

Delta Human Resource Agency

**For the Year Ended
June 30, 1996**

Arthur A. Hayes, Jr., CPA

Director

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Editor

September 16, 1997

The Honorable Don Sundquist, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Board of Directors
Delta Human Resource Agency
Covington, Tennessee 38019

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Delta Human Resource Agency for the year ended June 30, 1996. 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 the internal control structure and tests of compliance resulted in no audit findings.

Very truly yours,

W. R. Snodgrass
Comptroller of the Treasury

WRS/cr
97/070

State of Tennessee

Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit
Delta Human Resource Agency
For the Year Ended June 30, 1996

AUDIT OBJECTIVES

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

AUDIT FINDINGS

The audit report contains no findings.

OPINION ON THE FINANCIAL STATEMENTS

The opinion on the financial statements is unqualified.

"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

Comptroller of the Treasury, Division of State Audit
1500 James K. Polk Building, Nashville, TN 37243-0264
(615) 741-3697

Audit Report
Delta Human Resource Agency
For the Year Ended June 30, 1996

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Delta Human Resource Agency For the Year Ended June 30, 1996

INTRODUCTION

POST-AUDIT AUTHORITY

This is a report on the financial and compliance audit of the Delta Human Resource Agency. The audit was conducted pursuant to Section 13-26-106, *Tennessee Code Annotated*, which states:

The annual report, including financial statements, and all books of account and financial records shall be subject to annual audit by the comptroller of the treasury. A human resource agency may, with the prior approval of the comptroller, engage licensed independent public accountants to perform the audits.

OBJECTIVES OF THE AUDIT

The objectives of the audit were

1. to consider the agency's internal control structure to determine auditing procedures for the purpose of expressing opinions on the financial statements and on compliance with specific requirements applicable to major federal financial assistance programs;
2. to test controls to evaluate the effectiveness of the design and operation of internal control structure policies and procedures applicable to major federal financial assistance programs;
3. to determine the fairness of the presentation of the financial statements;
4. to determine the fairness of the presentation of the supplementary information, in all material respects, in relation to the agency's financial statements taken as a whole;
5. to determine compliance with laws, regulations, contracts, and grants;
6. to determine compliance with specific requirements applicable to major federal financial assistance programs;
7. to test compliance with general requirements applicable to federal financial assistance programs;

8. to test compliance with specific requirements applicable to nonmajor federal financial assistance program transactions; and
9. to recommend appropriate actions to correct any deficiencies.

SCOPE OF THE AUDIT

The audit is limited to the period July 1, 1995, through June 30, 1996, and was conducted in accordance with generally accepted government auditing standards. Financial statements are presented for the year ended June 30, 1996, and for comparative purposes, the year ended June 30, 1995.

BACKGROUND AND ORGANIZATION

BACKGROUND

Tennessee's nine human resource agencies were created by Chapter 289 of the Public Acts of 1973, known as the Human Resource Agency Act of 1973, and operate under the authority of Title 13, Chapter 26, as amended, of *Tennessee Code Annotated*. This legislation provides a regional system to deliver human resource programs in the state's counties and cities.

The Delta Human Resource Agency was established in February 1990 and comprises the following counties: Fayette, Lauderdale, and Tipton. The agency's administrative offices are in Covington, Tennessee.

ORGANIZATION

The governing body of the Delta Human Resource Agency is the board of directors. As of June 30, 1996, the board was composed of 33 members. (See Appendix.)

The agency's programs are carried out by a staff under the supervision of the executive director, who is appointed by the board of directors. For the year ended June 30, 1996, the major program in which the Delta Human Resource Agency was involved and the grantor agency that provided the major funding for the program are presented below.

<u>Program</u>	<u>Grantor</u>
Low-Income Home Energy Assistance	Tennessee Department of Human Services

PRIOR AUDIT FINDINGS

There were no findings in the prior audit report.

RESULTS OF THE AUDIT

AUDIT CONCLUSIONS

Internal Control Structure

As part of the audit of the agency's financial statements for the year ended June 30, 1996, we considered the internal control structure to determine auditing procedures for the purpose of expressing an opinion on the financial statements, as required by generally accepted government auditing standards, and an opinion on compliance with specific requirements applicable to its major federal financial assistance program, as required by the Single Audit Act. In addition, controls were tested to evaluate the effectiveness of the design and operation of internal control structure policies and procedures applicable to the Low-Income Home Energy Assistance Program, a major federal financial assistance program, and the Community Services Block Grant, a nonmajor federal financial assistance program. The reports on the internal control structure are on the following pages. Consideration of the internal control structure disclosed no material weaknesses.

Fairness of Presentation of the Financial Statements and Supplementary Information

The Division of State Audit has rendered an unqualified opinion on the agency's financial statements. In our opinion, the statements in this report present fairly, in all material respects, the financial position of the agency at June 30, 1996, and the results of its operations for the year then ended.

In our opinion, the supplementary information in this report is fairly presented, in all material respects, in relation to the financial statements of the agency taken as a whole. The independent auditor's report follows the Schedule of Noncompliance and Questioned Costs.

Compliance with Laws and Regulations

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under generally accepted government auditing standards.

In our opinion, the agency complied, in all material respects, with the specific requirements applicable to its major federal financial assistance program.

All identified instances of noncompliance with laws, regulations, contracts, and grants connected with federal financial assistance programs are reported in the Schedule of Noncompliance and Questioned Costs in this report. The compliance reports follow the reports on the internal control structure.

**Report on the Internal Control Structure Based on an
Audit of the Financial Statements Performed in Accordance With
*Government Auditing Standards***

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of the Delta Human Resource Agency as of and for the year ended June 30, 1996, and have issued our report thereon dated April 3, 1997.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The agency's management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Honorable W. R. Snodgrass
April 3, 1997
Page Two

In planning and performing our audit of the agency's financial statements for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the agency's management in a separate letter.

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and the appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

**Single Audit Report on the Internal Control
Structure Used in Administering Federal
Financial Assistance Programs**

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of the Delta Human Resource Agency as of and for the year ended June 30, 1996, and have issued our report thereon dated April 3, 1997. We have also audited the agency's compliance with requirements applicable to its major federal financial assistance program and have issued our report thereon dated April 3, 1997.

We conducted our audit in accordance with generally accepted government auditing standards and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the agency complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1996, we considered the agency's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the agency's financial statements and on its compliance with requirements applicable to its major program, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated April 3, 1997.

The agency's management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Applications

- Receivables
- Revenues
- Purchasing
- Payables
- Cash disbursements
- Payroll
- Property and equipment
- General ledger

We have classified the significant controls used in administering federal financial assistance programs in the following categories:

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports

- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services
- Eligibility
- Matching, level of effort, or earmarking
- Reporting
- Cost allocation
- Special requirements, if any
- Monitoring subrecipients

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the agency expended 61.5 percent of its total federal financial assistance in the Low-Income Home Energy Assistance Program, a major federal financial assistance program, and in the Community Service Block Grant, a nonmajor federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the agency's major federal financial assistance program, which is identified in the accompanying schedules of financial assistance, and the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not

The Honorable W. R. Snodgrass
April 3, 1997
Page Four

reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the agency's management in a separate letter.

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and the appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

**Compliance Report Based on an Audit of the
Financial Statements Performed in Accordance
With *Government Auditing Standards***

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of the Delta Human Resource Agency as of and for the year ended June 30, 1996, and have issued our report thereon dated April 3, 1997.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the agency is the responsibility of the agency's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under generally accepted government auditing standards.

We did, however, note certain immaterial instances of noncompliance that we have reported to the agency's management on the Schedule of Noncompliance and Questioned Costs.

The Honorable W. R. Snodgrass
April 3, 1997
Page Two

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and the appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

**Single Audit Opinion on Compliance With Specific
Requirements Applicable to Major Federal Financial
Assistance Programs**

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of the Delta Human Resource Agency as of and for the year ended June 30, 1996, and have issued our report thereon dated April 3, 1997.

We have also audited the agency's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program, which is identified in the accompanying schedules of financial assistance, for the year ended June 30, 1996. The agency's management is responsible for the agency's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted government auditing standards and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the agency's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The Honorable W. R. Snodgrass
April 3, 1997
Page Two

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Non-compliance and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the agency complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and the appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

**Single Audit Report on Compliance With the
General Requirements Applicable to
Federal Financial Assistance Programs**

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of the Delta Human Resource Agency as of and for the year ended June 30, 1996, and have issued our report thereon dated April 3, 1997.

We have applied procedures to test the agency's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedules of financial assistance, for the year ended June 30, 1996: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free workplace, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the agency's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the agency had not complied, in all material respects, with those requirements. However, the results

Honorable W. R. Snodgrass
April 3, 1997
Page Two

of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Noncompliance and Questioned Costs.

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and the appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

**Single Audit Report on Compliance With Specific Requirements
Applicable to Nonmajor Federal Financial
Assistance Program Transactions**

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of the Delta Human Resource Agency as of and for the year ended June 30, 1996, and have issued our report thereon dated April 3, 1997.

In connection with our audit of the financial statements of the agency and with our consideration of the agency's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the agency's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe the agency had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Noncompliance and Questioned Costs.

The Honorable W. R. Snodgrass
April 3, 1997
Page Two

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and the appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

DELTA HUMAN RESOURCE AGENCY
SCHEDULE OF NONCOMPLIANCE AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1996

CFDA Number	Program Name	Grantor Agency	Grant/Contract Number	Explanation	Finding Number	Amount Questioned
				Questioned costs reported as of June 30, 1995		\$ 5.72
				Less: Questioned costs resolved from July 1, 1995 to June 30, 1996		-
				Unresolved questioned costs that occurred prior to July 1, 1995		<u>5.72</u>
10.568	Emergency Food Assistance Program (Administrative Costs)	Tennessee Department of Agriculture	Z-5-072929-5-00	The allocation percentages used to allocate indirect costs for telephone charges for the USDA Commodities program were not in accordance with the percentages established by the agency and approved by the Department of Human Services.	N/A	-
81.042	Weatherization Assistance for Low-Income Persons	Tennessee Department of Human Services	GR-5-09655-5-00	According to the Department of Finance and Administration program evaluation performed during FYE 6/30/96, the client files did not contain all required information for the Weatherization Assistance Program (WAP).	N/A	-
93.560 93.574 93.575 93.667	Child Care Broker Services	Tennessee Department of Human Services	GR-3-08103-0-03	According to the Department of Finance and Administration program evaluation performed during FYE 6/30/96, the agency did not have a system for monitoring the receipt of provider monthly attendance records.	N/A	-
93.569	Community Services Block Grant	Tennessee Department of Human Services	GR-5-09620-5-00	The allocation percentages used to allocate indirect costs for telephone charges for the Homeless Assistance Program were not in accordance with the percentages established by the agency and approved by the Department of Human Services.	N/A	-
				Total Questioned Costs as of June 30, 1996		<u>\$ 5.72</u>

NOTE: Prior to the completion of field work, the Department of Finance and Administration informed the agency that the findings cited in their evaluation report had been adequately addressed, and that the agency had submitted all required supporting documentation.

Independent Auditor's Report

April 3, 1997

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the accompanying combined balance sheets of the Delta Human Resource Agency as of June 30, 1996, and June 30, 1995, and the related combined statements of revenues, expenditures, and changes in fund balances for the years then ended. 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 audits.

We conducted our audits in accordance with generally accepted government auditing standards. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delta Human Resource Agency as of June 30, 1996, and June 30, 1995, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

The Honorable W. R. Snodgrass
April 3, 1997
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Our audit was made for the purpose of forming an opinion on the financial statements, taken as a whole. The accompanying supplementary information on pages 34 through 39 is presented for purposes of additional analysis and is not a required part of the agency's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements, taken as a whole.

In accordance with generally accepted government auditing standards, we have also issued reports dated April 3, 1997, regarding our consideration of the agency's internal control structure and its compliance with laws and regulations.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/cr

DELTA HUMAN RESOURCE AGENCY
COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996, AND JUNE 30, 1995

	June 30, 1996				June 30, 1995			
	Governmental Fund Types		Account Group	Totals (Memorandum Only)	Governmental Fund Types		Account Group	Totals (Memorandum Only)
	General	Special Revenue	General Fixed Assets		General	Special Revenue	General Fixed Assets	
ASSETS								
Cash in bank (Note 3)	\$ 161,611.55	\$ -	\$ -	\$ 161,611.55	\$ 247,865.29	\$ -	\$ -	\$ 247,865.29
Prepaid items (Note 6)	53.17	-	-	53.17	58.00	-	-	58.00
Accounts receivable:								
Due from grantors	-	82,750.80	-	82,750.80	-	73,790.55	-	73,790.55
Due from performance-based grants	9,681.95	-	-	9,681.95	7,642.00	-	-	7,642.00
Due from special revenue fund (Note 4)	55,421.38	-	-	55,421.38	22,652.17	-	-	22,652.17
Total accounts receivable	65,103.33	82,750.80	-	147,854.13	30,294.17	73,790.55	-	104,084.72
Fixed assets (Note 5):								
Furniture and equipment	-	-	69,199.63	69,199.63	-	-	54,069.63	54,069.63
Vehicles	-	-	293,241.65	293,241.65	-	-	19,031.00	19,031.00
Total fixed assets	-	-	362,441.28	362,441.28	-	-	73,100.63	73,100.63
Total assets	\$ 226,768.05	\$ 82,750.80	\$ 362,441.28	\$ 671,960.13	\$ 278,217.46	\$ 73,790.55	\$ 73,100.63	\$ 425,108.64
LIABILITIES, OTHER CREDITS, AND FUND BALANCES								
LIABILITIES:								
Due to general fund (Note 4)	\$ -	55,421.38	-	55,421.38	\$ -	22,652.17	-	22,652.17
Accounts payable	2,110.51	1,298.78	-	3,409.29	3,270.10	18,472.68	-	21,742.78
Accrued payroll	3,692.04	4,651.79	-	8,343.83	5,144.69	2,875.10	-	8,019.79
Accrued leave	12,953.47	-	-	12,953.47	10,693.82	-	-	10,693.82
Unearned grantor revenue	-	142.35	-	142.35	-	7,451.10	-	7,451.10
Due to grantors	18.00	1,583.50	-	1,601.50	18.00	1,583.50	-	1,601.50
Advances payable - Tennessee Department of Human Services	36,000.00	19,653.00	-	55,653.00	36,000.00	20,756.00	-	56,756.00
Total liabilities	54,774.02	82,750.80	-	137,524.82	55,126.61	73,790.55	-	128,917.16
Other credits:								
Investment in general fixed assets - special revenue fund (Note 5)	-	-	47,742.90	47,742.90	-	-	66,773.90	66,773.90
Investment in general fixed assets - general fund (Note 5)	-	-	314,698.38	314,698.38	-	-	6,326.73	6,326.73
Total other credits	-	-	362,441.28	362,441.28	-	-	73,100.63	73,100.63
Fund balances:								
Unreserved fund balance	171,940.86	-	-	171,940.86	192,050.85	-	-	192,050.85
Reserved fund balance (Note 6)	53.17	-	-	53.17	31,040.00	-	-	31,040.00
Total fund balances	171,994.03	-	-	171,994.03	223,090.85	-	-	223,090.85
Total other credits and fund balances	171,994.03	-	362,441.28	534,435.31	223,090.85	-	73,100.63	296,191.48
Total liabilities, other credits, and fund balances	\$ 226,768.05	\$ 82,750.80	\$ 362,441.28	\$ 671,960.13	\$ 278,217.46	\$ 73,790.55	\$ 73,100.63	\$ 425,108.64

DELTA HUMAN RESOURCE AGENCY
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED JUNE 30, 1996, AND JUNE 30, 1995

	June 30, 1996			June 30, 1995		
	General	Special Revenue	Totals (Memorandum Only)	General	Special Revenue	Totals (Memorandum Only)
REVENUES						
Grantor contributions	\$ -	\$ 855,395.34	\$ 855,395.34	\$ -	\$ 1,235,961.24	\$ 1,235,961.24
Performance-based income	108,216.06	-	108,216.06	103,104.00	-	103,104.00
State and local contributions (Note 6)	93,807.50	-	93,807.50	78,032.80	-	78,032.80
Interest income	8,032.75	-	8,032.75	6,098.83	-	6,098.83
Program income	-	1,950.00	1,950.00	-	2,178.45	2,178.45
Donation for Group work camp (Note 6)	-	-	-	11,982.00	-	11,982.00
Other income (Note 10)	205,451.50	-	205,451.50	12,974.37	-	12,974.37
Total revenues	415,507.81	857,345.34	1,272,853.15	212,192.00	1,238,139.69	1,450,331.69
EXPENDITURES						
Salaries	46,302.03	121,487.16	167,789.19	36,325.14	144,808.74	181,133.88
Fringe benefits	8,844.33	28,268.17	37,112.50	7,295.74	32,863.05	40,158.79
In-area travel	597.84	3,374.30	3,972.14	155.28	5,273.26	5,428.54
Out-of-area travel	1,527.94	1,954.99	3,482.93	1,293.02	1,137.44	2,430.46
Printing	1,634.85	1,635.66	3,270.51	803.00	1,186.47	1,989.47
Fixed asset purchases (Notes 5 and 10)	308,371.65	-	308,371.65	-	-	-
Telephone	426.68	5,421.95	5,848.63	1,559.93	5,172.22	6,732.15
Dues, subscriptions, publications	1,890.00	-	1,890.00	806.44	125.40	931.84
Contracted services	1,143.02	34,904.47	36,047.49	1,065.75	44,079.37	45,145.12
Supplies	1,020.75	5,624.50	6,645.25	2,233.88	4,410.93	6,644.81
Maintenance	5,903.46	71,834.47	77,737.93	129.60	75,392.72	75,522.32
Vehicle fuel and maintenance	30.43	1,761.88	1,792.31	-	1,665.33	1,665.33
Training and technical assistance	2,268.96	1,894.32	4,163.28	744.35	2,512.12	3,256.47
Building and equipment rent (Note 7)	1,990.46	27,410.27	29,400.73	2,033.73	28,362.84	30,396.57
Food	64.55	14,313.17	14,377.72	397.26	21,929.85	22,327.11
Utilities	324.55	2,723.93	3,048.48	266.56	2,517.83	2,784.39
Postage	1,050.84	1,057.61	2,108.45	1,047.74	1,066.74	2,114.48
Insurance premiums	772.41	2,785.90	3,558.31	270.45	2,351.46	2,621.91
Client services program assistance	-	468,559.72	468,559.72	93.77	784,406.52	784,500.29
Audit	2,400.00	9,600.00	12,000.00	3,000.00	9,000.00	12,000.00
Annual leave expense	2,259.65	-	2,259.65	1,036.59	-	1,036.59
Indirect costs	13,979.00	116,394.09	130,373.09	10,028.94	112,993.65	123,022.59
Other	140.01	-	140.01	120.99	45.00	165.99
Total expenditures	402,943.41	921,006.56	1,323,949.97	70,708.16	1,281,300.94	1,352,009.10
Excess (deficiency) of revenues over (under) expenditures.	12,564.40	(63,661.22)	(51,096.82)	141,483.84	(43,161.25)	98,322.59
OTHER FINANCING SOURCES (USES)						
Transfer of local unreserved funds to supplement grant expenditures	(63,661.22)	63,661.22	-	(43,161.25)	43,161.25	-
Total other financing sources (uses)	(63,661.22)	63,661.22	-	(43,161.25)	43,161.25	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(51,096.82)	-	(51,096.82)	98,322.59	-	98,322.59
Fund balance, July 1	223,090.85	-	223,090.85	124,768.26	-	124,768.26
Fund balance, June 30	\$ 171,994.03	\$ -	\$ 171,994.03	\$ 223,090.85	\$ -	\$ 223,090.85

See accompanying Notes to the Financial Statements.

**Delta Human Resource Agency
Notes to the Financial Statements
June 30, 1996, and June 30, 1995**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Delta Human Resource Agency was established in 1990 in accordance with Title 13, Chapter 26, as amended, of *Tennessee Code Annotated*. This legislation provides a regional system to deliver human resource programs in the state's counties and cities. It is governed by a 33-member governing board. The board consists of the county executives and 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, and members appointed by the county executive—one from each county served by the agency. For financial reporting purposes, the agency includes all activities over which the Board of Directors is financially accountable.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Fund Structure, Basis of Accounting, and Measurement Focus

The financial records of the agency are maintained on the cash basis of accounting. At year-end, the books are adjusted to the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred.

The agency's accounts are organized and operated on the basis of fund types and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

The financial activities of the agency reported in the accompanying financial statements are classified into two fund types and one account group:

Governmental Fund Types

General Fund—used to account for all resources not accounted for in another fund.

Special Revenue Fund—used to account for resources received under cost-reimbursement grant agreements.

Account Group

General Fixed Assets Account Group (GFAAG)—used to account for all the agency's fixed assets. The GFAAG is not a fund, but rather a management control and accountability listing of the agency's general fixed assets.

Fixed assets are recorded at acquisition cost and are shown as expenditures at the time of purchase. They are not depreciated. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Budgetary Process

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

Totals (Memorandum Only)

The total columns of the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

NOTE 2. CONTINGENCIES

Sick Leave — The agency records the cost of sick leave when paid; therefore, there is no liability in the accompanying financial statements for unpaid accumulated sick leave. 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 \$19,629.98 at June 30, 1996, and \$18,855.48 at June 30, 1995.

NOTE 3. DEPOSITS

Deposits with financial institutions are required to be categorized to indicate the level of risk assumed by the agency. Category 1 consists of deposits that are insured or collateralized with securities held by the agency or by its agent in the agency's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institution's trust department or agent in the agency's name. Category 3 deposits are uncollateralized. This category includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the agency's name.

At June 30, 1996, the carrying amount of the agency's deposits was \$161,611.55, and the bank balance was \$210,981.67. The entire bank balance was category 1.

At June 30, 1995, the carrying amount of the agency's deposits was \$247,865.29, and the bank balance was \$262,339.12. The entire bank balance was category 1.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

NOTE 4. INTERFUND RECEIVABLE/PAYABLE ACCOUNTS

These accounts represent the amount owed to the general fund by the special revenue fund because operating cash had been transferred to the special revenue fund to cover its negative cash balance at year-end.

NOTE 5. FIXED ASSETS

The following changes in general fixed assets occurred during the year ended June 30, 1996:

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Furniture and equipment	\$54,069.63	\$ 15,130.00	\$ -	\$ 69,199.63
Vehicles	<u>19,031.00</u>	<u>293,241.65</u>	<u>19,031.00</u>	<u>293,241.65</u>
Totals	<u>\$73,100.63</u>	<u>\$308,371.65</u>	<u>\$19,031.00</u>	<u>\$362,441.28</u>

The following changes in general fixed assets occurred during the year ended June 30, 1995:

	Balance July 1, <u>1994</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1995</u>
Furniture and equipment	\$54,069.63	\$ -	\$ -	\$54,069.63
Vehicles	<u>19,031.00</u>	<u>-</u>	<u>-</u>	<u>19,031.00</u>
Totals	<u>\$73,100.63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$73,100.63</u>

NOTE 6. RESERVED FUND BALANCE

The reserved fund balance as of June 30, 1996, was \$53.17. This amount represents \$53.17 for prepaid items.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

The reserved fund balance as of June 30, 1995, was \$31,040. This amount represents donations of \$11,982 for a Group Work Camp program, \$58 for prepaid items, and \$19,000 of the agency's unexpended 1995 state appropriations. At the request of the agency's board of directors, the Tennessee Department of Human Services approved reservation of the unexpended state appropriation to purchase a van during the year ending June 30, 1996.

NOTE 7. OPERATING LEASES

The agency leases office space to carry out its activities and to administer the various grant programs. The lease, which expires June 30, 1996, requires monthly rental payments of \$1,480.00. During the year ended June 30, 1996, the agency rented 3,750 square feet of office space at a cost of \$17,760.00. Payments for other leases during the year totaled \$17,102.11.

During the year ended June 30, 1995, the agency rented office space at a cost of \$17,760.00. Payments for other leases during that year totaled \$18,152.96.

All leases are cancelable at the agency's option.

NOTE 8. DEFINED BENEFIT PENSION PLAN

A. Plan Description

Beginning April 1, 1994, after successful completion of a six-month probationary period, all full-time employees of the agency become members of an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS acts as a common investment and administrative agent for political subdivisions in the state. The agency participates in the TCRS as a political subdivision and is liable for the costs associated with the operation and administration of its plan. The agency's payroll for employees covered by the plan for the year ended June 30, 1996, was \$240,406,53, and total payroll was \$259,343.65. The agency's payroll for employees covered by the plan for the year ended June 30, 1995, was \$252,025.35, and total payroll was \$263,403.98.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

The TCRS administers a defined benefit retirement plan covering teachers and general employees of the state, higher education employees, and employees of participating political subdivisions. Membership in the system is mandatory for all participants' full-time employees. The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members may retire at age 60 with five years' service or at any age with 30 years' service. Early retirement with reduced benefits is available to vested members who are at least age 55 or have 25 years of service. Members are vested after five years of service. Disability benefits are available to members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member performed duties. Benefit provisions are established and amended by state statute. Amendments to the TCRS plan are not applicable to a political subdivision unless approved by the political subdivision's governing body.

As authorized by the agency's board of directors, the agency's plan is contributory whereby the employee contributes 5.00% of his or her earnable compensation, and the employer is responsible for the remaining contribution. The agency currently contributes 5.71% of earnable compensation.

B. Funding Status and Progress

The "pension benefit obligation" which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the agency's pension program as administered by TCRS on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and among employers. The measure is independent of the actuarial funding method used to determine contributions to the system.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1995, and an actuarial update performed at June 30, 1996. Significant actuarial assumptions used include (a) rate of return on investment of present and future assets of 8 percent a year compounded

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

annually, (b) projected salary increases of 7 percent a year (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries) compounded annually, (c) projected 6 percent annual increase in the Social Security wage base, and (d) projected post-retirement benefit increases of 3 percent of the retiree's initial benefit.

Total estimated assets in excess of pension benefit obligation and total unfunded pension benefit obligation applicable to the agency's employees at June 30, 1996, and at June 30, 1995, were as follows:

	<u>June 30, 1996</u>	<u>June 30, 1995</u>
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to but not yet receiving benefits	\$ 5,300	\$1,519
Current employees:		
Accumulated employee contributions including allocated investment earnings	23,484	13,728
Employer-financed vested	633	942
Employer-financed nonvested	<u>11,582</u>	<u>17,218</u>
Total pension benefit obligation	40,999	33,407
Net assets available for benefits, at cost or amortized cost (market value is \$68,738 at June 30, 1996, and \$35,843 at June 30, 1995)	<u>63,006</u>	<u>33,030</u>
(Assets in excess of) Unfunded pension benefit obligation	<u>(\$22,007)</u>	<u>\$ 377</u>

C. Actuarially Determined Contribution Requirements and Contributions Made

It is the policy of the Board of Trustees of TCRS fund pension benefits by actuarially determined contributions which are intended to provide funding for

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

both the normal cost and the unfunded actuarial accrued liability cost, so that sufficient assets will be available to pay benefits when due. The frozen initial liability method, a projected benefit cost method, is used to value the plan. At June 30, 1995, the last actuarial valuation date, the agency's unfunded actuarial accrued liability for its pension plan totaled \$14,041. All unfunded actuarial accrued liabilities are amortized over a 30-year period which began on April 1, 1994. The accrued liability for basic benefits and cost-of-living benefits is amortized as a level-dollar amount.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described in B above.

The contribution to the TCRS for the year ended June 30, 1996, of \$25,747.54 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1993. The contribution consisted of (a) \$19,208.48 in normal costs (7.99% of current covered payroll), (b) \$6,154.41 in amortization of the unfunded actuarial accrued liability (2.56% of current covered payroll), and (c) \$384.65 in administrative costs (.16% of current covered payroll). The agency contributed \$13,727.21 (5.71% of current covered payroll); employees contributed \$12,020.33 (5.00% of current covered payroll). The contribution to the TCRS for the year ended June 30, 1995, of \$26,991.92 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1993. The contribution consisted of (a) \$20,136.83 in normal costs (7.99% of current covered payroll), (b) \$6,451.85 in amortization of the unfunded actuarial accrued liability (2.56% of current covered payroll), and (c) \$403.24 in administrative costs (.16% of current covered payroll). The agency contributed \$14,390.65 (5.71% of current covered payroll); employees contributed \$12,601.27 (5.00% of current covered payroll).

The actuarial valuation as of June 30, 1993, computed contribution rates effective July 1, 1994 through June 30, 1996. The actuarial valuation as of June 30, 1995, determined the rates for a two year period beginning July 1, 1996.

**Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995**

D. Trend Information

Three-year historical trend information designed to give an indication of the progress made by the agency in accumulating sufficient assets to pay benefits when due is presented below for fiscal years 1996 and 1995. Information for fiscal year 1994 is not available because the agency did not join the system until April 1, 1994.

Fiscal Year	(1) Net Assets Available For Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)÷(2)	(4) Unfunded (Assets in Excess of) PBO	(5) Annual Covered Payroll	(6) Unfunded (Assets in Excess of) PBO as a Percentage of Covered Payroll (4)÷(5)
1996	\$63,006	\$40,999	153.68%	\$(22,007)	\$240,406.53	(9.15%)
1995	\$33,030	\$33,407	98.87%	\$ 377	\$252,025.35	.15%

Showing the unfunded pension benefit obligations in 1995 and assets in excess of pension benefit obligation in 1996 as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the two years ended June 30, 1996, and 1995, the agency's contributions to the TCRS, made in accordance with actuarially determined requirements, were 5.71% of annual covered payroll. Information for fiscal year 1994 is not available.

Ten-year historical trend information for the retirement system as a whole may be found in the Tennessee Consolidated Retirement System Annual Financial Report for the year ended June 30, 1996.

NOTE 9. RISK MANAGEMENT

The agency participates in the Tennessee Municipal League (TML) Risk Management Pool for the following risks of loss: commercial general liability; theft of, damage to, or destruction of real and personal property; employee dishonesty; bodily injury, property damage, physical damage, and personal injury liability for vehicle operation; and worker's compensation and employer's liability. The agency's agreement with the TML Risk Management Pool provides for payment of annual premiums. The agreement also provides for refunds to members and additional member assessments.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1996, and June 30, 1995

Additional member assessments are made based on the experience of the pool. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

The agency elected to provide basic health, dental, life, accident, and cancer insurance coverage for its employees through commercial insurance policies. The agency's obligation for all coverages selected by employees is limited to \$75.00 per month per employee.

NOTE 10. DONATED SERVICES

The agency receives the use of a van for the transportation program. The van is provided by the Metro Inter-Faith Association, Inc. (MIFA), for a \$1.00 charge to the agency. The agency pays for maintenance, repairs, and insurance. The value of the donation is not recorded in the financial statements.

On January 23, 1996, the Fayette, Lauderdale, and Tipton County Executives petitioned the Tennessee Department of Transportation to transfer the Transportation Program from MIFA to Delta HRA, effective July 1, 1996. This request was awarded on February 23, 1996. MIFA and the agency then entered into negotiations for vehicles and equipment that were part of MIFA's Transportation Program. This equipment was originally purchased by MIFA through the use of Section 18 funds, in which the grantee pays 10% of the costs. Section 18 rules were used for this transaction.

Negotiations for the equipment and negotiations for the vehicles were held separately. The equipment was negotiated on an individual item basis, whereas the vehicles were negotiated as a fleet. The amount paid by the agency for the equipment was \$1,513.00 (10% of the fair market value of the items of \$15,130.00). Therefore, \$13,617.00 (\$15,130.00-\$1,513.00) is recorded as a donation on the agency's financial statements. The amount paid for the fleet of vehicles was \$22,177.50 (10% of the negotiated value of \$221,775.00). Because the fleet was negotiated in total, in order to properly value the fleet at fair market value, each vehicle's fair market value was determined by an independent third party. This revaluation resulted in a fair market value of \$214,000.00. Therefore, \$191,822.50 (\$214,000.00-\$22,177.50) is recorded as a donation on the agency's financial statements.

APPENDIX

DELTA HUMAN RESOURCE AGENCY

John Snead, Executive Director

BOARD OF DIRECTORS

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Jeff Huffman, Tipton County Executive, Chair
Rozelle Criner, Lauderdale County Executive, Vice Chair
Billy Wilson, Treasurer

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County Executive Jim Voss, Fayette County	Mrs. Carliss Maclin, Representative Member Fayette County
Mr. Charles Cutlip, Lauderdale County	Mr. Robert Noell, Tipton County
Ms. Sissy Sterling Dowdle	Mayor Fred Montgomery, City of Henning

Other Members of the Board of Directors

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Mayor Dewayne Fisher, Gallaway
Mayor Jill Cox, La Grange
Mayor James C. Gaither, Sr., Rossville
Mayor Bob Dell, Somerville
Mayor Judith Freeland, Williston
Mayor James F. Reger, Piperton
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Tipton County

Mayor Russell Bailey, Covington
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Mayor Jimmy Burlison, Burlison
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Mayor John Chorley, Munford
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Mayor Richard Douglas, Ripley
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