

**Knox County Community Services Agency**

**For the Year Ended  
June 30, 2002**

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Financial/compliance audits of community services agencies are available on-line at  
[www.comptroller.state.tn.us/sa/reports/index.html](http://www.comptroller.state.tn.us/sa/reports/index.html).  
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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY**

State Capitol  
Nashville, Tennessee 37243-0260  
(615) 741-2501

John G. Morgan  
Comptroller

August 5, 2003

The Honorable Phil Bredesen, Governor

and

Members of the General Assembly

State Capitol

Nashville, Tennessee 37243

and

Board of Directors

Knox County Community Services Agency

413 Northshore Drive, Suite E

Knoxville, Tennessee 37919

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Knox County Community Services Agency for the year ended June 30, 2002. You will note from the independent auditor's report that an unqualified opinion was given on the fairness of the presentation of the financial statements.

Consideration of internal control over financial reporting and tests of compliance disclosed a deficiency, which is detailed in the Results of the Audit section of this report. The agency's management has responded to the audit finding; the response is included following the finding. The Division of State Audit will follow up the audit to examine the application of the procedures instituted because of the audit finding.

Sincerely,

John G. Morgan  
Comptroller of the Treasury

JGM/mb  
03/060

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit  
**Knox County Community Services Agency**  
For the Year Ended June 30, 2002

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## AUDIT OBJECTIVES

The objectives of the audit were to consider the agency's internal control over financial reporting; to determine compliance with certain provisions of laws, regulations, and contracts; to determine the fairness of the presentation of the financial statements; and to recommend appropriate actions to correct any deficiencies.

## COMPLIANCE FINDING

### **The Agency Did Not Comply With Contract Terms and Did Not Include All Contracts in Its Plan of Operation**

Management permitted expenditures to be incurred before appropriate approvals were obtained. In addition, management did not include one service contract in its plan of operation as required by *Tennessee Code Annotated* and did not update the plan of operation to reflect five contract amendments.

## OPINION ON THE FINANCIAL STATEMENTS

The opinion on the financial statements is unqualified.

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"Audit Highlights" is a summary of the audit report. To obtain the complete audit report, which contains all findings, recommendations, and management comments, please contact

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**Audit Report**  
**Knox County Community Services Agency**  
**For the Year Ended June 30, 2002**

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**Knox County Community Services Agency  
For the Year Ended June 30, 2002**

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**INTRODUCTION**

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**POST-AUDIT AUTHORITY**

This is a report on the financial and compliance audit of the Knox County Community Services Agency. The audit was conducted pursuant to Section 37-5-313, *Tennessee Code Annotated*, which authorizes the Comptroller of the Treasury to “make an annual audit of the program established by this part as part of the comptroller’s annual audit pursuant to Section 9-3-211.”

**BACKGROUND**

Tennessee’s 12 community health agencies were created by Chapter 567 of the Public Acts of 1989, known as the Community Health Agency Act of 1989. This legislation established a defined system of health services to make health care available to the indigent citizens of Tennessee. The community health agencies determined areas of need in their geographic areas and ensured that services were available to meet those needs.

In May 1996, the Community Services Agency Act of 1996 replaced the community health agencies with the community services agencies. The purpose of these agencies is to coordinate funds and programs designated for care of children and other citizens in the state.

The Knox County Community Services Agency’s administrative offices are in Knoxville, Tennessee.

The governing body of the Knox County Community Services Agency is the board of directors. As of June 30, 2002, the board was composed of 13 members. (See Appendix.) An executive committee, consisting of five board members, has the authority to act on behalf of the board of directors in the management of the agency’s property, affairs, and funds in extraordinary circumstances when the governing board cannot convene.

The agency’s programs are carried out by staff under the supervision of the executive director, who is appointed by the Commissioner of the Department of Children’s Services, subject to the approval of the board.

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## AUDIT SCOPE

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The audit was limited to the period July 1, 2001, through June 30, 2002, and was conducted 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. Financial statements are presented for the year ended June 30, 2002. The Knox County Community Services Agency has been included as a component unit in the *Tennessee Comprehensive Annual Financial Report*.

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## OBJECTIVES OF THE AUDIT

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The objectives of the audit were

1. to consider the agency's internal control over financial reporting to determine auditing procedures for the purpose of expressing an opinion on the financial statements;
  2. to determine compliance with certain provisions of laws, regulations, and contracts;
  3. to determine the fairness of the presentation of the financial statements; and
  4. to recommend appropriate actions to correct any deficiencies.
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## PRIOR AUDIT FINDING

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Section 8-4-109, *Tennessee Code Annotated*, requires that each state department, agency, or institution report to the Comptroller of the Treasury the action taken to implement the recommendations in the prior audit report. The Knox County Community Services Agency filed its report with the Department of Audit on January 17, 2003. A follow-up of the prior audit finding was conducted as part of the current audit. The current audit disclosed that the agency has corrected the previous audit finding concerning alleged employee fraud that was not reported to the Comptroller of the Treasury.

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## RESULTS OF THE AUDIT

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### AUDIT CONCLUSIONS

#### Internal Control

As part of the audit of the Knox County Community Services Agency's financial statements for the year ended June 30, 2002, we considered internal control over financial reporting to determine auditing procedures for the purpose of expressing an opinion on the financial statements, as required by 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. Consideration of internal control over financial reporting disclosed no material weaknesses.

#### Compliance

The results of our audit tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. An immaterial instance of noncompliance, along with the recommendation and management's response, is included in the finding and recommendation.

#### Fairness of Financial Statement Presentation

The Division of State Audit has rendered an unqualified opinion on the Knox County Community Services Agency's financial statements.



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF STATE AUDIT**

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**Report on Compliance and on Internal Control  
Over Financial Reporting Based on an Audit of  
Financial Statements Performed in Accordance With  
*Government Auditing Standards***

March 27, 2003

The Honorable John G. Morgan  
Comptroller of the Treasury  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Morgan:

We have audited the financial statements of the Knox County Community Services Agency, a component unit of the State of Tennessee, as of and for the year ended June 30, 2002, and have issued our report thereon dated March 27, 2003. As discussed in Note 11 to the financial statements, the Knox County Community Services Agency implemented Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; and 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*. 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.

Compliance

As part of obtaining reasonable assurance about whether the Knox County Community Services Agency's financial statements are free of material misstatement, we performed tests of the agency's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Honorable John G. Morgan  
March 27, 2003  
Page 2

We did, however, note a certain immaterial instance of noncompliance that we have included in the Finding and Recommendation section of this report. We also noted certain other less significant instances of noncompliance that we have reported to the agency's management in a separate letter.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Knox County Community Services Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the agency's management in a separate letter.

This report is intended solely for the information and use of the General Assembly of the State of Tennessee, the board of directors, and management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record.

Sincerely,

A handwritten signature in black ink that reads "Arthur A. Hayes, Jr." with a stylized flourish at the end.

Arthur A. Hayes, Jr., CPA,  
Director

AAH/mb

## **FINDING AND RECOMMENDATION**

### **The agency did not comply with contract terms and did not include all contracts in its plan of operation**

#### **Finding**

Management of the Knox County Community Services Agency (CSA) permitted expenditures to be incurred before appropriate approvals had been obtained.

- Liabilities were incurred pertaining to two contracts before the contracts were approved.
- Dollar limits were exceeded for three contracts before all responsible parties had authorized the increases.
- Expenditures for one contract exceeded the dollar limits in the final approved contract.
- Management of the CSA did not include one service contract in its plan of operation as required by *Tennessee Code Annotated*.
- Management also did not update the plan of operation to reflect changes made on five contract amendments.

According to the agency's internal operations policy entitled "Contract Approval Processes," both the board chair and the Executive Director must sign contracts in order for them to be valid. In addition, each contract states that the CSA is not bound by the contract until the appropriate officials sign it. Section 37-5-310(a)(2), *Tennessee Code Annotated*, requires the plan of operation to include contracts for services.

#### **Recommendation**

The Executive Director and the Chief Financial Officer should ensure that contracts for services and any related amendments are signed in a timely manner. Services should not be authorized or provided, or liabilities incurred, until all approvals have been obtained. Management should ensure that increases in dollar limits are approved before exceeding original contract limits. In addition, all contracts, and contract amendments, should be reflected in the agency's plan of operation or subsequent plan amendments.

## **Management's Comment**

We concur with the audit finding concerning compliance with contract terms and the disclosure and updating of contract information in the Plan of Operation and amendments. The deficiencies include the timing of the approval process, overspending the authorized limits before corrective amendments were completed, and the omission of a contract with a new vendor in the Plan of Operation.

The timing of the approval process and spending on these contracts were severally impacted by the health problems of the person solely responsible for vendor contract preparation and approval. The contracts listed in the Plan of Operation were prepared by the agency in a timely fashion and signed by vendors in late May and early June prior to the start of the fiscal year. In June the employee in charge of the contracts suffered a heart attack and had a triple bypass surgery causing an interruption in the final approval process. In August the Executive Director and Board Chair completed the contracts, but funds had been spent in the interim as services for children continued.

Another related gap was created when the Fiscal Director resigned suddenly for personal reasons in April 2002. This would have been in the time frame that close monitoring of the contract amounts and the resulting necessary amendments to the contracts and Plan of Operation would have been necessary. This position was not filled until the middle of May, which left a void not only in timing, but also in developing the experience to comply with agency policies and procedures in this matter.

The efforts taken to strengthen this area included involving more people in a team approach and at the same time increasing education levels to be more aware of contractual matters. Greater participation from the initial stages through the continual monitoring process during the year should correct the deficiencies that occurred. Along with the Budget Coordinator, two assistants with expanded involvement and responsibilities, and the simultaneous use of different tracking techniques will increase the reliability and precision of the monitoring process. In addition, the Executive Director, Fiscal Director, and a Team Coordinator are closely reviewing the Plan of Operation and adherence to contracts.



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**Independent Auditor's Report**

March 27, 2003

The Honorable John G. Morgan  
Comptroller of the Treasury  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Morgan:

We have audited the accompanying financial statements of the governmental activities and the general fund of the Knox County Community Services Agency, a component unit of the State of Tennessee, as of and for the year ended June 30, 2002, which collectively comprise the agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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 general fund of the Knox County Community Services Agency as of June 30, 2002, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable John G. Morgan  
March 27, 2003  
Page 2

As discussed in Note 11 to the financial statements, the Knox County Community Services Agency adopted the provisions of Governmental Accounting Standards Board Statements 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*; and 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*. This resulted in changes to the format and content of the financial statements.

The management’s discussion and analysis and the Schedule of Pension Funding Progress for Knox County Community Services Agency are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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 financial information on page 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2003, on our consideration of Knox County Community Services Agency’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sincerely,

A handwritten signature in black ink, reading "Arthur A. Hayes, Jr." in a cursive style.

Arthur A. Hayes, Jr., CPA,  
Director

AAH/mb

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Knox County Community Services Agency's discussion and analysis is designed to provide an overview of the financial activity and assist in focusing on significant financial issues. This narrative analysis of the financial activities is for the fiscal year ended June 30, 2002, and should be read in conjunction with the agency's financial statements. Because GASB Statement 34 has been implemented for the first time this fiscal year, significant changes are evident in both the content and structure of the financial information. In future years, as prior-year information becomes available, a comparative analysis of government-wide data will be presented.

### FINANCIAL HIGHLIGHTS

#### **Government-Wide Highlights:**

*Net Assets* - The assets of the agency exceeded its liabilities at June 30, 2002, by \$174,806.48 (presented as "net assets"). Basically this total amount can be classified as unrestricted and is available to meet the agency's ongoing obligations. The amount that represents invested in capital assets, net of related debt, is (\$631.03).

*Changes in Net Assets* - The agency's total net assets increased by \$30,432.15 in fiscal year 2002.

*Liabilities* - The total liabilities at June 30, 2002, were \$327,566.96, of which \$46,373.40 represents an amount payable after one year. Total liabilities at June 30, 2001, were \$344,868.12, of which \$88,589.07 represented an amount payable after one year. The agency's total liabilities decreased by \$17,301.16.

#### **Fund Highlights:**

*Governmental General Fund* - As of the close of fiscal year 2002, the agency's governmental fund reported an ending balance of \$236,899.46, an increase of \$28,942.41 over the prior year. Of this amount, \$234,731.38 represents the "unreserved fund balance." Although an improvement to the agency financial position, this is not considered a significant change.

### THE FINANCIAL STATEMENTS

This annual report consists of financial data that can be separated into three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (the Schedule of Pension Funding Progress) and supplementary information which is not required (the Budgetary Comparison Schedule), in addition to the basic financial statements. These components are described below:

#### **Basic Financial Statements**

The basic financial statements include two kinds of financial statements that present different views of the agency—the *Government-Wide Financial Statements* and the *Fund Financial Statements*. These financial statements also include the *Notes to the Financial Statements* that explain some of the information in the financial statements and provide more detail.

### ***Government-Wide Financial Statements***

The *government-wide financial statements* provide a broad view of the agency's operations using accounting methods similar to a private-sector business. The statements provide both short-term and long-term information about the agency's financial position, which assists in assessing the agency's economic condition at the end of the fiscal year. These are prepared using the economic resources measurement focus and the accrual basis of accounting. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

The *statement of net assets* presents all of the government's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in the agency's net assets may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected amounts and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each of the agency's programs. All of the agency's services are included as governmental activities. The agency provides services for children and presently receives 100% of its funding under a contract with the Tennessee Department of Children's Services (DCS).

The government-wide financial statements can be found immediately following this discussion and analysis.

### ***Fund Financial Statements***

In general, a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The agency, like other agencies and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the agency government, reporting the agency's operations in more detail than the government-wide statements.

*Governmental General Fund Financial Statements* - The services provided by the agency are accounted for through one fund, the General Fund, which is used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the agency's finances that

assists in determining whether there will be adequate financial resources available to meet the current needs of the agency. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This presents a better understanding of the long-term impact of the government's near-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 facilitate this comparison between the governmental fund and governmental activities. These reconciliations are presented on the same pages as the governmental fund financial statements found immediately following the government-wide statements.

***Notes to the Financial Statements***

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

**Required Supplementary Information**

The basic financial statements are followed by the required supplementary information, which consists of a Schedule of Pension Funding Progress.

**Supplementary Information**

The Budgetary Comparison Schedule is presented as supplementary information. It follows the required supplementary information.

**FINANCIAL ANALYSIS**

**Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of an agency's financial position. The agency's net assets (governmental activities) totaled \$174,806.48 at the end of 2002, compared to \$144,374.33 at the end of the previous year.

**Knox County Community Services Agency  
Net Assets**

Governmental Activities

Current and other assets	\$ 483,368.61
Capital assets	<u>19,004.83</u>
Total Assets	<u>502,373.44</u>
Current and other liabilities	281,193.56
Long-term liabilities	<u>46,373.40</u>
Total Liabilities	<u>327,566.96</u>

Net assets:	
Invested in capital assets, net of related debt	(631.03)
Unrestricted net assets	<u>75,437.51</u>
Total net assets	<u>\$ 174,806.48</u>

### Changes in Net Assets

The agency's net assets increased by \$30,432.15.

## Knox County Community Services Agency Changes in Net Assets

### Governmental Activities

Revenues:	
Program revenues:	
State grants and contract	\$ 2,531,903.89
General revenues:	
Payments from Tennessee	211,800.49
Interest	<u>5,563.50</u>
Total revenues	2,749,267.88
Expenses:	
Administration	179,399.87
Children and Family Services	1,235,355.08
Family Support Services	1,104,017.19
Flexible Funding	176,849.41
Emergency Residential	<u>23,214.18</u>
Total expenses	<u>2,718,835.73</u>
Increase in net assets	<u>\$ 30,432.15</u>

## FINANCIAL ANALYSIS OF THE GENERAL FUND

### Governmental Fund

As of the end of the current fiscal year, the agency's governmental fund reported an ending fund balance of \$236,899.46, an increase of \$28,942.41 in comparison with the prior year. Although this increase of the fund balance is an improvement in the financial position of the agency, this change is not significant.

### GENERAL FUND BUDGETARY HIGHLIGHTS

No changes were made in the total program budgets for the current fiscal year; however, changes were made between the expense line items within the individual programs.

The actual expenditures in the Children and Family Services program were significantly below budget because of the realignment of the role of the Community Services Agency (CSA) which resulted in the transfer of 11 positions to DCS in October 2001. The reduction in personnel and

associated costs accounted for the majority of the over \$400,000 of the underspent funds. This decrease in expenditures, which are categorized as revenue to be reimbursed by DCS, also directly affected the amounts recorded as income.

### **CAPITAL ASSET**

The agency's investment in capital assets for its governmental activities as of June 30, 2002, amounts to \$54,911.62, which, net of accumulated depreciation of \$35,906.79, leaves a net book value of \$19,004.83. This investment in capital assets does not constitute a material balance on the balance sheet.

### **DEBT ACTIVITY**

The agency typically does not use debt financing except for the five-year purchase of the telephone system through the Tennessee Office of Information Resources. The current monthly payment is \$560.06 with 38 remaining payments. The other element of long-term liabilities, compensated absences, which is earned but not yet paid annual leave, is summarized in Note 4 of the financial statements.

### **REVENUE**

The state grants and contracts received from the DCS decreased by \$86,824.30 from \$2,830,536.58 for the fiscal year ended June 30, 2001, to \$2,743,704.38 for the current year. General revenue consisted of interest income and payments from the State of Tennessee. For fiscal year ending June 30, 2002, the agency collected \$5,563.50 in interest income and \$211,800.49 administrative revenue, for a total of \$217,363.99 of general revenues.

### **EXPENSES**

Total expenses for the agency in fiscal year June 30, 2002, were as follows:

Administration	\$ 179,399.87
Child and Family Services	1,235,355.08
Family Support Services	1,104,017.19
Flexible Funding	176,849.41
Emergency Residential	23,214.18
Total	<u>\$ 2,718,835.73</u>

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

Management has been notified by the Department of Children's Services that the role of Community Services Agencies is being limited to working with non-custodial children. In addition, Knox County has had a reduction of three positions and approximately \$120,000 in funding for the coming year with another three positions being eliminated the following year. Other than the elimination of these positions, there are no other restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use.

Knox County Community Services Agency  
Statement of Net Assets  
June 30, 2002

<b>Assets</b>	
Cash (Note 2)	\$ 54,250.13
Accounts receivable	335.07
Due from the State of Tennessee	426,615.33
Prepaid items	2,168.08
Capital assets (Note 3):	
Furniture and equipment	54,911.62
Less accumulated depreciation	<u>(35,906.79)</u>
Total assets	<u>502,373.44</u>
<b>Liabilities</b>	
Accrued payroll, payroll taxes, and benefits	67,805.51
Accounts payable	145,866.84
Checks payable	8,580.52
Due to the State of Tennessee	21,868.28
Due to the University of Tennessee	2,348.00
Long-term liabilities:	
Portion due or payable within one year:	
Capital leases (Notes 4 and 6)	5,857.93
Compensated absences (Note 4)	28,866.48
Portion due or payable after one year:	
Capital leases (Notes 4 and 6)	13,777.93
Compensated absences (Note 4)	<u>32,595.47</u>
Total liabilities	<u>327,566.96</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	(631.03)
Unrestricted	<u>175,437.51</u>
Total net assets	<u>\$ 174,806.48</u>

The notes to the financial statements are an integral part of this statement.

Knox County Community Services Agency  
Statement of Activities  
For the Year Ended June 30, 2002

<u>Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities:</b>				
Administration	\$ 179,399.87	\$ -	\$ -	\$ (179,399.87)
Children and Family Services	1,235,355.08	-	1,241,569.95	6,214.87
Family Support Services	1,104,017.19	-	1,097,713.22	(6,303.97)
Flexible Funding	176,849.41	-	170,944.47	(5,904.94)
Emergency Residential	23,214.18	-	21,676.25	(1,537.93)
Total	<u>\$ 2,718,835.73</u>	<u>\$ -</u>	<u>\$ 2,531,903.89</u>	<u>\$ (186,931.84)</u>
General revenues:				
				211,800.49
				5,563.50
				<u>217,363.99</u>
				30,432.15
				<u>144,374.33</u>
				<u>\$ 174,806.48</u>

The notes to the financial statements are an integral part of this statement.

Knox County Community Services Agency  
Balance Sheet  
General Fund  
June 30, 2002

<b>Assets</b>	
Cash (Note 2)	\$ 54,250.13
Accounts receivable	335.07
Due from the State of Tennessee	426,615.33
Prepaid items	2,168.08
Total assets	<u>\$ 483,368.61</u>
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accrued payroll, payroll taxes, and benefits	\$ 67,805.51
Accounts payable	145,866.84
Checks payable	8,580.52
Due to the State of Tennessee	21,868.28
Due to the University of Tennessee	2,348.00
Total liabilities	<u>246,469.15</u>
Fund balance:	
Reserved for prepaid items	2,168.08
Unreserved	234,731.38
Total fund balance	<u>236,899.46</u>
Total liabilities and fund balance	<u>\$ 483,368.61</u>

**Reconciliation of the general fund balance sheet to the statement of net assets:**

Total fund balance	\$ 236,899.46
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Amounts reported in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the general fund.	19,004.83
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the general fund. Long-term liabilities at year-end consist of:

Capital leases payable	(19,635.86)
Compensated absences	(61,461.95)
Total net assets	<u>\$ 174,806.48</u>

The notes to the financial statements are an integral part of this statement.

Knox County Community Services Agency  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
General Fund  
For the Year Ended June 30, 2002

**Revenues**

State grants and contracts	\$ 2,743,704.38
Interest	5,563.50
Total revenues	<u>2,749,267.88</u>

**Expenditures**

Administration	179,316.48
Children and Family Services	1,242,131.05
Family Support Services	1,098,814.35
Flexible Funding	176,849.41
Emergency Residential	23,214.18
Total expenditures	<u>2,720,325.47</u>
Excess of revenues over expenditures and net change in fund balance	<u>28,942.41</u>

Fund balance - July 1, 2001	<u>207,957.05</u>
Fund balance - June 30, 2002	<u>\$ 236,899.46</u>

**Reconciliation of the general fund statement of revenues, expenditures,  
and changes in fund balance to the statement of activities:**

Net change in fund balance	\$ 28,942.41
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Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$6,001.52) exceeds capital outlays (\$5, 563.43). (438.09)

The expense for compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. 1,927.83

<b>Changes in net assets of governmental activities</b>	<b>\$ <u>30,432.15</u></b>
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The notes to the financial statements are an integral part of this statement.

**Knox County Community Services Agency**  
**Notes to the Financial Statements**  
**June 30, 2002**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Title 37, Chapter 5, of *Tennessee Code Annotated*, established the CSA as “a political subdivision and instrumentality of the state.” The Knox County Community Services Agency is a component unit of the State of Tennessee and is discretely presented in the *Tennessee Comprehensive Annual Financial Report*. Although the CSA is a separate legal entity, the state is financially accountable for the CSA because the state appoints a majority of the CSA’s governing body and approves the CSA’s Plan of Operation (budget). The CSA’s reporting entity does not include any component units.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The CSA’s basic financial statements consist of government-wide financial statements (the statement of net assets and the statement of activities) and fund financial statements (the balance sheet and the statement of revenues, expenditures, and changes in fund balance). The Knox County Community Services Agency does not have any proprietary or fiduciary funds, and its only governmental fund is the general fund.

The statement of net assets presents all of the CSA’s financial and capital resources including both short-term and long-term information. The statement of activities presents a comparison between the direct expenses and program revenues for each of the CSA’s programs. Direct expenses are those that are specifically associated with a program. Program revenues include (a) charges paid by the recipients for services provided by the program and (b) grants and contributions that are restricted to meeting the operational requirements of the program. Revenues that are not classified as program revenues are presented as general revenues.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the

**Knox County Community Services Agency**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2002**

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timing of related cash flows. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are measurable and become available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenues that the CSA earns by incurring obligations are recognized in the same period the obligations are recognized. All other revenue items are considered to be available if collected within 60 days after the end of the current period.

Expenditures are recorded when the related fund liability is incurred, except for compensated absences and capital lease principal and interest, which are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**Assets and Liabilities**

Cash

Cash reported in both the government-wide and the fund financial statements consists of petty cash, demand deposits, and deposits in the Local Government Investment Pool (LGIP) administered by the State Treasurer. The liquidity of the LGIP is sufficient to cover any withdrawal request by a participant.

Capital Assets

Capital assets are defined by the CSA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capitalized assets are reported in the government-wide financial statements. Capitalized assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The CSA does not own any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially

**Knox County Community Services Agency**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2002**

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extend asset lives are not capitalized. Capitalized assets are depreciated on a straight-line basis over the following estimated useful lives of the assets.

<u>Description</u>	<u>Estimated Life</u>
Copiers	5 years
Telephone Equipment	5 years

Checks Payable

Checks payable represent the sum of checks written in excess of the Community Services Agency's checking account balance in both the government-wide and the fund financial statements.

Compensated Absences

It is the CSA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the CSA's policy is to pay this benefit only if the employee is sick or upon death. In the government-wide financial statements, the liability for all vacation pay is accrued when earned. In the fund financial statements, a liability for these amounts is reported only if they have matured, for example, because of employee resignations and retirements.

Capital Leases

A capital lease arrangement for the acquisition of a capital asset is recognized as a long-term obligation in the government-wide financial statements at the inception of the arrangement. In the fund financial statements, a liability relating to a capital lease is only reported when payment is due.

**Budgetary Process**

Legislation requires the CSA board to submit an annual plan of operation for review and approval to the Commissioner of Children's Services, Commissioner of Finance and Administration, and the Comptroller of the Treasury. As part of this plan, the CSA is to submit a financial plan for operating and capital expenditures. This financial plan is prepared on the modified accrual basis of accounting. The Plan of Operation may be amended during the year with the written approval of the Commissioners and the Comptroller.

The agency does not have an annual appropriated budget. The Plan of Operation serves as an annual financial plan for budgetary purposes.

**Knox County Community Services Agency**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2002**

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**NOTE 2. DEPOSITS**

The Knox County Community Services Agency's bank accounts are in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

The Knox County Community Services Agency also has deposits in the Local Government Investment Pool (LGIP) administered by the State Treasurer. The LGIP is part of the Pooled Investment Fund. The fund's investment policy and custodial credit risk are presented in the *Tennessee Comprehensive Annual Financial Report* for the year ended June 30, 2002. That report may be obtained by writing to the Tennessee Department of Finance and Administration, Division of Accounts, 14<sup>th</sup> Floor William R. Snodgrass Tennessee Tower, 312 Eighth Avenue North, Nashville Tennessee 37243-0298, or by calling (615) 741-2140.

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2002, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Equipment	\$ 54,911.62	\$ -	\$ -	\$ 54,911.62
Less accumulated depreciation	<u>(29,905.27)</u>	<u>(6,001.52)</u>	<u>-</u>	<u>(35,906.79)</u>
Total capital assets, net of depreciation	<u>\$ 25,006.35</u>	<u>\$ (6,001.52)</u>	<u>\$ -</u>	<u>\$ 19,004.83</u>

Depreciation expense was charged to the CSA programs as follows:

**Knox County Community Services Agency  
Notes to the Financial Statements (Cont.)  
June 30, 2002**

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<u>Program</u>	<u>Amount</u>
Administration	\$ 26.28
Children and Family Services	328.57
Family Support Services	<u>83.24</u>
Total depreciation expense	<u>\$ 438.09</u>

**NOTE 4. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2002, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Compensated absences	\$ 63,389.78	\$ 74,050.92	\$ 75,978.75	\$ 61,461.95
Capital leases	<u>25,199.29</u>	<u>-</u>	<u>5,563.43</u>	<u>19,635.86</u>
Total long-term liabilities	<u>\$ 88,589.07</u>	<u>\$ 74,050.92</u>	<u>\$ 81,542.18</u>	<u>\$ 81,097.81</u>

**NOTE 5. OPERATING LEASES**

The agency leases office space and equipment to carry out its activities and to administer the various grant programs. Total expenditures under operating leases for space and equipment were \$81,597.96 and \$480.00 for the year ended June 30, 2002. The leases are cancelable at the lessee's option.

**NOTE 6. CAPITAL LEASE**

The agency has a lease agreement in effect that is considered a capital lease. This agreement has beginning and ending dates of September 1, 2000, and August 31, 2006, and an imputed interest rate of 5%. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments at June 30, 2002.

**Knox County Community Services Agency  
Notes to the Financial Statements (Cont.)  
June 30, 2002**

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Year Ending <u>June 30</u>	
2003	\$ 6,735.48
2004	6,735.48
2005	6,735.48
2006	<u>1,122.58</u>
Total minimum payments required	21,329.02
Less minimum representing interest	<u>1,693.16</u>
Present value of net minimum lease payments	\$ <u><u>19,635.86</u></u>

The total value of equipment capitalized under these lease agreements was \$30,007.62 at June 30, 2002.

**NOTE 7. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

All full-time employees are members of the Political Subdivision Pension Plan (PSPP), an agent, multiple-employer, defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS administers a defined benefit pension plan that provides retirement, disability, and death benefits, as well as annual cost-of-living adjustments, to plan members and beneficiaries. Benefit provisions are established in state statute found in Title 8, Chapters 34-37, *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Amendments to the TCRS are not applicable to a political subdivision unless approved by the political subdivision's governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. The report may be obtained by writing to the Tennessee Department of the Treasury, Consolidated Retirement System, 10th Floor Andrew Jackson Building, 500 Deaderick Street Nashville, Tennessee 37243-0230, or the report can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).

**Funding Policy**

As authorized by the agency's board of directors, the agency pays the total pension contribution for its employees. The agency is required to contribute an actuarially

**Knox County Community Services Agency**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2002**

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determined rate; for the year ended June 30, 2002, the rate was 7.74% of annual covered payroll. The contribution requirements of plan members are set by state statutes and approved by the political subdivision's governing body. Contribution requirements for the agency are established and may be amended by the TCRS' Board of Trustees.

**Annual Pension Cost**

The agency's annual pension cost of \$95,373 for the year ended June 30, 2002, was equal to the agency's required and actual contributions.

The required contribution for the year ended June 30, 2002, was determined as part of the July 1, 1999, actuarial valuation using the frozen initial liability actuarial cost method, a projected-benefit cost method. Significant actuarial assumptions used include (a) rate of return on investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 5.5% a year (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries) compounded annually, (c) projected 4.5% annual increase in the social security wage base, and (d) projected post-retirement benefit increases of 3% of the retiree's most recent benefit. The actuarial value of the agency's assets was determined using techniques that smooth the effect of short-term volatility in the market value of both fixed income and equity securities over a five-year period. The agency's unfunded actuarial accrued liability is being amortized as a level-dollar amount of projected payroll on a closed basis. The remaining amortization period at July 1, 1999, was 22 years.

**Three-Year Trend Information**

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2002	\$95,373	100%	-
June 30, 2001	\$94,131	100%	-
June 30, 2000	\$76,691	100%	-

**NOTE 8. OTHER POST-EMPLOYMENT BENEFITS**

The State of Tennessee administers a group health insurance program that provides post-employment health insurance benefits to eligible agency retirees. This benefit is provided and administered by the State of Tennessee. The agency assumes no liability for retiree health care programs. Information related to this plan is available at the statewide level in the *Tennessee Comprehensive Annual Financial Report*. Note 2 includes information to obtain the report.

**Knox County Community Services Agency**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2002**

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**NOTE 9. CONTINGENCIES**

Sick Leave—The agency records the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent because of illness, injury, or related family death, there is no liability for sick leave at June 30. The amount of unused sick leave was \$56,131.17 at June 30, 2002.

**NOTE 10. RISK MANAGEMENT**

The agency is exposed to various risks of loss related to general liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Commercial Coverage**

The agency carries commercial insurance for risks of loss of its personal property and surety bond coverage for risks of employee dishonesty. In the past three fiscal years, the agency has had no claims filed with the commercial insurer.

**State of Tennessee's Claims Award Fund**

The agency participates in the State of Tennessee's Claims Award Fund, an internal service fund in which the state has set aside assets for claims settlement. This fund services all claims for risk of loss to which the state is exposed, including general liability, automobile liability, professional malpractice, and workers' compensation. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the participating agencies based on a percentage of each agency's expected loss costs, which include both experience and exposures. This charge considers recent trends in actual claims experience of the state as a whole. An actuarial valuation is performed as of each fiscal year-end to determine the fund liability and premium allocation. As a participant in the Claims Award Fund, the agency is subject to the liability limitations under the provisions of the Tennessee Claims Commission Act, Section 9-8-101 et seq., *Tennessee Code Annotated*. Liability for negligence of the agency for bodily injury and property damage is limited to \$300,000 per person and \$1,000,000 per occurrence. The limits under workers' compensation are set forth in Section 50-6-101 et seq., *Tennessee Code Annotated*.

**Knox County Community Services Agency**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2002**

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**Health Coverage**

The agency has elected to provide health coverage for its employees through a health plan for eligible local governments and quasi-governmental agencies in Tennessee. The Local Government Group Insurance Fund provides access to affordable health insurance by pooling risk among the groups. The plan provides for greater stability in controlling premium increases and, through a structured managed-care program, helps contain health care costs of participating members.

The plan is administered by the State of Tennessee, using a separately established fund. Premiums of participating units are deposited to this fund and used to pay claims for health care costs of participants, as well as the state's administrative costs of the plan. The agency's obligation under the plan is limited to 80% of the total premiums. The employees are responsible for the remaining 20% of the total premiums. Employees have the option of obtaining insurance through either Blue Cross Blue Shield of Tennessee or John Deere Health. Claims are administered by these companies, which are currently under contract to provide these and other services to the state. Insurance premiums are adjusted at the end of the year based on the claims experience of the pool. Individual pool participants are not assessed additional premiums based on individual claims experience. Employees and providers have 13 months to file medical claims under Blue Cross Blue Shield of Tennessee and John Deere Health.

**NOTE 11. NEW ACCOUNTING PRONOUNCEMENTS**

The Knox County Community Services Agency has implemented the provisions of Governmental Accounting Standards Board (GASB) Statements 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; and 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*. These statements establish new financial reporting requirements and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The State of Tennessee implemented these statements, as required, for the year ended June 30, 2002. As a component unit of the state, the Knox County Community Services Agency has also implemented the statements for the year ended June 30, 2002.

**Knox County Community Services Agency  
Required Supplementary Information  
Schedule of Pension Funding Progress**

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Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Funding Excess) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Funding Excess) AAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2001	\$835,000	\$972,000	\$137,000	85.91 %	\$1,185,000	11.85 %
July 1, 1999	\$568,000	\$707,000	\$139,000	80.34 %	\$ 945,000	14.71 %
June 30, 1997	\$357,000	\$357,000	-	100 %	\$ 168,000	-

Changes in Actuarial Assumptions

An actuarial valuation was performed as of July 1, 2001, to establish contribution rates as of July 1, 2002. The July 1, 1999, actuarial valuation established contribution rates for the year ended June 30, 2002. Significant actuarial assumptions used in both valuations included a rate of return on investment of present and future assets of 7.5% a year compounded annually and a projected annual increase in post-retirement benefits of 3% of the retiree's most recent benefit. Projected salary increases used in the 2001 valuation were 4.75% a year compounded annually, down from 5.5% a year in the 1999 valuation (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries). The 2001 valuation projected a 3.5% annual increase in the social security wage base, down from 4.5% in the 1999 valuation.

**Supplementary Information  
Knox County Community Services Agency  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2002**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Sources of Financial Resources:</b>				
Fund Balance, July 1				
Amount approved for expenditure	\$ -	\$ -	\$ -	
Amount not approved for expenditure	207,957.05	207,957.05	207,957.05	
<b>Revenues</b>				
Department of Children's Services	3,304,745.00	3,304,745.00	2,743,704.38	\$ (561,040.62)
Interest revenue	-	-	5,563.50	5,563.50
Total revenues	<u>3,512,702.05</u>	<u>3,512,702.05</u>	<u>2,957,224.93</u>	<u>(555,477.12)</u>
<b>Expenditures</b>				
Administration	233,257.00	233,257.00	179,316.48	(53,940.52)
Children and Family Services	1,644,219.00	1,644,219.00	1,242,131.05	(402,087.95)
Family Support Services	1,177,869.00	1,177,869.00	1,098,814.35	(79,054.65)
Flexible Funding	216,900.00	216,900.00	176,849.41	(40,050.59)
Emergency Residential	32,500.00	32,500.00	23,214.18	(9,285.82)
Total expenditures	<u>3,304,745.00</u>	<u>3,304,745.00</u>	<u>2,720,325.47</u>	<u>(584,419.53)</u>
<b>Fund Balance, June 30</b>	<b>\$ <u>207,957.05</u></b>	<b>\$ <u>207,957.05</u></b>	<b>\$ <u>236,899.46</u></b>	<b>\$ <u>28,942.41</u></b>

## **APPENDIX**

### **KNOX COUNTY COMMUNITY SERVICES AGENCY**

Marcus A. Hill, Executive Director

#### **BOARD OF DIRECTORS**

##### Board Officers

Ms. Danni B. Varlan, Chair  
Mr. Terry Brown, Vice-Chair  
Ms. Cecelia J. Waters, Treasurer  
Ms. Marianne House, Secretary  
Ms. Libby Tarpy, Sergeant-at-Arms

##### Other Members of the Board of Directors

Mr. Richard L. Bean  
Mr. Bertelkamp  
Mrs. Ann Ince  
Ms. Annie M. Jones  
Mr. Bobby Leverett  
Ms. Carole Martin  
Ms. Sue Methvin  
Ms. Patsy Miller