21, 2023

**UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

DRAFT

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of Upper Cumberland Human Resource Agency were prepared in accordance with GAAP.
2. No significant deficiencies were reported and no material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Upper Cumberland Human Resource Agency were disclosed by the audit.
4. No significant deficiencies were reported and no material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on the major federal awards programs for the Upper Cumberland Human Resource Agency expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were:
 - Temporary Assistance for Needy Families – Assistance Listing No. 93.558
 - Community Services Block Grant – Assistance Listing No. 93.569
 - Emergency Food Assistance Program (Food Commodities) – Assistance Listing No. 10.569
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Upper Cumberland Development District was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

UPPER CUMBERLAND HUMAN RESOURCE AGENCY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

DRAFT

FINDINGS – FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**Upper Cumberland Development District
Cumberland Area Investment Corporation
Upper Cumberland Human Resource Agency**

NOMINATION COMMITTEE REPORT	DECEMBER 5, 2023	11:30 A.M.	COOKEVILLE, TN
MEETING CALLED BY	Chairman Randy Heady		
TYPE OF MEETING	Nomination Committee Meeting		
FACILITATOR	Chairman Randy Heady		
NOTE TAKER	Sherry Thurman		
MEMBERS PRESENT	Greg Mitchell, Matt Adcock, Jerry Lowery		
CALL TO ORDER / ROLL CALL			CHAIRMAN RANDY HEADY
CALL TO ORDER	Chairman Randy Heady called the meeting to order.		
ROLLCALL	There was a quorum of the committee members present.		
	ELECTION OF 2024 OFFICERS UPPER CUMBERLAND DEVELOPMENT DISTRICT CUMBERLAND AREA INVESTMENT CORPORATION UPPER CUMBERLAND HUMAN RESOURCE AGENCY		CHAIRMAN RANDY HEADY
DISCUSSION	<p>Chairman Randy Heady advised that the committee will nominate officers for Upper Cumberland Development District, Cumberland Area Investment Corporation and Upper Cumberland Human Resource Agency.</p> <p>The Nomination Committee recommended that the current slate of officers remain the same for 2024.</p> <p>Upper Cumberland Development District and Cumberland Area Investment Corporation Chairman: Randy Heady Vice Chairman: Jeff Mason Secretary: Jimmy Johnson Treasurer: Randy Porter</p> <p>Upper Cumberland Human Resource Agency Chairman: Randy Heady Vice Chairman: Jeff Mason Secretary: Sam Gibson Treasurer: Denny Robinson</p>		

DISCUSSION/ ACTION	<p><u>UCHRA Policy Council</u> Chairman: Randy Heady Secretary: Sam Gibson</p> <p>A motion was made to recommend the 2024 slate of officers to the full board on December 21, 2023.</p>	
ACTION	<p><u>Motion to Approve</u> Motion made by: Greg Mitchell Motion seconded by: Matt Adcock</p> <p>Motion carried unanimously.</p>	
	<p>CONSIDERATION OF APPROVAL OF 2024 COMMITTEES CHAIRMAN RANDY HEADY</p>	
DISCUSSION	<p>The committees for UCDD, UCHRA and CAIC were presented to the committee.</p> <p>A motion was made to approve the proposed committees as presented.</p>	
ACTION	<p><u>Motion to Approve</u> Motion made by: Matt Adcock Motion seconded by: Jerry Lowery</p> <p>Motion carried unanimously.</p>	
	<p>OTHER BUSINESS CHAIRMAN RANDY HEADY</p>	
DISCUSSION	<p>Executive Director Mark Farley announced that the 2024 National Association of Development Organization (NADO) meeting will be held March 9-13, 2024 in Washington. The UCHRA Transportation meeting will tentatively be held April 8-10, 2024. If anyone is interested in attending the meetings let us know.</p>	
	<p>MEETING CONCLUDED CHAIRMAN RANDY HEADY</p>	
ACTION	<p>There being no further business the meeting adjourned.</p>	
CONCLUSION 11:15 A.M.		



2024 Proposed Officers

Upper Cumberland Development District and Cumberland Area Investment Corporation

Chairman: Randy Heady
Vice Chairman: Jeff Mason
Secretary: Jimmy Johnson
Treasurer: Randy Porter

Upper Cumberland Human Resource Agency

Chairman: Randy Heady
Vice Chairman: Jeff Mason
Secretary: Sam Gibson
Treasurer: Denny Robinson

UCHRA Policy Council:

Chairman: Randy Heady
Secretary: Sam Gibson

County/City	UCDD Executive Board	UCHRA Executive Board	Full Board	Industrial Reps	Consumer Reps	Policy Council	Steering A	Steering B	CAIC Loan Review	CEDS	Audit committee
Cannon	Greg Mitchell	Greg Mitchell	Greg Mitchell				Greg Mitchell				
Woodbury	Andy Duggin		Andy Duggin					Andy Duggin			
Auburntown			Roger Turney								
			Fred Howell	Fred Howell							
Clay	Dale Reagan	Dale Reagan	Dale Reagan				Dale Reagan				
Celina	Luke Collins		Luke Collins					Luke Collins			
			Doug Young	Doug Young							
Cumberland	Allen Foster	Allen Foster	Allen Foster				Allen Foster			Randy Graham	
Crossville	R. J. Crawford		R. J. Crawford					R. J. Crawford			
Macon			Emmitt Sherrill								
Pleasant Hill			Don Dowdey								
			Ethan Hadley	Ethan Hadley							Nathan Brock
DeKalb	Matt Adcock	Matt Adcock	Matt Adcock					Matt Adcock			
Smithville	Josh Miller	Josh Miller	Josh Miller				Josh Miller				
Alexander			Russell Bradshaw								
Dowelltown			Pam Redmon								
Libery			Audrey Martin								
			Suzanne Williams	Suzanne Williams	Bob DePriest	Bob DePriest				Suzanne Williams	
Fentress	Jimmy Johnson	Jimmy Johnson	Jimmy Johnson					Jimmy Johnson		Jacob Rosenbaum	
Jamestown	Harvey Stowers		Harvey Stowers				Harvey Stowers				
Allardt			Yvonne Gernt								
			Jacob Rosenbaum	Jacob Rosenbaum							
Jackson	Randy Heady	Randy Heady	Randy Heady			Randy Heady		Randy Heady	Jay Casetty		
Gainesboro	Lloyd Williams	Lloyd Williams	Lloyd Williams				Lloyd Williams				
			Hope Hargas	Hope Hargas	Barbara Wheeler	Barbara Wheeler					
Macon	Steve Jones	Steve Jones	Steve Jones				Steve Jones				
Lafayette	Jerry Wilmore		Jerry Wilmore					Jerry Wilmore			
Red Boiling Springs			Kenneth Hollis								
			Richard Thomas	Richard Thomas							
Overton	Steven Barlow	Steven Barlow	Steven Barlow				Steven Barlow		Jim Evans		
Livingston	Curtis Hayes		Curtis Hayes					Curtis Hayes			
			Shannon Cantrell	Shannon Cantrell	Misty Phyl	Misty Phyl					
Pickett	Stephen Bilbrey	Stephen Bilbrey	Stephen Bilbrey					Stephen Bilbrey	Kathy Mitchell		
Byrdstown	Sam Gibson		Sam Gibson			Sam Gibson	Sam Gibson			Sam Gibson	
			Bruce Elder	Bruce Elder	Linda Pastrick	Linda Pastrick					
Putnam	Randy Porter	Randy Porter	Randy Porter					Randy Porter	Chris Holloway	Don Viar	
Cookeville	Laurin Wheaton	Laurin Wheaton	Laurin Wheaton				Laurin Wheaton		Suzanne Wood	Matt Billings	
Baxter			John Martin						Matt Means	Megan Spurgeon	
Algood			Lisa Chapman-Fowler								
Monterey			Mark Farley								
			Amy New	Amy New							Bob Duncan
Smith	Jeff Mason	Jeff Mason	Jeff Mason				Jeff Mason				
Carthage	Stephen Babcock		Stephen Babcock					Stephen Babcock			
South Carthage			Joey Nixon								
Gordonsville		John Potts	John Potts								
			Patrick Geho	Patrick Geho							
Van Buren	David Sullivan	David Sullivan	David Sullivan				David Sullivan				
Spencer	Alisa Farmer	Alisa Farmer	Alisa Farmer					Alisa Farmer			
			Stacy Mills	Stacy Mills	Don Hollingsworth	Don Hollingsworth					
Warren	Terry Bell	Terry Bell	Terry Bell					Terry Bell			
McMinnville	Ryle Chastain		Ryle Chastain				Ryle Chastain				
Centertown			Joel Akers								
Viola			Trent Prater								
Morrison			Sue Anderson								
Minority	Marvin Lusk		Marvin Lusk			Marvin Lusk		Marvin Lusk			
			Wendy Sneed	Wendy Sneed	Marilyn Davis	Marilyn Davis				Wendy Sneed	
White	Denny Robinson	Denny Robinson	Denny Robinson				Denny Robinson			Denny Robinson	
Sparta	Jerry Lowery	Jerry Lowery	Jerry Lowery					Jerry Lowery			
Doyle			Ray Spivey								
			Rodger McCann	Rodger McCann							
State Representative	Cameron Sexton	Cameron Sexton	Cameron Sexton				Cameron Sexton		Cameron Sexton		
State Senator	Paul Bailey	Paul Bailey	Paul Bailey				Paul Bailey				

County/City	UCDD Executive Board	UCHRA Executive Board	Full Board	Industrial Reps	Consumer Reps	Policy Council	Steering A	Steering B	CAIC Loan Review	CEDS	Audit committee
Utilities						Charlene Whitaker					
Public Housing						Keisha Richards					
Education						Cindy Putman					
Law Enforcement						Brent Anderson					
Social Assistance						Terri Dunn					
Children's Services						Kristi Paling					
Senior Services						Marie Ferran					
Substance Abuse						Bill Gibson					
Mental Health						Anne Stamps					
Corrections						Michael Burton					
2024 Meeting Dates:							Steering Committee A	Steering Committee B			
February 21st, 2024							Budget	Aging			
April 17th, 2024							Audit	Community Development			
June 18th, 2024							Bylaws	Economic Development			
August 21st, 2024							Legislative	CAIC			
October 16th, 2024							Personnel	Housing			
December 18th, 2024								Community Services			
								Community Corrections			
								Transportation			