

Safer Streets

Since taking office, the Berke administration has been relentlessly focused on reducing violence in Chattanooga. Because of this and the support of multiple community partners, progress has been made. For example, shootings are down roughly 10% in 2014 over 2013. Despite early success, there is still significant work to be done.

Developing and maintaining a safe city requires the capacity for both effective response to emergencies and long term preventive measures. A safe city also requires neighborhoods that are well-maintained and not plagued by blight and over growth.

Total funded: \$101,096,324.00

Total requested: \$113,243,532.00

Total number of offers funded: 19

The following are Funded Offers for the Safer Streets Result Area:



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|--|
| Offer Name: | CACHC Forensic Interview Program |
| Lead Agency: | Children's Advocacy Center of Hamilton County |
| Collaborating City Department(s): | Chattanooga Police Department |
| Contact Name: | Shelley M. McGraw, Executive Director |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$30,000 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

The Children's Advocacy Center of Hamilton County (CACHC) is dedicated to serving those affected by alleged child abuse or neglect by offering help, hope, and healing. The CACHC strives to meet this mission by facilitating a comprehensive and humane response to alleged child sexual or severe physical abuse in several ways. First, the CACHC is charged with coordinating the state-mandated multidisciplinary team of professionals (known as the Child Protective Investigative Team or CPIT) responsible for the investigation, intervention, and treatment of abused children and their non-offending families. A key component of that team includes CACHC Forensic Interviewers who provide developmentally-appropriate, neutral, fact-finding forensic interviews in which children feel safe telling the facts of any incident which may or may not have occurred. Interviewers also serve as "expert witnesses" in court proceedings on behalf of child victims.

Now celebrating 22 years of service to alleged victims of child abuse, the CACHC was one of the first child advocacy centers in the country. Since our inception, we have served more than 9,000 children on-site and have provided multidisciplinary case coordination with the Hamilton County CPIT for thousands more children. Our agency maintains national accreditation through the National Children's Alliance (NCA) by fulfilling 10 rigorous standards in programmatic service and sustainability. An extensive research study



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completed by NCA indicates that the Child Advocacy Center model, which is nationally recognized as an evidence-based best practice as an approach to child abuse prevention and intervention, resulted in greater benefits. Services such as our Forensic Interview (FI) program follow national best-practice guidelines and save taxpayers more than 35% by raising private funding to support a service that would otherwise fall back upon local law enforcement and other government agencies.

CACHC works to increase government efficiency, reduce duplication of efforts, and provide professionals with information they need to make better informed decisions in their investigations and increase prosecution rates. Forensic interviewers have received at least 40 hours of initial training, participate in peer review, and continue to participate in on-going training. In fiscal year 2012, a total of 10,108 unique children were determined to be victims of maltreatment in Tennessee, and 563 children were served at the CACHC. In a recent survey, 97% of CPIT members, which include law enforcement, medical staff, prosecutors, therapists, Child Protection Workers, and advocates, stated that working within the CACHC model significantly helped them with their cases. Improved outcomes for children continue to be documented in child advocacy centers across the country and throughout our state.

This program aligns with the City results area for Safer Streets and works closely with the Chattanooga Police Department and other law enforcement agencies who refer children directly for services that support their investigation efforts. However, the entire CACHC model also aligns with the City results area of providing Smarter Students & Stronger Families by reaching child victims sooner and facilitating healing to break the intergenerational cycle of child abuse.

The CACHC FI program is an excellent example of an ideal program for City of Chattanooga funding. This program is not only built on multi-agency collaboration, but it is also uses proven sustainable practices which are evidence-based, tested, and effective. It directly supports the City budget strategies of providing coordinated services to respond to child abuse as quickly as possible, providing community outreach to at-risk juveniles who may have been violated, and providing tailored, developmentally-appropriate outreach to alleged victims of crime.

Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the City
2. Increase trust between law enforcement and citizens
3. Reduce incidents of domestic violence

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
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| CACHC Forensic Interview Program | \$118,122 | \$65,760 | \$30,000 | 2 |

Capital Budget Impact? Yes X No \$Amount

Agency Name



City of Chattanooga

FY15 Offers

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
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| State of Tennessee | \$70,000 |
| Foundation support | \$7,500 |
| CACHC fundraising efforts (donations and events) | \$76,200 |

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Measurement 1: The CACHC will utilize City funding to provide a portion of the salary, benefits, training, and operational costs for two (2) full-time trained forensic interviewers (FIs). The following activities will occur:

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Return on Investment:

How do citizens benefit? The CACHC FI Program is unique in that it provides a direct service to the Chattanooga Police Department that would otherwise be absorbed by taxpayer resources when an allegation of child abuse occurs. To that end, the CACHC hopes to continue to partner with the City to make this program sustainable and more innovative and efficient as solid public/private partnership in serving our most vulnerable citizens.

Does this activity leverage other financial resources? The average cost for a forensic interview at the CACHC is



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approximately \$250 per child. During fiscal year 12-13, the CACHC provided 266 forensic interviews specifically for children who were allegedly victimized in the City of Chattanooga. This equates to an approximate cost of \$66,500 in services that were provided for the Chattanooga Police Department with funding from the City of only \$30,000. The CACHC leveraged other financial resources from the State of Tennessee, private foundations, and donors to raise the additional 55% of the cost that would have been absorbed by the City had our program not been available.

How does this activity decrease costs over time for the City? When children are referred immediately for a forensic interview, critical information is obtained early from those children that can be used to successfully investigate the pending case. Our forensic interviewers are very highly trained to glean facts from a child typically in only one interview, so law enforcement may immediately work to apprehend the perpetrator and make our streets safer. In instances where children are not brought to the CACHC for an interview, children are often reluctant to disclose information to government authorities who may be questioning the child in unfamiliar or uncomfortable surroundings. This problem can result in time lost and a likelihood that the suspect will remain at large and to harm other children. More efficient law enforcement is a direct cost savings in the reduction of crime in our area.

How can this program become sustainable without City funding? Approximately every four years, the CACHC Board of Directors engages in short-term strategic planning to ensure the agency is operating with a diverse funding mix and that our programs are the most fiscally efficient as possible. A strategic plan was recently completed for 2012 to 2017 and included plans to become less dependent on government funding sources and to remain debt-free with a minimum of six-months of operating reserves. However, because our agency directly collaborates with government agencies to provide services to citizens of Chattanooga, it is our hope that state and local government agencies will continue to provide funding to the CACHC in an effort to more cost-effectively prevent child abuse from occurring in our community and intervene early when those instances do occur. Increased referrals to the Department of Children's Services (DCS) regarding suspected child abuse has increased the number of forensic interviews requested of the CACHC. Since 2010, the CACHC has provided 50% more children with Forensic Interviews with no additional funding from any government entity to absorb the burden. This situation increases the need for the CACHC to access funds from other means, such as the City of Chattanooga, which when matched with state funds and private donations allows the Center to promptly and efficiently respond to the ever growing need in our community.

Attachment C: Program Beneficiary Statistics

Agency Name: Children's Advocacy Center of Hamilton County Program: Forensic Interview

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|------------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 564 | 313 | 580 |
| a) Total Continuing From Previous Fiscal Year | 0 | 0 | 0 |
| b) Total New for the Year | 564 | 313 | 580 |
| c) Total Terminated During the Year | 0 | 0 | 0 |
| 2. Age Group TOTAL | 564 | 313 | 580 |
| a) Infants – Under 5 | 105 | 54 | 135 |
| b) Between 5 and 12 | 376 | 201 | 348 |
| c) Between 13 and 17 | 83 | 58 | 95 |
| d) Between 18 and 29 | 0 | 0 | 2 |
| e) Between 30 and 64 | 0 | 0 | 0 |
| f) 65 and over | 0 | 0 | 0 |
| g) Not Known | 0 | 0 | 0 |
| 3. Sex TOTAL | 564 | 313 | 580 |
| a) Male | 207 | 118 | 250 |
| b) Female | 357 | 195 | 330 |
| c) Not Known | 0 | 0 | 0 |
| 4. Ethnic Background TOTAL | 564 | 313 | 580 |
| a) White | 384 | 206 | 320 |
| b) Black | 136 | 75 | 180 |
| c) Hispanic | 34 | 17 | 55 |
| d) Asian | 0 | 0 | 5 |
| e) Other – Ethnic Minority | 10 | 15 | 20 |
| f) Not Known | 0 | 0 | 0 |
| 5. % Income Level TOTAL | 564 | 313 | 580 |
| a) Below 9,999 | 0 | 0 | 0 |
| b) 10,000 –19,999 | 0 | 0 | 0 |
| c) 20,000 – 29,999 | 0 | 0 | 0 |
| d) 30,000 and Over | 0 | 0 | 0 |
| e) Not Known | 564 | 313 | 580 |
| 6. Location of Residence TOTAL | 564 | 313 | 580 |
| a) Chattanooga | 266 | 144 | 275 |
| b) Outside of Chattanooga | 298 | 169 | 305 |
| c) Not Known | 0 | 0 | 0 |

Attachment F: Budget Format Agency: Children's Advocacy Center of Hamilton County
 Program: Forensic Interview

CITY OF CHATTANOOGA

FY 2015 Agency Funding Financial Form

| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|
| REVENUES | | | | | | | |
| Contributions | | | | | | | |
| Individuals/Private | \$ 17,437 | \$ 27,646 | \$ 10,207 | \$ 13,000 | \$ 14,000 | \$ 1,000 | 7.7% |
| Corporate/Organizations/Churches | \$ 8,785 | \$ 13,944 | \$ 11,575 | \$ 13,000 | \$ 14,000 | \$ 1,000 | 7.7% |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| State | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ - | 0.0% |
| Hamilton County | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| City of Chattanooga | \$ 14,690 | \$ 11,972 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ - | 0.0% |
| Other Cities (Please list) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| United Way (CACHC is not a United Way funded agency) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Foundations (including grants) | \$ 7,342 | \$ 42,000 | \$ 8,500 | \$ 7,500 | \$ 7,500 | \$ - | 0.0% |
| Gross Proceeds Special Events | \$ 33,732 | \$ 37,729 | \$ 36,025 | \$ 45,000 | \$ 47,000 | \$ 2,000 | 4.4% |
| Other UW's/Federations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| CFE/Designations received thru UWGC | \$ 941 | \$ 1,634 | \$ 1,341 | \$ 1,042 | \$ 1,200 | \$ 158 | 15.2% |
| UWGC Program Allocation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| UWGC Special Funding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Membership Dues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Program Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Governmental Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Private Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Contracted Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Fee for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Other Program Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Sales to Public | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Investment Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Other Revenues (Please list separately any major item) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Transfers in from other internal budgets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Income from Previous Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| TOTAL REVENUES | \$ 152,926 | \$ 204,925 | \$ 167,648 | \$ 179,542 | \$ 183,700 | \$ 4,158 | 2.3% |
| OPERATIONS | | | | | | | |
| Personnel Expenses | | | | | | | |
| Salaries | \$ 86,672 | \$ 87,908 | \$ 90,222 | \$ 92,929 | \$ 95,717 | \$ 2,788 | 3.0% |

| Attachment F: Budget Format | | Children's Advocacy Center of Hamilton County | | | | Agency: | | Children's Advocacy Center of Hamilton County | | | | | |
|--|--|---|------------|------------|------------|------------|------------|---|---|----|----|----|----------|
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ | \$ | \$ | \$ |
| Fringe Benefits | | | | | | | | | | | | | |
| Employee Health | | \$ 13,199 | \$ 21,073 | \$ 14,952 | \$ 14,420 | \$ 12,600 | \$ (1,820) | | | | | | N/A |
| Pension/Retirement | | \$ 977 | \$ 1,002 | \$ 1,085 | \$ 1,200 | \$ 1,380 | \$ 180 | | | | | | -12.6% |
| Payroll Taxes, etc. | | \$ 7,542 | \$ 7,418 | \$ 7,319 | \$ 7,539 | \$ 7,765 | \$ 226 | | | | | | 15.0% |
| Other (unemployment, life insurance, etc) | | \$ 116 | \$ 694 | \$ 587 | \$ 600 | \$ 660 | \$ 60 | | | | | | 3.0% |
| Total Personnel Expenses | | \$ 108,506 | \$ 118,095 | \$ 114,165 | \$ 116,688 | \$ 118,122 | \$ 1,434 | | | | | | 10.0% |
| | | | | | | | | | | | | | 1.2% |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Administration | | | | | | | | | | | | | |
| Professional Fee & Contract service | | \$ 3,325 | \$ 4,047 | \$ 2,805 | \$ 7,140 | \$ 6,250 | \$ (890) | | | | | | -12.5% |
| Utilities | | \$ 2,387 | \$ 1,612 | \$ 2,336 | \$ - | \$ - | \$ - | | | | | | N/A |
| Other | | \$ 520 | \$ 240 | \$ 92 | \$ 250 | \$ - | \$ (250) | | | | | | -100.0% |
| Rent | | \$ - | \$ 7,268 | \$ 13,198 | \$ 15,885 | \$ 15,885 | \$ - | | | | | | 0.0% |
| Travel/Transportation | | \$ 2,833 | \$ 1,824 | \$ 2,959 | \$ 3,000 | \$ 3,125 | \$ 125 | | | | | | 4.2% |
| Insurance (not employee health) | | \$ 4,474 | \$ 4,992 | \$ 1,893 | \$ 2,400 | \$ 2,500 | \$ 100 | | | | | | 4.2% |
| Materials & Supplies | | \$ 3,503 | \$ 3,091 | \$ 1,372 | \$ 3,140 | \$ 3,300 | \$ 160 | | | | | | 5.1% |
| Telephone, Fax, ISP | | \$ 1,364 | \$ 1,382 | \$ 1,269 | \$ 1,280 | \$ 1,400 | \$ 120 | | | | | | 9.4% |
| Postage and Shipping | | \$ 302 | \$ 246 | \$ 233 | \$ 400 | \$ 600 | \$ 200 | | | | | | 50.0% |
| Occupancy/Building/Utilities | | \$ 1,166 | \$ 4,873 | \$ 1,583 | \$ 500 | \$ 2,000 | \$ 1,500 | | | | | | 300.0% |
| Equipment Rental and Maintenance (including contracts) | | \$ 1,235 | \$ 1,265 | \$ 4,907 | \$ 1,490 | \$ 1,500 | \$ 10 | | | | | | 0.7% |
| Outside Printing, Art Work, etc. | | \$ 970 | \$ 2,540 | \$ 743 | \$ 800 | \$ 800 | \$ - | | | | | | 0.0% |
| Conferences, Conventions, etc. | | \$ 2,424 | \$ 1,908 | \$ 3,188 | \$ 2,000 | \$ 2,500 | \$ 500 | | | | | | 25.0% |
| Special Assistance to Individuals | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| National Dues/Support Payments | | \$ 100 | \$ 100 | \$ 100 | \$ 100 | \$ 1,000 | \$ 900 | | | | | | 900.0% |
| Organization Dues (other than above) | | \$ 488 | \$ 488 | \$ 484 | \$ 500 | \$ 500 | \$ - | | | | | | 0.0% |
| Awards and Grants | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| Fund Raising/Self-Support Activities | | \$ 13,106 | \$ 14,932 | \$ 13,088 | \$ 18,688 | \$ 20,000 | \$ 1,313 | | | | | | 7.0% |
| Miscellaneous | | \$ 215 | \$ 582 | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| Equipment Purchases (incl. capital expenses) | | \$ 94 | \$ 30,770 | \$ - | \$ - | \$ 1,200 | \$ 1,200 | | | | | | N/A |
| Depreciation | | \$ 5,304 | \$ 4,670 | \$ 3,233 | \$ 5,282 | \$ 3,200 | \$ (2,082) | | | | | | -39.4% |
| Other Expenses (Please list separately any major item) | | \$ 611 | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| Operating Expenses Total | | \$ 44,420 | \$ 86,830 | \$ 53,483 | \$ 62,854 | \$ 65,760 | \$ 2,906 | | | | | | N/A |
| | | | | | | | | | | | | | 4.6% |
| TOTAL OPERATIONS | | \$ 152,926 | \$ 204,925 | \$ 167,648 | \$ 179,542 | \$ 183,882 | \$ 4,340 | | | | | | 2.4% |
| | | | | | | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | | \$ (0) | \$ (0) | \$ 0 | \$ (0) | \$ (182) | \$ (182) | | | | | | 60566.7% |



City of Chattanooga

FY15 Offers

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approximately \$250 per child. During fiscal year 12-13, the CACHC provided 266 forensic interviews specifically for children who were allegedly victimized in the City of Chattanooga. This equates to an approximate cost of \$66,500 in services that were provided for the Chattanooga Police Department with funding from the City of only \$30,000. The CACHC leveraged other financial resources from the State of Tennessee, private foundations, and donors to raise the additional 55% of the cost that would have been absorbed by the City had our program not been available.

How does this activity decrease costs over time for the City? When children are referred immediately for a forensic interview, critical information is obtained early from those children that can be used to successfully investigate the pending case. Our forensic interviewers are very highly trained to glean facts from a child typically in only one interview, so law enforcement may immediately work to apprehend the perpetrator and make our streets safer. In instances where children are not brought to the CACHC for an interview, children are often reluctant to disclose information to government authorities who may be questioning the child in unfamiliar or uncomfortable surroundings. This problem can result in time lost and a likelihood that the suspect will remain at large and to harm other children. More efficient law enforcement is a direct cost savings in the reduction of crime in our area.

How can this program become sustainable without City funding? Approximately every four years, the CACHC Board of Directors engages in short-term strategic planning to ensure the agency is operating with a diverse funding mix and that our programs are the most fiscally efficient as possible. A strategic plan was recently completed for 2012 to 2017 and included plans to become less dependent on government funding sources and to remain debt-free with a minimum of six-months of operating reserves. However, because our agency directly collaborates with government agencies to provide services to citizens of Chattanooga, it is our hope that state and local government agencies will continue to provide funding to the CACHC in an effort to more cost-effectively prevent child abuse from occurring in our community and intervene early when those instances do occur. Increased referrals to the Department of Children's Services (DCS) regarding suspected child abuse has increased the number of forensic interviews requested of the CACHC. Since 2010, the CACHC has provided 50% more children with Forensic Interviews with no additional funding from any government entity to absorb the burden. This situation increases the need for the CACHC to access funds from other means, such as the City of Chattanooga, which when matched with state funds and private donations allows the Center to promptly and efficiently respond to the ever growing need in our community.

Attachment C: Program Beneficiary Statistics

Agency Name: Children's Advocacy Center of Hamilton County Program: Forensic Interview

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|------------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 564 | 313 | 580 |
| a) Total Continuing From Previous Fiscal Year | 0 | 0 | 0 |
| b) Total New for the Year | 564 | 313 | 580 |
| c) Total Terminated During the Year | 0 | 0 | 0 |
| 2. Age Group TOTAL | 564 | 313 | 580 |
| a) Infants – Under 5 | 105 | 54 | 135 |
| b) Between 5 and 12 | 376 | 201 | 348 |
| c) Between 13 and 17 | 83 | 58 | 95 |
| d) Between 18 and 29 | 0 | 0 | 2 |
| e) Between 30 and 64 | 0 | 0 | 0 |
| f) 65 and over | 0 | 0 | 0 |
| g) Not Known | 0 | 0 | 0 |
| 3. Sex TOTAL | 564 | 313 | 580 |
| a) Male | 207 | 118 | 250 |
| b) Female | 357 | 195 | 330 |
| c) Not Known | 0 | 0 | 0 |
| 4. Ethnic Background TOTAL | 564 | 313 | 580 |
| a) White | 384 | 206 | 320 |
| b) Black | 136 | 75 | 180 |
| c) Hispanic | 34 | 17 | 55 |
| d) Asian | 0 | 0 | 5 |
| e) Other – Ethnic Minority | 10 | 15 | 20 |
| f) Not Known | 0 | 0 | 0 |
| 5. % Income Level TOTAL | 564 | 313 | 580 |
| a) Below 9,999 | 0 | 0 | 0 |
| b) 10,000 –19,999 | 0 | 0 | 0 |
| c) 20,000 – 29,999 | 0 | 0 | 0 |
| d) 30,000 and Over | 0 | 0 | 0 |
| e) Not Known | 564 | 313 | 580 |
| 6. Location of Residence TOTAL | 564 | 313 | 580 |
| a) Chattanooga | 266 | 144 | 275 |
| b) Outside of Chattanooga | 298 | 169 | 305 |
| c) Not Known | 0 | 0 | 0 |

Attachment F: Budget Format Agency: Children's Advocacy Center of Hamilton County
 Program: Forensic Interview

CITY OF CHATTANOOGA

FY 2015 Agency Funding Financial Form

| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|
| REVENUES | | | | | | | |
| Contributions | | | | | | | |
| Individuals/Private | \$ 17,437 | \$ 27,646 | \$ 10,207 | \$ 13,000 | \$ 14,000 | \$ 1,000 | 7.7% |
| Corporate/Organizations/Churches | \$ 8,785 | \$ 13,944 | \$ 11,575 | \$ 13,000 | \$ 14,000 | \$ 1,000 | 7.7% |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| State | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ - | 0.0% |
| Hamilton County | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| City of Chattanooga | \$ 14,690 | \$ 11,972 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ - | 0.0% |
| Other Cities (Please list) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| United Way (CACHC is not a United Way funded agency) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Foundations (including grants) | \$ 7,342 | \$ 42,000 | \$ 8,500 | \$ 7,500 | \$ 7,500 | \$ - | 0.0% |
| Gross Proceeds Special Events | \$ 33,732 | \$ 37,729 | \$ 36,025 | \$ 45,000 | \$ 47,000 | \$ 2,000 | 4.4% |
| Other UW's/Federations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| CFE/Designations received thru UWGC | \$ 941 | \$ 1,634 | \$ 1,341 | \$ 1,042 | \$ 1,200 | \$ 158 | 15.2% |
| UWGC Program Allocation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| UWGC Special Funding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Membership Dues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Program Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Governmental Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Private Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Contracted Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Fee for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Other Program Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Sales to Public | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Investment Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Other Revenues (Please list separately any major item) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Transfers in from other internal budgets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Income from Previous Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| TOTAL REVENUES | \$ 152,926 | \$ 204,925 | \$ 167,648 | \$ 179,542 | \$ 183,700 | \$ 4,158 | 2.3% |
| OPERATIONS | | | | | | | |
| Personnel Expenses | | | | | | | |
| Salaries | \$ 86,672 | \$ 87,908 | \$ 90,222 | \$ 92,929 | \$ 95,717 | \$ 2,788 | 3.0% |

| Attachment F: Budget Format | | Children's Advocacy Center of Hamilton County | | | | Agency: | | Children's Advocacy Center of Hamilton County | | | | | |
|--|--|---|------------|------------|------------|------------|------------|---|---|----|----|----|----------|
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ | \$ | \$ | |
| Fringe Benefits | | | | | | | | | | | | | |
| Employee Health | | \$ 13,199 | \$ 21,073 | \$ 14,952 | \$ 14,420 | \$ 12,600 | \$ (1,820) | | | | | | N/A |
| Pension/Retirement | | \$ 977 | \$ 1,002 | \$ 1,085 | \$ 1,200 | \$ 1,380 | \$ 180 | | | | | | -12.6% |
| Payroll Taxes, etc. | | \$ 7,542 | \$ 7,418 | \$ 7,319 | \$ 7,539 | \$ 7,765 | \$ 226 | | | | | | 15.0% |
| Other (unemployment, life insurance, etc) | | \$ 116 | \$ 694 | \$ 587 | \$ 600 | \$ 660 | \$ 60 | | | | | | 3.0% |
| Total Personnel Expenses | | \$ 108,506 | \$ 118,095 | \$ 114,165 | \$ 116,688 | \$ 118,122 | \$ 1,434 | | | | | | 10.0% |
| | | | | | | | | | | | | | 1.2% |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Administration | | | | | | | | | | | | | |
| Professional Fee & Contract service | | \$ 3,325 | \$ 4,047 | \$ 2,805 | \$ 7,140 | \$ 6,250 | \$ (890) | | | | | | -12.5% |
| Utilities | | \$ 2,387 | \$ 1,612 | \$ 2,336 | \$ - | \$ - | \$ - | | | | | | N/A |
| Other | | \$ 520 | \$ 240 | \$ 92 | \$ 250 | \$ - | \$ (250) | | | | | | -100.0% |
| Rent | | \$ - | \$ 7,268 | \$ 13,198 | \$ 15,885 | \$ 15,885 | \$ - | | | | | | 0.0% |
| Travel/Transportation | | \$ 2,833 | \$ 1,824 | \$ 2,959 | \$ 3,000 | \$ 3,125 | \$ 125 | | | | | | 4.2% |
| Insurance (not employee health) | | \$ 4,474 | \$ 4,992 | \$ 1,893 | \$ 2,400 | \$ 2,500 | \$ 100 | | | | | | 4.2% |
| Materials & Supplies | | \$ 3,503 | \$ 3,091 | \$ 1,372 | \$ 3,140 | \$ 3,300 | \$ 160 | | | | | | 5.1% |
| Telephone, Fax, ISP | | \$ 1,364 | \$ 1,382 | \$ 1,269 | \$ 1,280 | \$ 1,400 | \$ 120 | | | | | | 9.4% |
| Postage and Shipping | | \$ 302 | \$ 246 | \$ 233 | \$ 400 | \$ 600 | \$ 200 | | | | | | 50.0% |
| Occupancy/Building/Utilities | | \$ 1,166 | \$ 4,873 | \$ 1,583 | \$ 500 | \$ 2,000 | \$ 1,500 | | | | | | 300.0% |
| Equipment Rental and Maintenance (including contracts) | | \$ 1,235 | \$ 1,265 | \$ 4,907 | \$ 1,490 | \$ 1,500 | \$ 10 | | | | | | 0.7% |
| Outside Printing, Art Work, etc. | | \$ 970 | \$ 2,540 | \$ 743 | \$ 800 | \$ 800 | \$ - | | | | | | 0.0% |
| Conferences, Conventions, etc. | | \$ 2,424 | \$ 1,908 | \$ 3,188 | \$ 2,000 | \$ 2,500 | \$ 500 | | | | | | 25.0% |
| Special Assistance to Individuals | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| National Dues/Support Payments | | \$ 100 | \$ 100 | \$ 100 | \$ 100 | \$ 1,000 | \$ 900 | | | | | | 900.0% |
| Organization Dues (other than above) | | \$ 488 | \$ 488 | \$ 484 | \$ 500 | \$ 500 | \$ - | | | | | | 0.0% |
| Awards and Grants | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| Fund Raising/Self-Support Activities | | \$ 13,106 | \$ 14,932 | \$ 13,088 | \$ 18,688 | \$ 20,000 | \$ 1,313 | | | | | | 7.0% |
| Miscellaneous | | \$ 215 | \$ 582 | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| Equipment Purchases (incl. capital expenses) | | \$ 94 | \$ 30,770 | \$ - | \$ - | \$ 1,200 | \$ 1,200 | | | | | | N/A |
| Depreciation | | \$ 5,304 | \$ 4,670 | \$ 3,233 | \$ 5,282 | \$ 3,200 | \$ (2,082) | | | | | | -39.4% |
| Other Expenses (Please list separately any major item) | | \$ 611 | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | N/A |
| Operating Expenses Total | | \$ 44,420 | \$ 86,830 | \$ 53,483 | \$ 62,854 | \$ 65,760 | \$ 2,906 | | | | | | N/A |
| | | | | | | | | | | | | | 4.6% |
| TOTAL OPERATIONS | | \$ 152,926 | \$ 204,925 | \$ 167,648 | \$ 179,542 | \$ 183,882 | \$ 4,340 | | | | | | 2.4% |
| | | | | | | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | | \$ (0) | \$ (0) | \$ 0 | \$ (0) | \$ (182) | \$ (182) | | | | | | 60566.7% |



Fortwood

a service of the **Helen Ross McNabb Center**

February 21, 2014

Mr. Randy Burns, Management Analyst
City Council Office
1000 Lindsey Street
Chattanooga, TN 37402

Dear Mr. Burns:

Fortwood, a service of Helen Ross McNabb Center, Inc. (HRMC), requests **\$105,000** for fiscal year 2015 from the City of Chattanooga, Community Agency Support. These funds are necessary to continue to provide three services currently offered by Fortwood that significantly improve the lives of the people of Chattanooga: Children & Youth Integrated Service Team (IST); Project BASIC; and Mitchel Home – Supportive Housing for severely and persistently mentally ill Adults. The city's Community Agency Support funding allows the center to provide these crucial mental health services to individuals when they are not fully covered by TennCare or the State of Tennessee.

These services strongly reflect two of the City of Chattanooga's result areas. Both Fortwood's Children & Youth IST, and the Mitchell Home aim to provide ***Safer Streets*** to the residents of Chattanooga, children and youth with mental illness and/or at-risk for abuse, neglect, or juvenile delinquency; and adults with mental illness who would otherwise be homeless without supportive housing. Project BASIC (Better Attitudes and Skills In Children) provides community support under the ***Smarter Students & Stronger Families*** result area, by serving children and youth in their schools with an early intervention program to deliver mental health education, identification, and intervention; teacher consultation; and further referral linkages and advocacy for children and youth with diagnosed mental illness.

Fortwood has served residents of Chattanooga with mental health care since 1946, and merged with HRMC on April 1, 2013, to both increase its continuum of care and stabilize its sources of funding. HRMC is a regional, not-for-profit agency providing mental health care, substance abuse treatment, and social services to East Tennesseans, with a ***mission of "improving the lives of the people we serve."*** The Center is headquartered in Knoxville, TN, and has been serving residents of Chattanooga since its April 1, 2013 merger with Fortwood.

Thank you for your support of Fortwood's services to the Chattanooga community. Any questions may be addressed to **Gayle Lodato, Senior Director, at (423) 266-6751, or gayle.lodato@mcnabb.org**. Ms. Lodato is located at 6049 Shallowford Road, Chattanooga, TN 37421.

Yours very sincerely,



Jerry Vagnier
President, Helen Ross McNabb Center, Inc.
201 West Springdale Ave.
Knoxville, TN 37917
(865) 937-6711

Cc: Gayle Lodato, Senior Director of Fortwood Services
Katie Trueblood, Evaluation and Research Coordinator

City of Chattanooga, Community Agency Support Executive Summary

Agency: Fortwood, a service of Helen Ross McNabb Center, Inc.

Funding Request: \$105,000

Fortwood, a service of Helen Ross McNabb Center, Inc. (HRMC), requests \$105,000 in its fiscal year 2015 request from the City of Chattanooga, Community Agency Support. Fortwood provides mental health treatment services to Chattanooga residents through outpatient therapy, crisis intervention, education, case management and referrals, in-school services, and supportive housing. Funds received by the City will be divided among the following Fortwood services: \$38,000 to Children & Youth Integrated Services Team (IST); \$15,000 to Project BASIC; and \$52,000 to Mitchell Home Supportive Housing.

Children & Youth IST (for clients ages 2-21) use a multi-disciplinary team approach to serve individuals diagnosed with severe mental illness. All clients are provided comprehensive psychiatric evaluations, illness education and management, crisis intervention, psychosocial assessments, both individual and family therapy, as needed, and case management services. Treatment is outpatient, and clients are served through an individualized treatment plan. Funding from the City of Chattanooga helps us make this service available to children and youth who are underinsured or uninsured when TennCare or other insurance provisions are not enough to cover the cost of treatment.

The Children & Youth IST serves the City of Chattanooga's **Safer Streets** results area through the services provided. Undiagnosed mental illness strains both individuals and families, and can co-occur with other physical illness and/or substance abuse. Without access to treatment, children and youth at risk for juvenile delinquency and truancy. Additionally, children and youth with histories of juvenile delinquency and truancy often carry these negative behaviors into adulthood leading to criminal activity, domestic violence, homelessness, and abuse and neglect. By ensuring access to mental healthcare for children and youth, we provide valuable intervention services which help prevent risky behaviors now and in the future. The delivery of this service helps make Chattanooga a safer city with a more efficient provision of its services to those who need them most.

Project BASIC (Better Attitudes and Skills In Children) is a school-based program that provides early intervention services for children with behavioral problems. The service delivers mental health education, early identification, intervention, teacher consultation, and school climate enhancement for children who have been diagnosed with mental or behavioral disorders. Clients are linked with primary mental health service providers, and program staff coordinate with those providers and advocate for their clients across a wide spectrum of community resources, including crisis intervention programs, emergency services, law enforcement, and other treatment options. Funding Project BASIC will complement the city's **Smarter Students & Stronger Families** result area by sustaining a critical community partnership that provides a continuum of services for children and youth to receive screening and treatment early for a greater chance of success in school.

Mitchel Home-Supportive Housing provides much-needed services for severely and persistently mentally ill adults. Adults who suffer from mental illness are increasingly likely to become homeless: according to the Substance Abuse and Mental Health Services Administration, 20 to 25% of the homeless population in the United States suffers from some form of severe mental illness (National Institute of Mental Health, 2009). Unfortunately, many homeless individuals who are suffering from mental illness cannot acquire housing due to a lack of treatment, history of evictions, unpaid utility bills, a criminal record, or lack of income. Supportive housing meets this community need by targeting this specific population and providing them with the housing and supportive services needed to further their recovery and improve self-sufficiency. Clients in residence are provided with 24/7 staff supervision, medication supervision, assistance with appointment scheduling and transportation, daily group sessions, individual therapy, and weekly outings with other residents. Clients residing at Mitchel Home must be at least 18 years of age, have an annual income below 50% of the adjusted mean income and/or a current Section 8 voucher, have a current Axis I mental health diagnosis, and be homeless. Supportive Housing meets a critical need Chattanooga's **Safer Streets** initiative by providing the homeless, mentally ill population with a residence where services can be accessed and clients can receive therapy and obtain permanent housing elsewhere as an alternative to homelessness. Reducing the number of homeless persons per night in Chattanooga will also lead to a reduction in criminal activity, police action, medical intervention, and emergency services.

HRMC will provide a detailed accounting of City of Chattanooga, Community Agency Support funds that are utilized by Fortwood's service provision, prior to the close of the City of Chattanooga's fiscal year and at the close of each succeeding fiscal year until all municipal funds have been spent. The Center will also provide a thorough report detailing the accomplishments and outcomes as indicated in this application from use of those funds.

HRMC will provide the City of Chattanooga copies of its annual audit for each year that it spends funds appropriated by the City of Chattanooga.



Jerry Vagnier



Date

President, Helen Ross McNabb Center, Inc.
201 West Springdale Ave.
Knoxville, TN 37917
(865) 937-6711

HELEN ROSS McNABB CENTER

FY14 BUDGET

| | MYFY14 BUDGET |
|--|-----------------------------|
| <u>REVENUES</u> | |
| TN. Dept of Mental Health | \$ 7,649,693 |
| TN. Dept of Mental Health A&D | 3,281,297 |
| TennCare | 22,848,779 |
| TN. Dept of Health | 1,998,455 |
| TN. Dept of Children Services | 8,561,517 |
| TN Dept of Education | 133,750 |
| TN- OCJP | 594,960 |
| Federal | 2,316,131 |
| Foundations | 826,142 |
| Knox County Government | 1,466,772 |
| Knoxville City Government | 77,026 |
| Blount County Grants | 139,120 |
| Hamblen County/City Government | 60,625 |
| Other Grants | 1,266,911 |
| United Ways | 1,216,016 |
| Food Reimbursement | 87,230 |
| Medicare | 618,490 |
| Commercial Insurance & Direct Pay | 600,380 |
| Other - Housing Rental Receipts, Interest Income, E H R | 618,934 |
| Total Revenue | <u>\$ 54,362,228</u> |
| <u>EXPENSES</u> | |
| Salaries | \$ 32,054,828 |
| Employee Benefits | 5,613,551 |
| Social Security | 2,411,890 |
| Travel | 1,554,885 |
| Printing & Duplicating | 100,764 |
| Professional Development | 343,563 |
| Telephone | 651,250 |
| Postage | 36,084 |
| Occupancy Expenses | 2,346,129 |
| Professional Services | 669,701 |
| Non-Personnel Expenses | 259,747 |
| Patient Assistance | 534,048 |
| Supplies | 1,333,856 |
| Insurance | 590,409 |
| Data Processing, Equipment Rental and Maintenance | 982,057 |
| Foster Care Payments | 1,165,788 |
| Allowance for Bad Debts | 1,203,382 |
| Allowance for New Billing Software Start-Ups, and Fortwood | 409,823 |
| Depreciation - Bldg. and Eqmnt., and Interest Expense | 1,241,292 |
| Provision for Future Healthcare Needs | <u>859,181</u> |
| Total Expenses | <u>\$ 54,362,228</u> |

State of Tennessee



Department of State

I, G. Edward Friar, Secretary of State of the State of Tennessee, do hereby certify that the annexed Instrument with Certificate of Acknowledgment was filed in my office, and recorded on the 19th day of November 1953 in Corporation Record Book VOLUME O-19 page 18

In Testimony Whereof, I have hereunto subscribed my Official Signature, and by order of the Governor, affixed the Great Seal of the State of Tennessee, at the Department, in the City of Nashville, this 19th day of

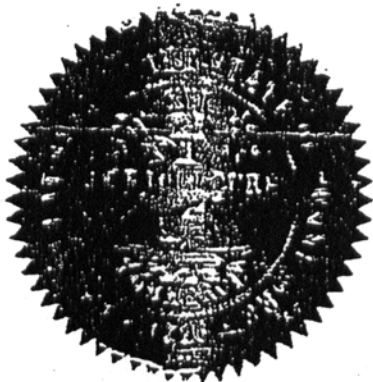
November

19th

day of

1953

Secretary of State.



STATE OF TENNESSEE

512

Charter of Incorporation

Be It Known, That Dr. Gilbert Eblen, Mr. Oscar Tate, Mrs. Richard McNabb, Mr. Robert McClure, Dr. B. M. Overholt, Mrs. W. E. Lockett, Miss Christine Beasley, Miss Helon Brixey, Mr. D. A. Cooper, Dr. Felix Line, Mrs. Ralph McDade, Mrs. Amelia Strauss, Dr. James Wilder, Mrs. Earl Coulter, and Mr. C. A. Cowan and hereby constituted a body politic and corporate, by the name of and style of The Mental Health Center of Knoxville whose office and principal place of business shall be in Knoxville, Tenn.

for the purpose of Sponsoring and maintaining a Mental Health Center for the study and treatment of mental and emotional problems of children and adults; performing such other functions as may be consistent with the operation of a Mental Health Center and assuming the responsibility for community projects relating to the operation of such.

The general powers of said corporation shall be: (1) To sue and be sued by the corporate name. (2) To have and use a common seal, which it may alter at pleasure; if no common seal then the signature of the name of the corporation, by any duly authorized officer, shall be legal and binding. (3) Any corporation chartered under the laws of Tennessee for religious, charitable, educational, missionary, or other eleemosynary purposes, and not for profit, shall have the power to receive property, real, personal or mixed, by purchase, gift, devise, or bequest, sell the same and apply the proceeds toward the promotion of the objects for which it is created, or hold any such property and apply the income and profits towards such objects. (4) Any corporation heretofore chartered for any of the foregoing purposes, desiring to avail itself of these powers, shall submit the question to its directors or trustees at any regular meeting, or special meeting, called for the purpose, or to any regular or special meeting of its executive committee, and if a majority of said directors, trustees, or executive committee vote in favor of applying for the amendment, it may then proceed in usual course to file an amendment to its charter. (5) To establish by-laws, and make all rules and regulations not inconsistent with the laws and constitution, deemed expedient for the management of corporate affairs. (6) To appoint such subordinate officers and agents, in addition to a president and secretary, or treasurer, as the business of the corporation may require. (7) To designate the name of the office, and fix the compensation of the officer. (8) To borrow money to be used in payment of property bought by it, and for erecting buildings, making improvements, and for other purposes germane to the objects of its creation, and secure the repayment of the money thus borrowed by mortgage, pledge, or deed of trust, upon such property, real, personal, or mixed, as may be owned by it; and it may, in like manner, secure by mortgage, pledge, or deed of trust, any existing indebtedness which it may have lawfully contracted.

The said five or more incorporators shall, within a convenient time after the registration of this charter, elect from their number a president, secretary, and treasurer, or the last two officers may be combined into one, said officers and the other incorporators to constitute the first board of directors.

Any corporation not for profit may increase its directors or trustees to a number not more than one hundred, by due and proper amendment to its by-laws, unless otherwise specifically provided. In all elections each member to be entitled to one vote, either in person or by proxy, and the result to be determined by a majority of the votes cast. Due notice of any election must be given by advertisement in a newspaper, personal notice to the members, or a day stated on the minutes of the board one month preceding the election. The term of officers may be fixed by the by-laws, the said term not, however, to exceed three years. All officers hold office until their successors are duly elected and qualified.

The general welfare of society, not individual profit, is the object for which this charter is granted, and the members are not stockholders in the legal sense of the term, and no dividends or profits shall be divided among the members.

The board of directors shall keep a record of all their proceedings, which shall be at all times subject to the inspection of any member. The corporation may establish branches in any other county in the state.

The members may, at any time, voluntarily dissolve the corporation, by a conveyance of its assets and property to any other corporation holding a charter from the state for purposes not of individual profit, first providing for corporate debts. A violation of any of the provisions of the charter shall subject the corporation to dissolution at the instance of the state.

The charter is subject to modification and amendment; and in case said modification or amendment is not accepted, corporate business is to cease, and the assets and property, after payment of debts, are to be conveyed, as aforesaid, to some other corporation holding a charter for purposes not connected with individual profit. Acquiescence in any modification, thus declared, shall be determined in a meeting of the members especially called for that purpose, and only those voting in favor of the modification shall thereafter compose the corporation.

The means, assets, income, or other property of the corporation shall not be employed, directly or indirectly, for any other purpose whatever than to accomplish the legitimate objects of its creation, and by no implication shall it engage in any kind of trading operation, nor hold any more real estate than is necessary for its legitimate purposes.

Expulsion shall be the only remedy for the nonpayment of dues by the members, and there shall be no individual liability against the members for corporate debts, but the entire corporate property shall be liable for the claims of creditors.

We, the undersigned, the incorporators above mentioned, hereby apply to the State of Tennessee for a charter of incorporation for the purposes declared in the foregoing instrument.

Witness our hands this, the 5th day of November, 1953

SUBSCRIBING WITNESSES:

James S. Wilder
Mrs. Richard Mc Nabbb
Dr. Oscar
Felix Line

Oscar M. Tate
Mrs. Earle D. Coulter
Robert McClure
Mrs. Emilia C. Strauss
Mr. B. M. Overholt
Christine Beasley
Mrs. Ralph McDade
Carl G. Cowan
Helon Brixey
Mrs. Ed Lockett
J. Gilbert Eblen

STATE OF TENNESSEE, COUNTY OF Knox

Personally appeared before me _____

(~~Clerk of the County Court~~ Notary Public), the within named incorporators, Dr. Gilbert Eblen,

Mr. C. A. Cowan, Mrs. Richard McNabb, Mr. Oscar Tate, Mr. Robert McClure, Dr. B. M.

Overholt, Mrs. W. E. Lockett, Miss Christine Beasley, Miss Helon Brixey, Mrs. Ralph McDade, Mrs. Earle Coulter, Dr. Felix Line, Dr. James Wilder, Mrs. Amelia Strauss, Mr. D. A. Cooper with whom I am personally acquainted, and who acknowledged that they executed the within application for a Charter of Incorporation for the purposes therein contained and expressed.

Witness my hand and official seal at office in Knoxville, Tennessee, this 5th day of November, 1953.

Mae M. Kelly
(Signature of County Court Clerk or Notary Public)



(If Notary Public) My commission expires 7th day of April, 1955.

(Official Title) Notary Public.

No. 1263 REGISTER'S OFFICE
STATE OF TENNESSEE
KNOX COUNTY
Received for Record the 23 day
of Nov. A. D. 1953
at 7:40 o'clock P. M. Recorded in
Book No. 15 Page 511
Noted in Note Book 42 Page 65
Fee \$ 4.00
Registrar
Reid White

State of Tennessee



Department of State

CERTIFICATE

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of THE MENTAL HEALTH CENTER OF KNOXVILLE

(Name of Corporation)

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

THEREFORE, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on November Twenty-First, 1969.



Secretary of State

For Profit
or
Not for Profit

ARTICLES OF AMENDMENT TO THE CHARTER
of

THE MENTAL HEALTH CENTER OF KNOXVILLE

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is
The Mental Health Center of Knoxville.
2. The amendment adopted is (insert amendment).
Change corporate name to THE HELEN ROSS McNABB CENTER, INC.
3. The amendment was duly adopted (at a meeting) ~~by the unanimous~~
~~written consent~~ of the ~~(shareholders)~~ (members) on March 29, 1969.
(strike inapplicable words).
4. If a corporation for profit, the manner, if not set forth in such amendment, in which any exchange, reclassification or cancellation of issued shares provided for in the amendment shall be effected is as follows:
5. If the amendment is not to be effective when these articles are filed by the Secretary of State, the date it will be effective is _____, 19__ (not later than thirty (30) days after such filing).

Dated _____, 19__.

B 354606 000005.00

The Mental Health Center of Knoxville
(Name of Corporation)
BY H. H. Prude M.D.
(Title)

| | |
|--------------------------------------|--------------------|
| No. <u>17</u> | REGISTER'S OFFICE |
| STATE OF TENNESSEE | |
| KNOX COUNTY | |
| Received for record the <u>3</u> day | |
| of <u>Dec.</u> | A. D. 19 <u>69</u> |
| at <u>10:05</u> O'Clock | M. P. 'd' r |
| Book No. <u>54</u> | Page <u>34</u> |
| In Note Book <u>54</u> | Page <u>383</u> |
| Fee \$ <u>5.00</u> | |
| <u>Deward A. Shaw</u> | |
| Register | |

BOOK 51 PAGE 35

NOV 21 PM 10 3 1969

INDEXED
DIRECT

State of Tennessee



ARTICLES OF AMENDMENT TO

Charter of Incorporation

of

THE MENTAL HEALTH CENTER
OF KNOXVILLE

(name changed to)

THE HELEN ROSS McNABB CENTER,
INC.

RECEIVED FEE, \$ 10.00

RECEIVED TAX, \$

TOTAL \$ 10.00

J. J. [Signature]
Secretary of State.

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: April 17, 2013

THE HELEN ROSS MCNABB CENTER
201 W SPRINGDALE AVE
KNOXVILLE TN 37917-5158

Person to Contact:

Mrs. Day #0110209

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

62-0548914

Dear Sir or Madam:

This is in response to your request for information regarding your tax-exempt status.

Our records indicate you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in August 1953.

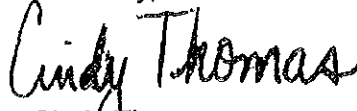
Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/charities for information regarding filing requirements. Specifically, note that section 6033(j) of the Code automatically revokes the tax-exemption of any organization that fails to satisfy its filing requirement for three consecutive years. The automatic revocation of exemption is effective as of the due date of the third required annual filing or notice. The IRS maintains a list of organizations whose tax-exempt status was automatically revoked at IRS.gov.

If you have any questions, please call the phone number in the heading of this letter.

Sincerely,



Cindy Thomas
Manager, Exempt Organizations
Determinations



Opening Windows. IMPROVING Lives.

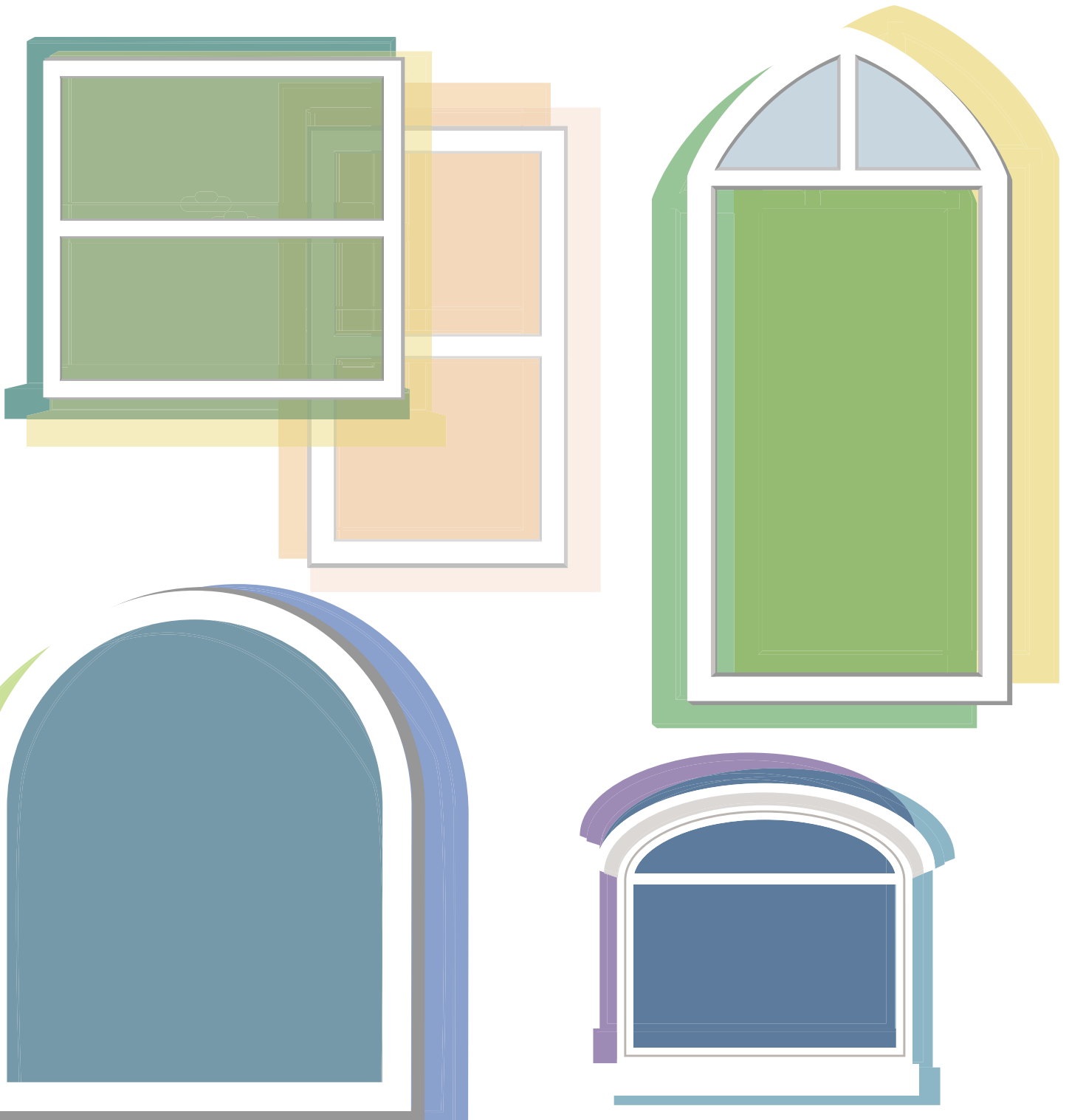
2013 Annual
Services
Report



 **Helen Ross
McNabb Center**

*A premier provider of
behavioral health care
in East Tennessee*

Improving the lives of the people we serve.



Report Contributors

**Linda Gay Blanc, Susan Conway, Ellie Kassem,
Liz Stowers, Traci Topham and Linda Vaughn**
Service Review Committee

Charles Brooks
Photographer

Andrea Truan
Graphic Designer

Introduction

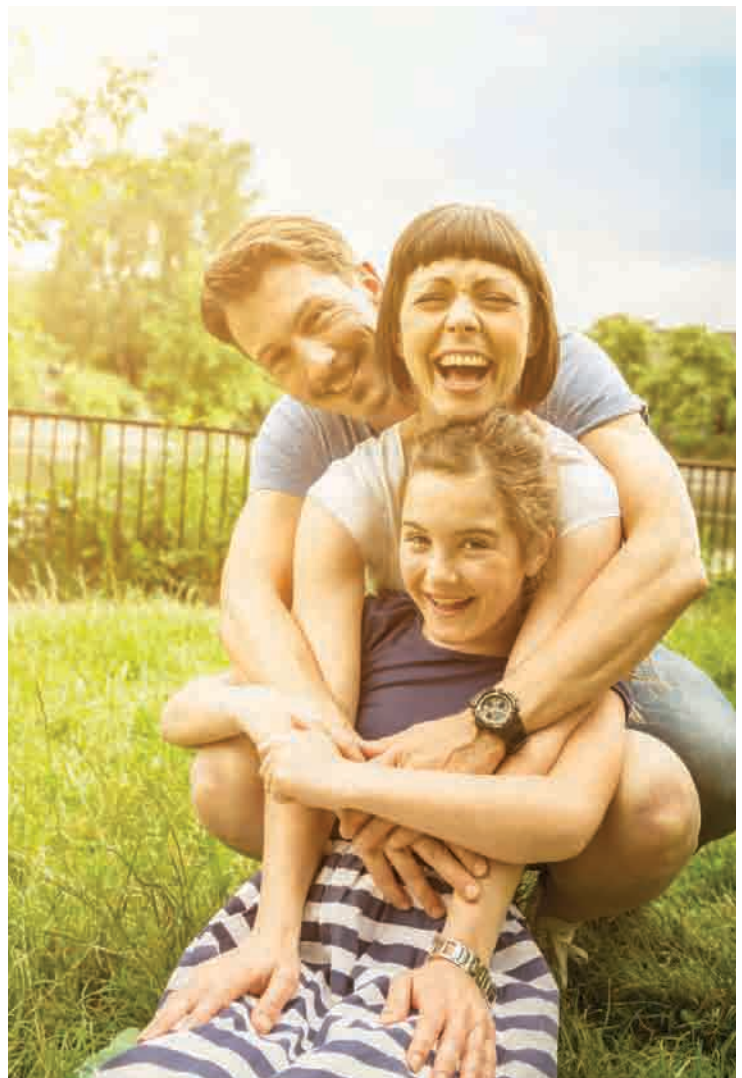
The Helen Ross McNabb Center’s mission of “improving the lives of the people we serve” is the driving force behind every service we provide. Through its continuum of care, the Center provides mental health care, substance abuse treatment and social services to the East Tennessee community. With a professional staff including psychiatrists, nurses, clinicians, therapists, case managers and support staff, the Center’s clients receive quality care tailored to their specific needs. Although services span across social and economic lines, the Center has a rich history of going above and beyond to provide care to those in our community with the greatest needs and the least resources.

The Center receives grants from the federal government and the State of Tennessee through various agencies: Tennessee Department of Mental Health and Substance Abuse Services, Department of Health, Department of Children’s Services and the Bureau of TennCare. It also receives funding from various local governments: Knox County, City of Knoxville, Blount County, City of Morristown, Hamblen County and Hamilton County. Other sources of revenue include local grants, contributions from donors, the Helen Ross McNabb Foundation, local United Ways, and third party and private client payments.

All Center programs satisfy the requirements of regulatory agencies including TennCare, Medicare, the Tennessee Department of Children’s Services and the Tennessee Department of Human Services. Staff and the Board of Directors work collectively to ensure that all resources are used effectively and efficiently. The Center is accredited by the Commission for the Accreditation of Rehabilitation Facilities (CARF) International. CARF accreditation provides assurance that the Center’s programs and facilities are of the highest quality. The Center also follows its own robust assurance programs, adheres to corporate compliance and the Health Insurance Portability and Accountability Act of 1996 (HIPPA).

The Center considers it a privilege to serve the community by providing the exceptional services that are outlined in this report.

The Helen Ross McNabb Center offers all services equally to eligible persons regardless of race, color, national origin, religion, gender, sexual orientation, disability or age.



What’s Inside

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This publication was paid for, in part, with state funds.

Dale and Robbie Read

Providing windows of hope and opportunity

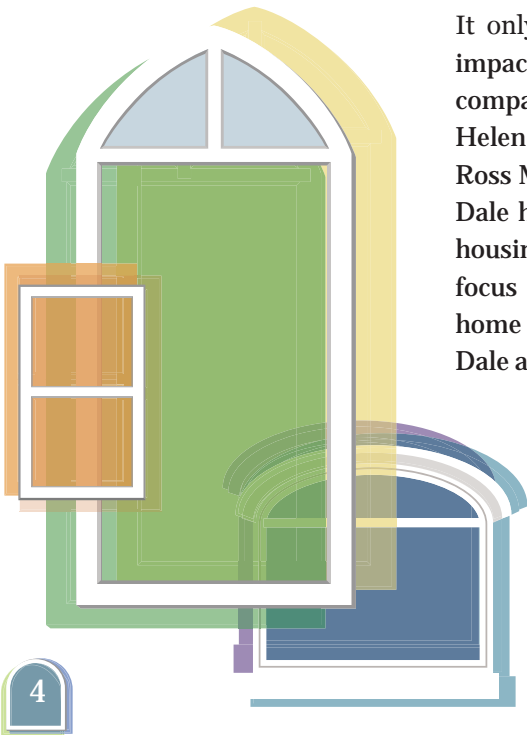
Windows represent hope and opportunity, two things that the Center provides for individuals living with mental illness, addiction and social challenges. Dale and Robbie Read are service-minded leaders in the greater Knoxville community who are constantly seeking ways to help create hope and opportunity for our neighbors in need. As a child, Dale Read witnessed the profound effect that support and genuine concern for another's well-being can have on an individual's life. Watching his parents reach out to a single mom in a time of need forever impacted his view on helping his neighbors and community. He attributes their example to why he fostered and adopted children and became heavily involved in community organizations, like the Helen Ross McNabb Center, that serve children who have grown up in difficult environments and circumstances.

In 2003, Dale was introduced to the Helen Ross McNabb Center when he was approached by a friend to serve on the board of directors. Immediately, Dale was intrigued and inspired by the Center's ability to use funds in a way that would make the greatest impact on individuals served by the Center and the community as a whole. During his time as a board member, Dale served on the corporate compliance committee, finance committee and as board chair. He has also served on several annual fund campaign committees including the Lifeline campaign which currently allows the Center to provide care to adults who are either uninsured or underinsured. He also served on the Housing First campaign which provided supportive housing for homeless individuals with diagnosed mental illnesses. As CEO of Read Window Products, his experience as a successful businessman helped guide the Center to make sound business decisions that have ultimately allowed the Center to serve as a safety net for our community's most vulnerable citizens.



It only takes five seconds with Dale to realize that he thinks on a global scale of impact, yet also acts on a direct level with a compassionate heart. Practicality and compassion make for a winning combination especially for an organization like the Helen Ross McNabb Center. Dale and his wife, Robbie, continue to support the Helen Ross McNabb Center in several ways. Through his company, Read Window Products, Dale has donated window treatments to several service locations like the supportive housing facilities in Knoxville. These generous donations not only help the Center focus its resources on directly serving clients but it also helps provide a welcoming home for clients who need supportive housing. Like the Helen Ross McNabb Center, Dale and Robbie believe that everyone should be treated like we ourselves would like to be treated. Considerate gestures like donating window treatments goes a long way in the lives of clients served by the Center.

It is an honor to dedicate the 2013 Annual Services report to Dale and Robbie Read. Because of their exemplary leadership and generosity, the Center is able to provide opportunity and hope to individuals and families across East Tennessee through quality and compassionate care.





Helen Ross McNabb

Peering In...

An opening for hope, a history of opportunity

As a small child, little Helen Ross had an experience that stirred her lifelong interest in mental health. Her childhood family home was on a hill about a half mile from the gate of Eastern State Hospital (This facility closed in 2012 as the Lakeshore Mental Health Institute). Her nanny had a friend who worked in one of the buildings at the hospital, and one day walked down the road to visit, taking young Helen with her. The year was 1914. The young girl found herself in a prison-like building, overcrowded and smelly, with faces inside peering out looking frightened and unkempt.

Throughout her childhood, a couple of other events helped foster her interest in mental illness. When she was eight or nine years old, a patient escaped from Eastern State in the middle of the night and went to Helen Ross' house. They could hear him cracking nuts with a nutcracker in their breakfast room. Her father called the hospital and the patient was taken back. When she was a teenager, she and her mother were asked—as neighbors—to judge the Christmas decorations at the hospital. The impressions she took away

from that visit were of dim lighting, drab colors, old clothes, shabby furniture, tiny rooms, boredom, and noticeable quiet. She appreciated the attendants, who worked 12 hours a day for a small amount of money, yet were caring enough to take great pains to decorate Christmas trees for the patients.

Helen later attended Wellesley College and received her undergraduate degree from The University of Tennessee in psychology and sociology in 1936. Shortly after graduation, she married Richard McNabb, a co-worker at Associated Charities. By 1941 they had three children, and she had earned a master's degree in psychology. While her husband was off to the war, she returned to UT as an instructor and began doing a little social work for the Home Service Department.

With the memories of her youth still vivid and being reinforced daily through her social work and the experiences of GI's returning from the war with emotional problems, she set out to change all that she could.

Sixty five years ago, a determined Helen Ross McNabb made an appeal to the Knoxville City Council for funds to help open a mental health agency for children. At this time, there was a great need, but little attention given to those suffering with mental illnesses. Due to her persuasive efforts, one of the first community mental health clinics was established in the state of Tennessee. The agency was first created for children but quickly grew to also serve adults in 1955. The clinic opened in a house near the University of Tennessee campus in 1948. There were three employees. The staff included a full-time psychologist, a secretary with a master's degree in psychology and a part-time psychiatrist.

Initially, the clinic's goal was to serve children but with an intent to provide services to all ages in the future. Patients were charged according to their ability to pay. Not surprisingly, the caseload grew rapidly and larger facilities were required. Knox County supplied additional funding in 1951 and a second psychologist was hired. In 1953 the small center took the opportunity to become independent of the City Health Department and became a non-profit corporation under its own board of directors. Adult services were officially added in 1955. Throughout the following decades, the Center provided comprehensive community mental health services. When necessary, the Center would operate neighborhood satellite clinics to provide onsite services to outlying areas. It has always been the history of the Center to find ways to serve those in the community who have no advocates and no means to serve themselves. To read more of the Center's history, visit www.mcnabbcenter.org.



Helen Ross McNabb, Knoxville City Council signing papers for first Knoxville Community Mental Health Center.

Executive Leadership

The management and direction of programs offered by the Helen Ross McNabb Center are the responsibilities of the Executive Team. The Center's strategies for treatment, business operation, along with its subsequent implementation are developed under the supervision of this team.



From Left to Right: Front Row; Yolanda Monfort, Andy Black, Stephanie Carter, David Manning; Back Row; Jerry Vagnier, Paula Hudson, Mona Blanton-Kitts, Clifton Tennison, Leann Human-Hilliard, Dovile Paulauskas.

Andy Black, MSSW
Chief Executive Officer

Jerry Vagnier, LCSW
President

Clifton R. Tennison, Jr., MD
Chief Clinical Officer

Mona Blanton-Kitts, LCSW
Vice President of Clinical Services

Leann Human-Hilliard, LCSW
Vice President of Clinical Services

David B. Manning, MD
Medical Director for Adult Services

Dovile Paulauskas, MD
Medical Director for Children's Services

Stephanie Carter, LCSW
Senior Director of Administrative Services

Paula Hudson
Senior Director of Compliance and Quality Assurance

Yolanda Monfort, MBA
Senior Director of Financial Services

2012-2013 Board of Directors



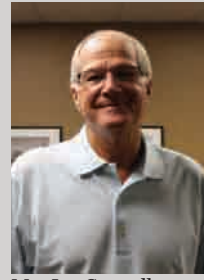
Dr. Harold Black
University of Tennessee



Ms. Linda Gay Blanc
Edwards Jones



Mrs. Susan Conway
Chair Elect
Retired



Mr. Joe Connell
Chair
Connell Properties



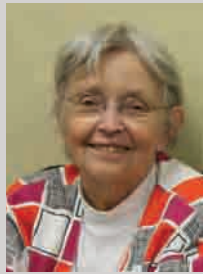
Mr. Wade Davies
Secretary
Ritchie, Dillard & Davies



Mr. Joe Fielden
JA Fielden



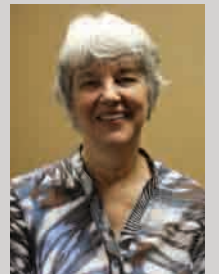
Mr. Ted Flickinger
Past Chair
Martin & Company



Ms. Mai Bell Hurley
Community Volunteer



Mr. Butch Johnson
Duo-Fast of Knoxville



Mrs. Ellie Kassem
Community Volunteer



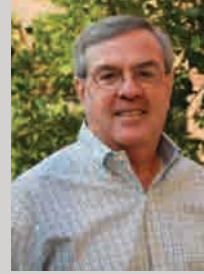
Mr. Chris Kittrell
Rather & Kittrell



Mr. Chris Leonard
Merchant & Gould



Mr. Ford Little
Treasurer
*Woolf, McClane, Bright,
Allen & Carpenter*



Mr. Richard Maples
*Spanish Fork Properties,
Century 21, Smoky Mountain Realty*



Mrs. Della Morrow
Conry, Taylor & Company



Mr. Ross Schram, III
Baker Donelson, et al



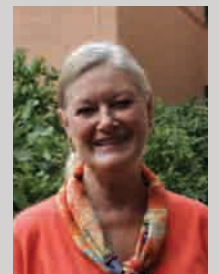
Mrs. Liz Stowers
Past Chair
Community Volunteer



Ms. Nikitia Thompson
Realty Executives Associates



Mrs. Traci Topham
Scripps Networks



Mrs. Linda Vaughn
Vaughn Lumber Co.



Mrs. Dedra Whitaker
Morristown-Hamblen Hospital

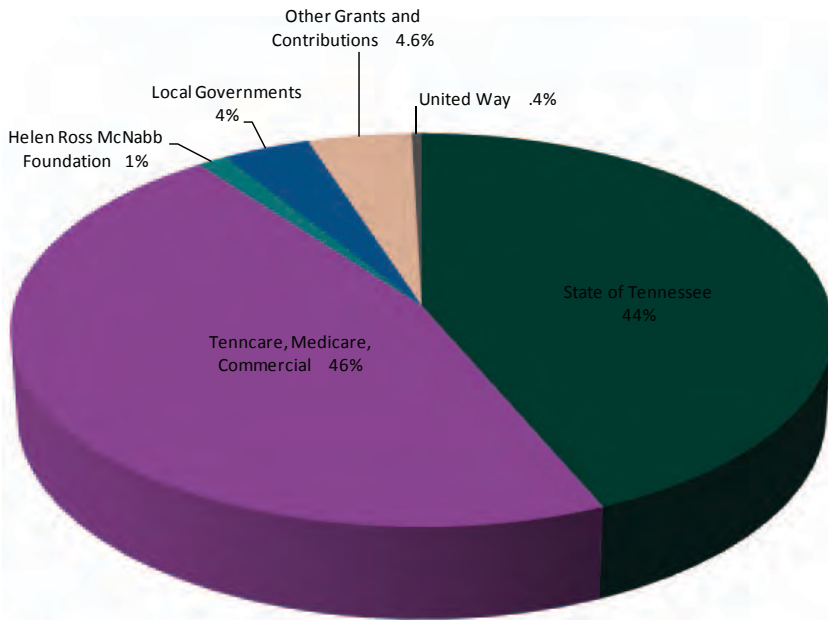
In order to encourage and maintain credibility, the Center is governed by a 21-member volunteer Board of Directors. Board members have the responsibility to create and evaluate policy and organizational goals regarding the Center's finances and services. Board members are elected to serve a three-year term and may serve two terms consecutively.

Financial Numbers

The following information displays the Center's unaudited revenue and expenses for the fiscal year 2013.

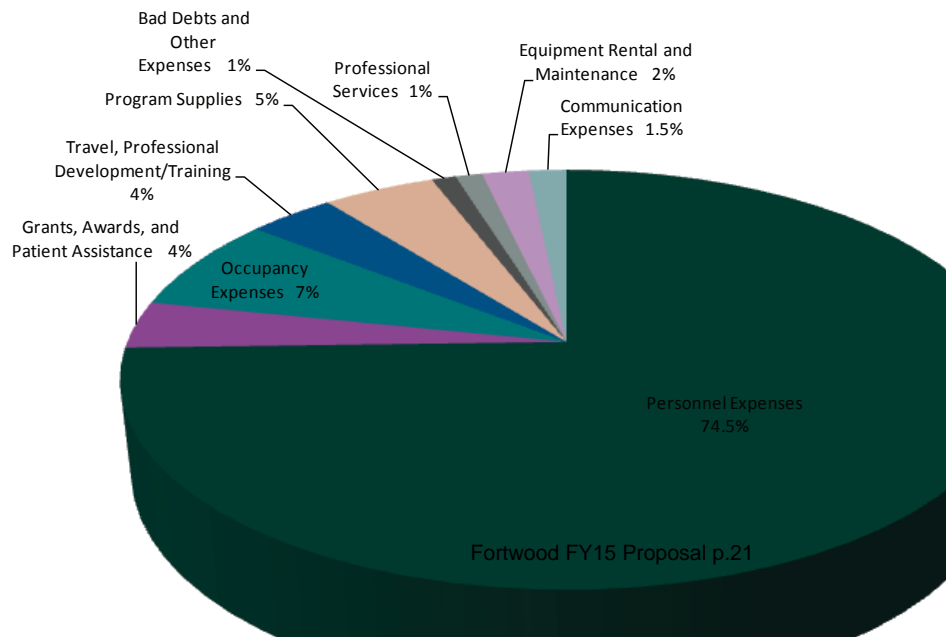
Revenue By Sources - Fiscal Year 2013

- State of Tennessee 44%
- TennCare, Medicare, Commercial 46%
- Helen Ross McNabb Foundation 1%
- Local Governments 4%
- Other Grants and Contributions 4.6%
- United Way .4%



Operating Expenses - Fiscal Year 2013

- Personnel Expenses 74.5%
- Grants, Awards, and Patient Assistance 4%
- Occupancy Expenses 7%
- Travel, Professional Development/Training 4%
- Program Supplies 5%
- Bad Debts and Other Expenses 1%
- Professional Services 1%
- Equipment Rental and Maintenance 2%
- Communication Expenses 1.5%



As a 501c3 not-for-profit corporation, the Center is dedicated to serving our community through delivering high quality behavioral health care. Generally, the Center serves those with the fewest resources and some of the most impairing conditions. As part of our treatment philosophy and community commitment, the Center provides a significant amount of uncompensated care to the communities it serves.

\$4.7 million

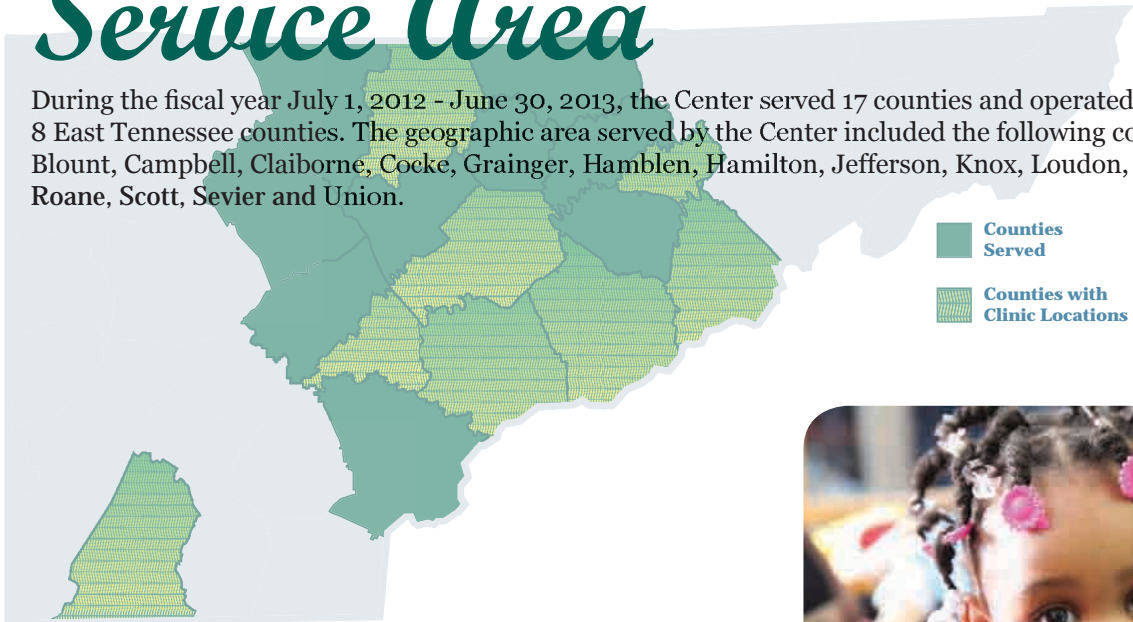
Value of uncompensated services provided by the Center

\$500,554

Contributions provided by the Helen Ross McNabb Foundation for program services and capital

Service Area

During the fiscal year July 1, 2012 - June 30, 2013, the Center served 17 counties and operated out of facilities in 8 East Tennessee counties. The geographic area served by the Center included the following counties; Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Hamilton, Jefferson, Knox, Loudon, Monroe, Morgan, Roane, Scott, Sevier and Union.



Service Demographics

The following table provides information about the individuals served through the Center's larger programs. The numbers exclude some of the Center's grant-based programs.



| CHARACTERISTIC | CASELOAD |
|--------------------|---------------|
| AGE (Years) | |
| 0-17 | 7,219 |
| 18-24 | 2,205 |
| 25-44 | 6,220 |
| 45-64 | 5,149 |
| 65 + | 856 |
| TOTAL | 21,649 |



| | |
|---------------------------|---------------|
| RACE | |
| African American/Black | 3,302 |
| Alaskan Native | 0 |
| American Indian | 53 |
| Asian or Pacific Islander | 51 |
| Hispanic/Latino | 316 |
| White | 16,592 |
| Biracial | 183 |
| Other | 257 |
| Unknown | 895 |
| TOTAL | 21,649 |



| | |
|---------------|---------------|
| GENDER | |
| Male | 11,222 |
| Female | 10,427 |
| TOTAL | 21,649 |

Children, Youth & Family Services

The Helen Ross McNabb Center has provided quality and compassionate care to help children overcome behavioral health challenges since 1948. Our team of trained professionals creates individualized treatment plans to address the unique needs of each child. By partnering with families, schools and community agencies we build a system of care that supports and encourages healing for each child.

Early Childhood Intervention & Prevention Services

Knox County Head Start Consultation, is a partnership with Head Start programs in Knox County and provides mental health consultations through classroom observations and individual evaluations.

Conducted **49** classroom observations last year.

Mother Goose is a community outreach program that focuses on the brain development of infants and serves families with infants ages 0-30 months old.

Served **36** families.

Healthy Families East Tennessee is an in-home visitation program that serves first-time mothers. The program starts during pregnancy, if possible, and continues to serve the family until the child is 5 years old. As a home visitation program, support and education is provided through individual, group and case management services.

Served **315** families and provided **7,844** home visits.

Therapeutic Preschool is a 10 week intensive outpatient program for children ages 4-5 who have experienced a traumatic event, such as abuse or neglect. The preschool also provides case management and therapy services for children, ages 2-8.

The Therapeutic Preschool served 196 children; 274 children received case management services

Regional Intervention Program (RIP) is a 12-24 week behavior modification program for children ages 2-6. The program is designed to simultaneously decrease the child's unwanted behaviors while strengthening social skills and empowering parents to set developmentally appropriate limits and consequences for their child.

Served **59** children.

Outpatient Mental Health Services

Integrated Services Team (IST) provides psychosocial assessments, case management, therapy, and medication services to children ages 2 to 21 who have significant impairment in functioning related to a mental health diagnosis. These services are provided at various outpatient centers located in East Tennessee.

| County | Number Served |
|---------------|---------------|
| Blount..... | 1,188 |
| Campbell..... | 278 |
| Cocke..... | 307 |
| Hamblen..... | 911 |
| Hamilton..... | 1,129 |
| Knox..... | 4,146 |
| Loudon..... | 202 |
| Sevier..... | 830 |

Continuous Treatment Team (CTT) provides intensive services to children and youth who are diagnosed with serious emotional disorders, and identified as at imminent risk of potential hospitalization or other therapeutic out-of-home placement. Program components include case management, individual and family therapy, group therapy, and psychiatric services.

Served **314** children.

ChildNet East Tennessee is funded through private donations and allows the Center to provide mental health services to uninsured or underinsured children. ChildNet East Tennessee served 713 children last year.





Substance Abuse & Co-Occurring Services

Life Skills Training is a 14 week prevention program that provides substance abuse and violence prevention counseling to high-risk children in grades six to nine.

Served 338 adolescents

Adolescent Community Reinforcement Approach (A-CRA) is an outpatient community-based case management and counseling program designed to serve adolescents experiencing both mental health and substance abuse issues, also known as co-occurring issues.

Served 105 adolescents

Comprehensive Child and Family Treatment (CCFT) is a high-intensity, time-limited service designed to: provide stabilization; deter the “imminent” risk of state custody for the child; and assist the child in state custody to maintain his/her status in the current placement and the least restrictive level of care.

Served 135 children

Intensive Case Management is a level of case management that provides intensive support services for children who have behavior or emotional issues.

Served 452 children

K-Town Youth Empowerment Network is a system of care designed to help youth currently accessing several community services transition successfully into adulthood. This program is a collaboration between Tennessee Voices for Children, Centerstone Research Institute, and Tennessee Department of Mental Health and is funded by the Substance Abuse Mental Health Services Administration.

Served 101 transitional youth

Intellectual Developmental Disabilities Services provides case management to children dually diagnosed with a behavioral/emotional disorder and an intellectual or developmental disability.

Served 67 children

Redirections is an intensive outpatient program for adolescents who have substance abuse and mental health issues, also referred to as co-occurring issues.

Served 144 adolescents

Residential Services provide substance abuse, mental health and co-occurring treatment for adolescent males. The residential facilities also administer accredited schools onsite.

Residential Center

Number Served

| | |
|---------------------------------|-----|
| Gateway Center..... | 109 |
| Hamblen County Residential..... | 48 |

Strengthening Families Program is a 14 week parenting and family strengthening program for high-risk families with children ages 12-16 years old. The families will learn effective communication and parenting skills, how to cope with anger and conflict, and dangers of substance use.

Served 74 families

“HRMC is helping our family heal and is giving us both our future back! Thank you to all!!”

Family served by Integrated Services Team

“We have seen improvement with our child almost weekly since he’s been here.”

Parent of child served in the Therapeutic Preschool Program

Social Services

Therapeutic Foster Care and Adoption Program serves children up to 21 years of age, in custody of the Department of Children’s Services who have been removed from their families due to abuse, neglect, unruliness or delinquency. Staff recruit, screen, train and certify foster parents and adoptive parents for foster children to ensure healthy, safe, nurturing homes.

Served 154 children

Youth Emergency Shelter (YES) provides a temporary home and place of stability for children in crisis situations who need immediate care. Children receive everything necessary for daily life including a bed, food, clothing, hygiene care, safety education, counseling, and love. YES also provides mentoring and therapeutic art programs for children.

Served 49 children

Homeless Outreach Services provide support to homeless families who have a child or children under 18 years of age with severe emotional disturbance.

Served 37 children

School-Based Services

Bridges is a school-based program that serves Blount County and Knox County. The program provides case management and counseling to reduce mental health symptoms that may interfere with education and daily living. The Knox County program is a part of Knox County Schools’ community partnership through community schools.

Served 242 children

BASIC is a school-based program in Chattanooga that provides early intervention services for children with behavioral problems.

Served 50 children

School Climate is a program that provides counselors in Knox County schools to help students make positive behavioral changes that support a healthy emotional environment at school.

Counselors provided 27 group observations

Juvenile Justice

Innerchange is a cooperative program with Knox County Juvenile Court that serves youth ages 12-18 who are on probation. The program provides case management, counseling, and crisis intervention services.

Served 432 adolescents

Home Base is an intensive probation program for juvenile offenders ages 12 - 18 who are on “suspended commitment” (commitment to the state is suspended in lieu of participation in this program) to the Department of Children’s Services. The program’s goal is to improve and strengthen the family unit, which assists the youth to remain at home and in their community and avoid placement in state custody.

Served 88 adolescents

EXIT is an intensive aftercare program for juvenile offenders committed to custody of the Department of Children’s Services. The focus of EXIT is to help prevent a return to jail and to help ensure a successful reintegration into the community.

Served 87 adolescents

Mountainview Correctional Services provides mental health services to youth residing at Mountain View Youth Developmental Center in Dandridge, Tennessee. This developmental center serves youth who have been committed to the custody of the Department of Children’s Services following conviction of felony crimes.

Served 277 adolescents



Adult Services

The Helen Ross McNabb Center offers a full array of programs for mental health care, addiction and co-occurring treatment, recovery and social services to meet the needs of adults in our community. Our staff of qualified mental health and addictions/recovery professionals interacts daily with our community partners such as psychiatric hospitals, physicians, social service agencies, the courts and of course, family and friends to ensure the best care for the persons we serve.

Mental Health Services

Integrated Services Team uses a multi-disciplinary team approach to provide care for individuals diagnosed with a severe and persistent mental illness. Clients are provided comprehensive psychiatric evaluations, illness education and management, crisis intervention, psychosocial assessments, individual and family therapy and case management services.

| County | Number Served |
|---------------|---------------|
| Blount..... | 1,011 |
| Campbell..... | 696 |
| Cocke..... | 620 |
| Hamblen..... | 1,327 |
| Hamilton..... | 2,772 |
| Knox..... | 4,582 |
| Loudon..... | 192 |
| Sevier..... | 1,293 |

Behavioral Health Safety Net is a program created by the State of Tennessee and the Department of Mental Health to provide outpatient mental health treatment to adults, ages 18-65, who have no access to other health insurance.

Served 1,260 adults

Adult Indigent Care Program is designed to provide outpatient mental health services to uninsured adults residing in Knox County and is primarily funded through the Helen Ross McNabb Foundation. The program's goal is to reduce barriers to needed treatment within the community and increase access to mental health care for the uninsured.

Served 657 adults

Continuous Treatment Team (CTT) is an intensive, comprehensive, outpatient treatment program designed for adults who have a severe and persistent mental illness.

Served 183 adults

Program for Assertive Community Treatment (PACT) is designed to help adults with severe mental illnesses reduce or eliminate their symptoms, function in the community, live independently, and reduce hospitalization. Teams of mental health professionals including psychiatrists, nurses, social workers, vocational rehabilitation specialists, alcohol and drug treatment specialists, and peer specialists provide intensive direct care and are available 24 hours a day, 7 days a week to their clients. Services are provided in the community, which enhances accessibility and the comfort level of clients.

Served 113 adults

Assisted Outpatient Treatment (AOT) delivers community-based mental health services under court order to individuals with severe mental illness who have demonstrated difficulty adhering to prescribed treatment on a voluntary basis. AOT is the combination of a court order and community-based psychiatric services.

Intensive Long-Term Support Services is a mental health residential program that provides 24/7 clinical care to adults with a mental illness and fragile medical conditions. Coordinated and structured services are provided and include personal care services, community living skills, vocational skills, and socialization. Access to medical, social, and mental health services are facilitated as necessary.

Served 15 adults

“HRMC has been a life-saver for me. I’ve been able to get the medication and advice I need to live a more productive life especially in recovery.”

Integrated Services Team Client

Substance Abuse & Co-Occurring Services

E-Therapy provides alcohol and drug and/or co-occurring assessments, referrals and brief, low-intensity interventions for adults, ages 18-35, who reside in 13 East Tennessee counties.

Served 202 adults

Hi-Tech Grant, the Expanded Care Coordination through the Use of Health Information Technology in Rural Tennessee, is funded by the Substance Abuse and Mental Health Services Administration (SAMHSA) and is a partnership with the University of Tennessee. The program facilitates engagement with substance abuse and mental health services for individuals living in rural, underserved counties through technology such as email, text messaging, online platforms and chat rooms. The utilization of the indicated technology helps deliver interventions, treatment, and support services.

Served 149 adults

Team EXCEL, a partnership with The University of Tennessee Sports Medicine Department, provides behavioral health services for student athletes at The University of Tennessee. On site assessment, prevention, intervention and treatment for substance abuse and dependence is provided by the Center.

Served 61 adults

Intensive Outpatient Programs (IOP) offer gender specific counseling sessions for both co-occurring diagnosed and chemically dependent adult men and women. Each program provides 12 hours of structured programming per week that includes group therapy, HIV, and substance abuse education.

| Program | Number Served |
|---|----------------------|
| Knox County Men's IOP..... | 77 |
| Knox County Women's IOP..... | 66 |
| SISTERS IOP (Knox County)..... | 36 |
| Campbell County IOP..... | 46 |
| New Hope Recovery IOP (Hamblen County)..... | 132 |

Women's Liaison Program serves Knox County women, age 18 and older, who need addiction/recovery services. The liaison provides intensive case management and comprehensive wrap-around services to enhance addiction/recovery treatment and help ensure a return to productive, drug-free living.

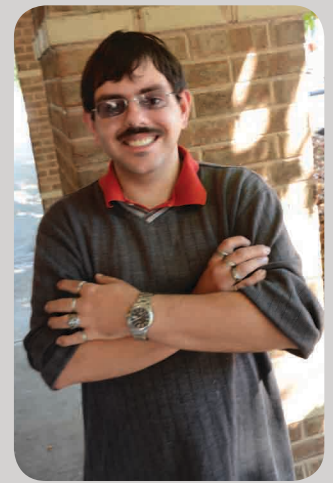
Served 89 women

Residential Service is a 21-28 day residential program designed to educate, inform and provide substance abuse treatment in a group format with some individual sessions. Overseen by the medical director, the program provides a team of clinicians (program counselors), milieu counselors and nurses to interact with those who are seeking assistance with substance abuse issues.

Served 717 adults

Medical Detoxification is a short-term program designed to safely manage the withdrawal signs and symptoms of someone who has been using one or more substances. The protocol for medical detoxification typically lasts 6-12 days.

Served 389 adults



"This place saved my life!"
Friendship House Member

Crisis Services

Mobile Crisis Unit (MCU) provides a 24 hour crisis response system for individuals experiencing a behavioral health crisis. The MCU provides services for a five county area, including Blount, Knox, Loudon, Monroe, and Sevier. The program provides assessments, triage, and access to appropriate levels of care.

Received 6,644 calls to the mobile crisis hotline
Provided 4,235 face-to-face assessments

Crisis Stabilization Unit (CSU) provides non-hospital facility-based services that render short-term treatment to facilitate access to services and stabilization to prevent acute psychiatric hospitalization. The CSU will provide these services on a voluntary status to adults (18 years and older) who have been diagnosed with a mental illness and/or co-occurring disorders that are experiencing a behavioral health crisis.

Served 1,418 adults

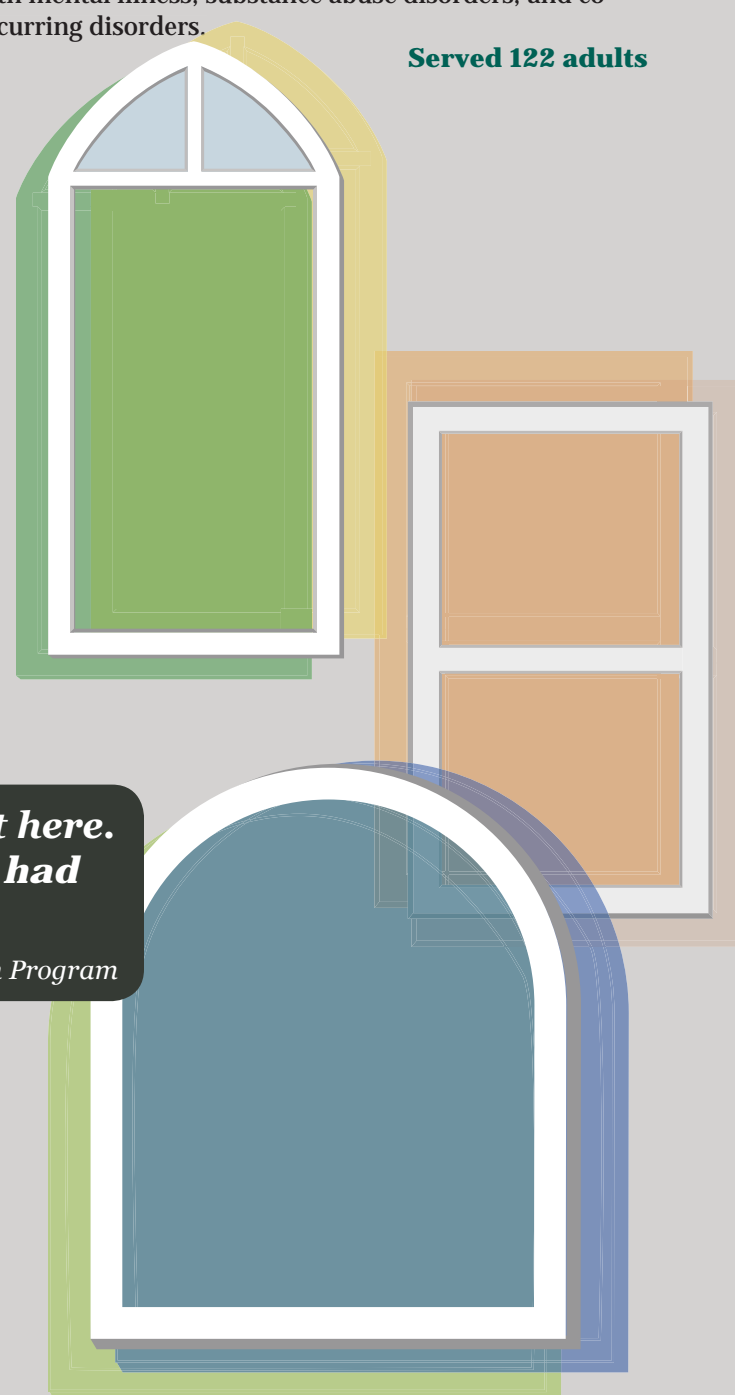
Medically Monitored Crisis

Detoxification (MMCD) is a short-term program designed to meet the stabilization needs of someone who is experiencing a psychiatric crisis who is likely to go into withdrawal in the next 72 hours. The protocol for medical detoxification typically lasts 6-12 days.

Served 525 adults

Peer Wellness Coach is a Certified Peer Specialist that implements the State of Tennessee's My Health, My Choice, My Life program. The program utilizes the state-wide infrastructure of Peer Support Centers and Certified Peer Specialists to integrate a peer-led health promotion, wellness, and self-management program for individuals with mental illness, substance abuse disorders, and co-occurring disorders.

Served 122 adults



“I’m glad and very happy to finally get here. They helped me change my life when I had nowhere else to turn.”
 Client of Medically Monitored Crisis Detoxification Program

Mental Health Rehabilitation & Recovery Services

Psychiatric Rehabilitation assists adults that are TennCare participants and who have a mental health diagnosis, by providing support and skills to help them function independently and successfully in the environment of their choice.

Served 101 adults

Peer Support Center is a day program designed for current mental health consumers to receive peer support services and to be active within the mental health community.

“I want to thank all of the staff at CSU for helping me ‘re-start’ my life!” Crisis Stabilization Unit Client

| Peer Support Center | Number Served |
|-----------------------------------|---------------|
| Friendship House (Knoxville)..... | 252 |
| Lighthouse (Chattanooga) | 135 |

Criminal Justice Services

Jail-Based Mental Health Services provides mental health assessments, crises interventions, medical assessments, and prescriptions in Knox County and Blount County Sheriff's Detention Facilities.

Served 2,396 adults

Women's Justice and Mental Health

Collaboration is a grant funded through the Bureau of Justice Administration. The program serves women in the community who have mental health and co-occurring disorders and are significantly involved in the judicial system. The overall goal is to divert arrests and reduce incarcerations and to assist the women in accessing the appropriate services to maintain tenure in the community.

Served 39 adults

Criminal Justice/Mental Health Liaison is a statewide community-level project that focuses on issues affecting adults who have serious mental illness and are involved in the criminal justice system. The goals of the project are to reduce the number of adults with mental illness in the jails and to facilitate communication and the coordination of activities between the community, the criminal justice and mental health systems.

Served 1,205 adults

Forensic Services provide court-ordered evaluations for competency and insanity defense for defendants in Knox County Criminal, Juvenile and General Sessions Courts. A team of state-certified forensic examiners conducts evaluations to determine the defendant's competency to stand trial and/or the mental condition of the accused at the time of the alleged offense.

Served 62 adults



Social Services

HIV/AIDS Prevention & Outreach provides education and prevention services which include individual and group education, assessment, referral and Comprehensive Risk Counseling services, and Oraquick HIV testing.

Tested 4,141 individuals for HIV

Educated 7,526 individuals

Targeted Transitional Support is a grant based program that assists persons awaiting discharge from a Regional Mental Health Institution (RMHI) by enabling them to move into a community setting with temporary transitional support.

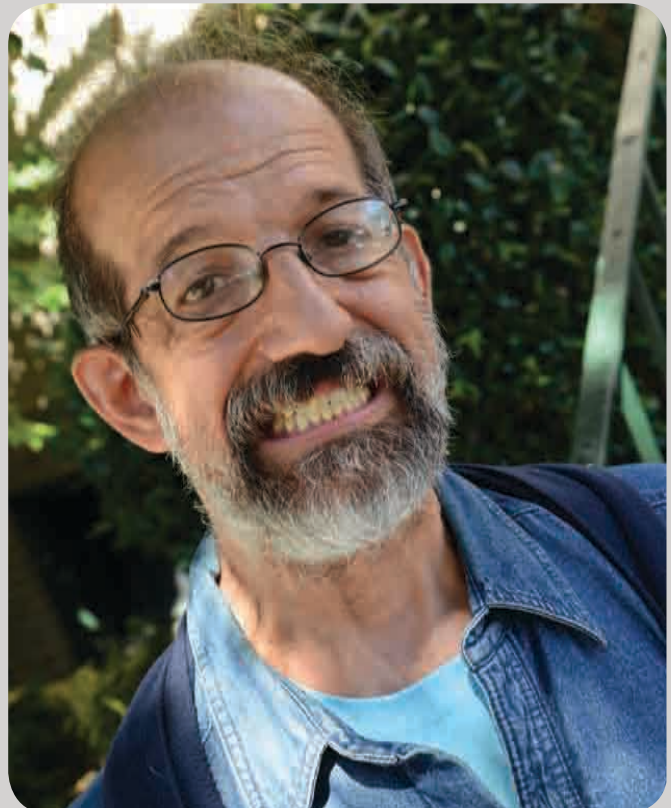
Served 102 adults

Project for Assistance in Transition from Homelessness (PATH) provides services to homeless individuals who have severe and persistent mental illnesses. Individuals are assisted in securing mental health treatment, affordable housing, supportive income, and other basic necessities.

Served 151 adults

Housing Services provides permanent, safe, affordable housing to individuals who are homeless and experiencing symptoms of a mental illness.

Served 150 adults



Community Involvement

Professional Training

The Helen Ross McNabb Center maintains close ties with health care training programs in several disciplines. Working with students and their academic institutions provides enrichment opportunities for both Center staff and students. During the past fiscal year, the Center served as a practicum training site for undergraduate, graduate and doctoral students from The University of Tennessee, Carson Newman College, East Tennessee State University, Lincoln Memorial University, South College, Maryville College, Johnson University, Tennessee Wesleyan and Walter's State Community College.

Consultation & Education

One of the greatest assets of the Helen Ross McNabb Center is its staff which is composed of compassionate, dedicated professionals who go above and beyond every day to advance their respective fields. The Center has several experts with years of experience that are recognized on a regional, state and national level. These experts share their knowledge and experience at conferences and seminars by discussing topics relevant to behavioral health and social services. Members of the Center's staff also provide consultation and educational services to the community through a variety of community agencies, including law enforcement agencies, health care agencies, human services agencies, educational institutions, civic organizations, philanthropic organizations and individuals.

Community Relations

The Center strives to be a premier behavioral health and social services organization in East Tennessee. Positive relationships with our neighboring communities and businesses are an important component to the success of the Center's programs. The Center is involved in local neighborhood and business associations, coalitions and interagency organizations. The Center makes it a priority to be present and visible at community festivals, workshops, events and fairs. It is through this involvement that neighbors gain a deeper understanding about the Center's services and the need for them.

Volunteer Services

In addition to its professional staff, the Center relies on a core group of volunteers to help support the Center's mission and daily operations. There are ample opportunities for people to volunteer that vary in commitment level and interest. Through our children and youth services, volunteers can serve as a "safe" adult for children who have experienced abuse or trauma or mentor an adolescent dealing with substance abuse issues. Community members also volunteer in our adult services and programs by providing support to clients. Other volunteer opportunities include providing administrative support for our programs or volunteering at special events and community functions throughout the year. This past fiscal year 803 volunteers provided 18,256 hours of service.



803
volunteers

18,256
service hours

Foundation

Since its founding in 1972, the Helen Ross McNabb Foundation has worked diligently to support the work of the Helen Ross McNabb Center. In addition to providing leadership and direction, the Foundation's staff and 30-member volunteer board actively raises, holds and invests funds on behalf of the Center. Funds raised by the Foundation over the past 41 years have contributed greatly toward the stability and growth of the Center. The Foundation raises funds through several avenues.

Annual Fund

Traditionally, the Foundation's annual fund campaign allows the Foundation to raise funds for projects and programs which meet the most pressing needs of our clients and community. The tradition continued with this year's annual fund campaign which raised funds to build a facility in Hamblen County that will centralize and expand services. Since opening its doors in Morristown in 2008, the Center has identified an urgent and growing need to expand our facilities. Currently, services are offered at two separate locations due to space limitations. In response to this need, the Center and its Foundation have made plans to develop a permanent, stand alone mental health treatment facility in Hamblen County. These plans took an enormous leap forward when Morristown City Council donated a 2.5 acre site to the Center in 2011. This generous gift demonstrates the value of the Helen Ross McNabb Center as a resource to the community and our history as a true community partner. The completion of the new clinic will increase the facility's service capacity, ultimately increasing access to care for individuals living in rural communities who frequently fall through the cracks of the health care system.

Planned Giving

Through the Foundation's planned giving options, individuals have the opportunity to leave a legacy starting today. There are many ways to donate through planned giving; including charitable remainder trusts, bequests, life insurance and retirement plans. These options help donors determine the best way to give based on their financial situation and desire to make a meaningful impact in the lives of others.

Endowment

An endowment creates a fund which stays in existence for a lengthy period of time, and continues to provide charitable benefits to the Center for many years to come. Once an endowment is established, the Helen Ross McNabb Foundation sets up a fund to pay a fixed percentage of its annual value to the designated program each year. Earnings over the fixed amount are reinvested, building the fund over time. Because use of the fund is restricted to a small portion each year, the fund can be a legacy to the Center for many years.

Memorial and Honorary Gifts

Memorial and honorary gifts allow donors to remember or honor a loved one through a gift that provides vulnerable children and adults in East Tennessee the opportunity to receive quality, compassionate mental health care. Upon receipt of the gift, the Foundation sends a note to acknowledge the gift to the family of the individual being remembered or to the honoree.

Special Events

The Foundation organizes special events each year to raise financial support and awareness for the Center. These events are embraced and supported by local media and businesses and provide public outreach which attracts people who may never come in contact with the Center's work at any other time. The annual events include:



2012-2013 Foundation Board of Directors

The Foundation is governed by a 30-member volunteer board. Board members are volunteers from all walks of life who give of their time and talent to direct and serve the Foundation. Members are elected and serve a three-year term and may serve two consecutive terms.



Fay Bailey
Hop Bailey Co.

Sandy Bertelkamp
Community Volunteer

Patrick Birmingham
Knoxville News Sentinel

Andy Black
Ex-Officio
Helen Ross McNabb Center

Christi Branscom
Past-Chair
City of Knoxville

Jenny Brock
Community Volunteer

Debbie Brown
Raymond James

Elizabeth Campbell
Community Volunteer

Nick Chase
Chair
Egerton, McAfee, Armistead & Davies, P.C.

Jeannie Dulaney
Lattimore, Black, Morgan & Cain

David Fiser
Fiser, Inc.

Mike Fishman
Citizen Tribune

Greg Gilbert
Latimore, Black, Morgan & Cain

Daniel Head
Head Wealth Management

Joe E. Johnson, Ph.D.
University of Tennessee

Debbie Jones
Treasurer
Lattimore, Black, Morgan & Cain

Chris Kahn
Community Volunteer

Dale Keasling
Home Federal Bank

George Kershaw
Chair-elect
D&K Management

Chris Liposky
Rogers Petroleum, Inc.

Virginia Love
Baker Donelson

Joe Mont McAfee
Egerton, McAfee, Armistead & Davis, P.C.

Linda Ogle
Riverside Towers

Davis Overton
White Realty

Bob Petrone
Secretary
B&T Distributing

Avice Reid
City of Knoxville

Keith Sanford
First Tennessee

James Schaad
Schaad Company

Andy Shafer
Shafer Insurance

Carl Van Hoozier
Vulcan Materials



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facebook.com/mcnabbcenter • twitter.com/mcnabbcenter

HELEN ROSS McNABB CENTER, INC.

Knoxville, Tennessee

FINANCIAL STATEMENTS

June 30, 2012 and 2011

HELEN ROSS McNABB CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

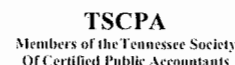
Board of Directors
Helen Ross McNabb Center, Inc.
Knoxville, Tennessee

We have audited the accompanying statements of financial position of Helen Ross McNabb Center, Inc. as of June 30, 2012 and 2011, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the management of Helen Ross McNabb Center, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Helen Ross McNabb Center, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2012, on our consideration of Helen Ross McNabb Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.



Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133)* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

We have also audited the affiliate financial statements of Helen Ross McNabb Mental Health Foundation, Inc. and issued an unqualified opinion dated October 22, 2012.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 22, 2012

HELEN ROSS McNABB CENTER, INC.
STATEMENTS OF FINANCIAL POSITION

| | As of June 30, | <u>2012</u> | <u>2011</u> |
|--|----------------|--------------------------|-----------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | \$ | 4,402,895 | \$ 4,141,607 |
| Investments | | 477,328 | 719,783 |
| Receivables, Net | | 5,372,748 | 3,500,418 |
| Due from McNabb Foundation | | 695,795 | 914,886 |
| Prepaid Expenses | | <u>180,994</u> | <u>192,056</u> |
| Total Current Assets | | 11,129,760 | 9,468,750 |
| PROPERTY AND EQUIPMENT - NET | | 16,903,114 | 15,444,112 |
| OTHER ASSETS | | | |
| Investments for Deferred Compensation Plan | | <u>242,747</u> | <u>301,166</u> |
| TOTAL ASSETS | \$ | <u>28,275,621</u> | \$ <u>25,214,028</u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | \$ | 889,758 | \$ 983,337 |
| Accrued Annual Leave | | 707,860 | 601,899 |
| Accrued Salaries Payable | | 716,537 | 538,329 |
| Other Accrued Liabilities | | 365,982 | 362,384 |
| Current Portion of Notes Payable | | 364,884 | 89,884 |
| Deferred Revenue | | <u>281,910</u> | <u>6,800</u> |
| Total Current Liabilities | | <u>3,326,931</u> | <u>2,582,633</u> |
| LONG-TERM LIABILITIES | | | |
| Notes Payable | | 205,718 | 249,769 |
| Deferred Compensation Plans Payable | | <u>242,747</u> | <u>301,166</u> |
| Total Long-Term Liabilities | | <u>448,465</u> | <u>550,935</u> |
| Total Liabilities | | <u>3,775,396</u> | <u>3,133,568</u> |
| NET ASSETS | | | |
| Unrestricted: | | | |
| Undesignated | | 21,782,046 | 19,348,356 |
| Designated by the Board for Property and Equipment | | 2,119,790 | 2,119,790 |
| Temporarily Restricted | | 98,389 | 112,314 |
| Permanently Restricted | | <u>500,000</u> | <u>500,000</u> |
| Total Net Assets | | <u>24,500,225</u> | <u>22,080,460</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ | <u>28,275,621</u> | \$ <u>25,214,028</u> |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.

STATEMENTS OF ACTIVITIES

| For the Years Ended June 30, | <u>2012</u> | <u>2011</u> |
|--|--------------------|--------------------|
| UNRESTRICTED REVENUES AND OTHER SUPPORT | | |
| PATIENT SERVICES REVENUE | | |
| TennCare | \$ 17,585,284 | \$ 14,584,326 |
| MediCare | 506,099 | 236,082 |
| Commercial Insurance | 391,385 | 314,262 |
| Private Pay | 240,366 | 105,028 |
| Less: Contractual Adjustments | <u>(3,149,917)</u> | <u>(3,825,534)</u> |
| | 15,573,217 | 11,414,164 |
| Federal Assistance: | | |
| Department of Housing and Urban Development | 52,479 | 58,693 |
| Department of Health and Human Services | 0 | 37,226 |
| Department of Agriculture | 55,432 | 50,650 |
| Board of Parole and Probation | 7,149 | 6,995 |
| State of Tennessee: | | |
| Dept. of Health | 794,795 | 763,000 |
| Dept. of Children's Services | 6,241,660 | 6,091,590 |
| Dept. of Mental Health and Developmental Disabilities | 6,381,605 | 5,889,076 |
| Tennessee Housing Development Agency | 89,884 | 89,884 |
| Other Grants | 1,182,897 | 692,072 |
| Local Governments: | | |
| Knox County | 965,245 | 978,943 |
| Other Local Governments | <u>167,198</u> | <u>131,502</u> |
| | 31,511,561 | 26,203,795 |
| NET PATIENT SERVICES REVENUE | | |
| CONTRIBUTIONS AND OTHER: | | |
| Helen Ross McNabb Foundation | 668,258 | 2,431,113 |
| United Way | 61,743 | 87,967 |
| Other Contributions | 212,100 | 7,520 |
| Investment Income | 20,994 | 28,010 |
| Gain (Loss) on Asset Disposal | 4,700 | 40,811 |
| Other Income | <u>187,092</u> | <u>130,955</u> |
| | 1,154,887 | 2,726,376 |
| TOTAL CONTRIBUTIONS AND OTHER | <u>1,154,887</u> | <u>2,726,376</u> |
| NET ASSETS RELEASED FROM RESTRICTION - UNITED WAY | <u>112,314</u> | <u>88,156</u> |
| TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT | <u>32,778,762</u> | <u>29,018,327</u> |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
STATEMENTS OF ACTIVITIES (Continued)

| | 2012 | 2011 |
|--|----------------------|----------------------|
| For the Years Ended June 30, | | |
| TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT | <u>32,778,762</u> | <u>29,018,327</u> |
| EXPENSES | | |
| Program Services: | | |
| Adult Services | 12,529,570 | 10,972,314 |
| Children Services | <u>14,405,381</u> | <u>13,201,487</u> |
| Total Program Services | <u>26,934,951</u> | <u>24,173,801</u> |
| Supporting Services: | | |
| Fund Raising | 342,329 | 302,148 |
| Administrative and General | <u>2,567,792</u> | <u>2,140,236</u> |
| Total Supporting Services | <u>2,910,121</u> | <u>2,442,384</u> |
| TOTAL EXPENSES | <u>29,845,072</u> | <u>26,616,185</u> |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS BEFORE EQUITY TRANSFER | 2,933,690 | 2,402,142 |
| Transfer to Foundation | <u>(500,000)</u> | <u>0</u> |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS | <u>2,433,690</u> | <u>2,402,142</u> |
| TEMPORARILY RESTRICTED SUPPORT | | |
| United Way | 98,389 | 112,314 |
| Net Assets Released from Restriction | <u>(112,314)</u> | <u>(88,156)</u> |
| INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS | <u>(13,925)</u> | <u>24,158</u> |
| INCREASE (DECREASE) IN NET ASSETS | 2,419,765 | 2,426,300 |
| NET ASSETS, BEGINNING OF YEAR | <u>22,080,460</u> | <u>19,654,160</u> |
| NET ASSETS, END OF YEAR | <u>\$ 24,500,225</u> | <u>\$ 22,080,460</u> |

HELEN ROSS McNABB CENTER, INC.

STATEMENTS OF CASH FLOWS

| For the Years Ended June 30, | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase (Decrease) in Net Assets | \$ 2,419,765 | \$ 2,426,300 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| (Gain) Loss on Asset Disposal | (4,700) | (40,811) |
| Depreciation and Amortization | 748,733 | 661,923 |
| Net Changes in: | | |
| Receivables, Net | (1,872,330) | 642,969 |
| Due from McNabb Foundation | 219,091 | (614,530) |
| Prepaid Expenses | 11,062 | (46,987) |
| Accounts Payable | (93,579) | 62,923 |
| Deferred Revenue | 275,110 | (39,920) |
| Deferred Compensation | (58,419) | 134,337 |
| Accrued Salaries Payable | 178,208 | 120,973 |
| Other Accrued Liabilities | <u>109,559</u> | <u>125,925</u> |
| Cash Flows Provided by (Used in) Operating Activities | <u>1,932,500</u> | <u>3,433,102</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Property and Equipment | 4,700 | 0 |
| Purchase of Property and Equipment | (2,207,735) | (2,230,683) |
| Proceeds from Sales of Investments | 497,729 | 910,819 |
| Purchase of Investments | <u>(196,855)</u> | <u>(599,638)</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>(1,902,161)</u> | <u>(1,919,502)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of Note Payable | 550,000 | 0 |
| Principal Payments on Notes Payable | <u>(319,051)</u> | <u>(89,884)</u> |
| Net Cash Provided by (Used in) by Financing Activities | <u>230,949</u> | <u>(89,884)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 261,288 | 1,423,716 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>4,141,607</u> | <u>2,717,891</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 4,402,895</u> | <u>\$ 4,141,607</u> |
| Supplementary Disclosure of Cash Flow Information: | | |
| Cash Paid During the Year for: | | |
| Interest | \$ 0 | \$ 0 |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2012

| | Program Services | | | Supporting Services | | | | Total |
|----------------------------------|----------------------|----------------------|------------------------|------------------------------------|------------------------|-------------------|---------------------|----------------------|
| | Adult Services | Children Services | Total Program Services | Clinical | | | Sub Total | |
| | | | | Administrative and Medical Records | Building and Equipment | Fund Raising | | |
| Wages and Salaries | \$ 7,574,275 | \$ 7,909,671 | \$ 15,483,946 | \$ 858,056 | \$ 137,235 | \$ 223,177 | \$ 1,714,293 | \$ 18,416,707 |
| Employee Benefits | 1,708,169 | 1,779,545 | 3,487,714 | 208,485 | 30,883 | 50,552 | 417,143 | 4,194,777 |
| Professional Fees | 99,237 | 188,758 | 287,995 | 11,850 | 2,982 | 2,212 | 52,383 | 357,422 |
| Supplies | 446,903 | 476,980 | 923,883 | 37,912 | 3,190 | 5,408 | 44,943 | 1,015,336 |
| Telephone | 177,772 | 197,895 | 375,667 | 12,451 | 3,059 | 2,980 | 14,612 | 408,769 |
| Postage | 520 | 855 | 1,375 | 17,155 | 13 | 235 | 1,085 | 19,863 |
| Occupancy | 559,650 | 457,270 | 1,016,920 | 43,878 | 25,411 | 12,317 | 64,551 | 1,163,077 |
| Equipment Rental and Maintenance | 169,337 | 206,880 | 376,217 | 101,446 | 4,426 | 14,165 | 35,941 | 532,195 |
| Printing and Publications | 12,701 | 11,431 | 24,132 | 4,341 | 269 | 301 | 2,781 | 31,824 |
| Travel | 386,993 | 666,740 | 1,053,733 | 22,814 | 27,738 | 10,335 | 16,024 | 1,130,644 |
| Conferences and Meetings | 16,319 | 32,097 | 48,416 | 4,197 | 177 | 1,409 | 7,406 | 61,605 |
| Insurance Expense | 89,411 | 80,425 | 169,836 | 7,778 | 6,630 | 1,833 | 10,609 | 196,686 |
| Grants and Awards | 16,121 | 1,092,911 | 1,109,032 | 762 | 796 | 0 | 4,065 | 1,114,655 |
| Specific Assistance | 99,597 | 11,592 | 111,189 | 0 | 0 | 0 | 0 | 111,189 |
| Depreciation and Amortization | 338,503 | 270,656 | 609,159 | 48,859 | 26,493 | 10,608 | 53,614 | 748,733 |
| Other Non-personnel | 57,434 | 128,777 | 186,211 | 18,495 | 1,745 | 6,797 | 15,089 | 228,337 |
| Receivable Allowance Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 113,253 | 113,253 |
| Total | 11,752,942 | 13,512,483 | 25,265,425 | 1,398,479 | 271,047 | 342,329 | 2,567,792 | 29,845,072 |
| Allocation of Overhead | 776,628 | 892,898 | 1,669,526 | (1,398,479) | (271,047) | 0 | 0 | 0 |
| TOTAL | \$ 12,529,570 | \$ 14,405,381 | \$ 26,934,951 | \$ 0 | \$ 0 | \$ 342,329 | \$ 2,567,792 | \$ 29,845,072 |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2011

| | Program Services | | | Clinical | | | Supporting Services | | | Total |
|----------------------------------|----------------------|----------------------|------------------------|------------------------------------|------------------------|------------------|---------------------|----------------------------|----------------------|-------|
| | Adult Services | Children Services | Total Program Services | Administrative and Medical Records | Building and Equipment | Sub Total | Fund Raising | Administrative and General | | |
| Wages and Salaries | \$ 6,467,938 | \$ 6,990,342 | \$ 13,458,280 | \$ 687,697 | \$ 111,822 | \$ 799,519 | \$ 198,619 | \$ 1,590,507 | \$ 16,046,925 | |
| Employee Benefits | 1,614,402 | 1,690,552 | 3,304,954 | 181,447 | 27,750 | 209,197 | 49,991 | 423,301 | 3,987,443 | |
| Professional Fees | 113,758 | 231,557 | 345,315 | 13,841 | 2,100 | 15,941 | 3,410 | 60,684 | 425,350 | |
| Supplies | 361,418 | 432,914 | 794,332 | 47,512 | 1,593 | 49,105 | 2,843 | 47,660 | 893,940 | |
| Telephone | 147,738 | 171,364 | 319,102 | 20,744 | 3,118 | 23,862 | 3,026 | 16,062 | 362,052 | |
| Postage | 1,015 | 3,902 | 4,917 | 14,238 | 23 | 14,261 | 337 | 1,089 | 20,604 | |
| Occupancy | 531,268 | 490,881 | 1,022,149 | 43,203 | 62,554 | 105,757 | 10,409 | 61,190 | 1,199,505 | |
| Equipment Rental and Maintenance | 122,840 | 169,495 | 292,335 | 111,157 | 3,007 | 114,164 | 17,660 | 30,232 | 454,391 | |
| Printing and Publications | 12,196 | 15,350 | 27,546 | 7,211 | 242 | 7,453 | 329 | 3,529 | 38,857 | |
| Travel | 356,289 | 587,954 | 944,243 | 21,585 | 21,694 | 43,279 | 3,109 | 16,368 | 1,006,999 | |
| Conferences and Meetings | 16,419 | 40,967 | 57,386 | 3,357 | 17 | 3,374 | 21 | 18,282 | 79,063 | |
| Insurance Expense | 81,280 | 75,348 | 156,628 | 6,809 | 5,717 | 12,526 | 1,808 | 10,802 | 181,764 | |
| Grants and Awards | 18,537 | 1,170,056 | 1,188,593 | 10,977 | 0 | 10,977 | 0 | 1,211 | 1,200,781 | |
| Specific Assistance | 123,970 | 17,937 | 141,907 | 0 | 0 | 0 | 0 | 0 | 141,907 | |
| Depreciation and Amortization | 299,984 | 230,951 | 530,935 | 52,173 | 16,722 | 68,895 | 9,566 | 52,527 | 661,923 | |
| Other Non-personnel | 28,302 | 69,829 | 98,131 | 8,018 | 720 | 8,738 | 1,020 | 18,980 | 126,869 | |
| Receivable Allowance Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (212,188) | (212,188) | |
| Total | 10,297,354 | 12,389,399 | 22,686,753 | 1,229,969 | 257,079 | 1,487,048 | 302,148 | 2,140,236 | 26,616,185 | |
| Allocation of Overhead | 674,960 | 812,088 | 1,487,048 | (1,229,969) | (257,079) | (1,487,048) | 0 | 0 | 0 | |
| TOTAL | \$ 10,972,314 | \$ 13,201,487 | \$ 24,173,801 | \$ 0 | \$ 0 | \$ 0 | \$ 302,148 | \$ 2,140,236 | \$ 26,616,185 | |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012 and 2011

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Helen Ross McNabb Center (the Center) is a private, not-for-profit community mental health center devoted to the diagnosis, treatment, prevention and rehabilitation of mental illness and is a health and welfare organization providing room, board, counseling and rehabilitation assistance to individuals involved in alcohol and drug detoxification programs in Knox County and various counties in the surrounding East Tennessee area. Its primary sources of funding are state and federal public health programs and grants, local government programs, and private support from individuals, business and community organizations. These financial statements include the accounts of the Center and its subsidiary, McNabb Center, LLC (see Note 10).

These financial statements do not include the financial position or results of operations of the Helen Ross McNabb Mental Health Foundation, Inc. (the Foundation), the Center's affiliate. The Foundation solicits, receives, holds, administers, invests and disburses funds to be used for and on behalf of the Helen Ross McNabb Center, Inc., its facilities and programs.

Nonprofit organizations may hold ownership interests in other nonprofit entities. Consolidated statements are permitted but not required where control exists through a form other than majority ownership or majority voting interest in the board of the related entity. Consolidated financial statements may be prepared when not required if such consolidation would be meaningful.

Separate consolidated financial statements for the Helen Ross McNabb Center, Inc. and its affiliate, the Helen Ross McNabb Mental Health Foundation, Inc. have been issued with all significant inter-entity transactions and balances eliminated in the consolidation. Consolidated statements are based on the assumption that they present the financial position and the change in net assets of a single entity. See Note 11 for summarized financial data of the Foundation.

Basis of Accounting - The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and, accordingly, reflect all significant receivables, payables and other liabilities.

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Although these estimates are based on management's knowledge of current events and actions they may undertake in the future, actual results could vary from those estimates. Estimates are used when accounting for receivables, allocation of expenses, and contingencies, among others.

Basis of Presentation - The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - not subject to donor-imposed stipulations or the donor imposed restrictions have expired. All contributions are considered unrestricted unless specifically restricted by the donor.

Temporarily Restricted Net Assets - includes resources whose use is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the board of directors pursuant to those stipulations. When a donor-imposed restriction is fulfilled or when a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as restrictions satisfied.

Permanently Restricted Net Assets - includes resources whose use is limited by donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the board of directors.

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status - The Center is exempt from federal income taxes under certain provisions of the Internal Revenue Code, Section 501(c)(3). The Center files annual returns of organizations exempt from income taxes with the IRS. The Center is no longer subject to examinations by federal tax authorities for years before 2009.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Center considers all unrestricted highly-liquid investments with an initial maturity of ninety days or less to be cash equivalents.

Investments - The Center's investments are carried at their estimated fair values in the statement of financial position. Fair value of the Center's investments is based on quoted market prices. Investment transactions are recorded on trade date. Any realized and/or unrealized gain or loss is reported in the statement of activity. Dividend and interest income is accrued when earned.

Premium Revenue - The Center has agreements with United HealthCare Community Plan and Value Options/Volunteer State Health Plan (VSHP) to provide TennCare mental health services to enrolled members. Under this agreement, the Center receives monthly case rate payments based on the number of clinical events performed by the Center. In addition, the BHO made fee-for-service payments to the Center for certain covered services based upon discounted fee schedules.

Net Patient Service Revenue - The Center has agreements with third-party payers that provide for payments to the Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including contractual adjustments under reimbursement agreements with third-party payers. Contractual adjustments are recorded in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Patient services rendered to Medicare program beneficiaries are paid at fee for service rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Contributions - Contributions are recognized as revenue by the Center when the donor makes a promise to give that is in substance, unconditional. Pledges of contributions are recorded at their estimated net realizable value which includes adjusting receivables for uncollectible amounts and reducing the carrying amount of long-term pledges to their present value. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and nature of any donor restrictions.

Donated Assets and Services - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Functional Expenses -The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are charged to program services, management and general, and fund raising functions based on direct expenses incurred. Indirect expenses are allocated among the program and supporting services benefited.

Receivables - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management does not recognize late fee income on receivables. Receivables are considered past due or delinquent after 90 days. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance. The provision is based on estimated collection percentages applied to aging category balances for insurance, Medicare, TennCare, and private pay. For grants and contracts, the valuation allowance is based on its assessment of the current status of its individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Center capitalizes property and equipment with a cost or donated fair market value in excess of \$1,000. Depreciation is computed using primarily the straight-line method.

Annual Leave - Vacation benefits accumulate and vest with the employee. An accrued annual leave liability has been reported in the financial statements for the estimated value of unpaid compensated absences.

Advertising Costs - Advertising costs are expensed as incurred. Advertising costs for marketing and public relations for the years ended June 30, 2012 and 2011, were \$24,973 and \$25,051, respectively.

Reclassifications - Certain amounts in the prior year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current year statements.

Evaluation of Subsequent Events - The Center's management has evaluated subsequent events through October 22, 2012, which is the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2012 and 2011, the Center's cash and cash equivalents consisted of the following:

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| Petty Cash | \$ 1,200 | \$ 1,200 |
| Checking - Operations | (37,705) | (46,119) |
| U.S. Government and Federal Agency Obligations Under Repurchases Agreement | 4,381,731 | 4,128,444 |
| Savings | 912 | 908 |
| Money Market Funds | 2,800 | 675 |
| Other | <u>53,957</u> | <u>56,499</u> |
| Total | <u>\$ 4,402,895</u> | <u>\$ 4,141,607</u> |

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Center has a diversified portfolio in a variety of asset classes managed by independent investment managers. The Center regularly evaluates its investments including performance thereof. Due to inherent risk and potential volatility in investment valuations, the amounts reported in these financial statements can vary substantially from year to year.

The Center maintains substantially all of its cash and cash equivalents deposits in one local financial institution. Balances of cash and cash equivalents that exceeded the federally insured limits were \$4,255,736 and \$3,966,806 for the years ended June 30, 2012 and 2011, respectively. However, beginning in 2011, the Center enters into repurchase agreements with the financial institution nightly with its excess cash. These repurchase agreements provide that the financial institution will invest the Foundation's excess deposits in government-backed securities.

The Center's receivable balance at June 30, 2012 and 2011, consisted of fees for patient services through contractual agreements, private pay insurance providers and grantor agencies. Accordingly, these fees are subject to adjustment or denial by the providers.

Because of the nature of the Center, a significant percentage of its revenue is derived from State of Tennessee (including TennCare) and the federal government. As a result, a reduction in state and federal funding could have a profound effect on the Center's operations. State and federal funding represented 89% and 86% of total revenue for the years ended June 30, 2012 and 2011, respectively.

NOTE 4 - INVESTMENTS

At June 30, 2012 and 2011, all of the Center's investments are recorded at fair value on a recurring basis. The fair value of these investments is adjusted based on fair value measurements provided to the Center from third party investment account servicers utilizing fair value inputs in accordance with GAAP. GAAP defines fair value, establishes a framework for using fair value to measure certain assets and liabilities, and expands disclosures about fair value. Level 1 inputs, as defined in the standard, are quoted prices in active markets for identical assets as of the measurement date.

| <u>Fair Value Measurements Using Level 1</u> | <u>2012</u> | <u>2011</u> |
|--|-------------------|---------------------|
| Short-Term (1 Year or Less) | | |
| Certificates of Deposit | \$ 477,328 | \$ 719,783 |
| Long-Term (1 to 5 Years) | | |
| Mutual Funds | | |
| Fixed Income | 29,651 | 28,217 |
| Equity | <u>213,096</u> | <u>272,949</u> |
| Total | <u>\$ 720,075</u> | <u>\$ 1,020,949</u> |

The Center's investments in certificates of deposit are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000. The interest rates on investments range from 0.5% to 1%. The average rate of return on investments which includes unrealized gains and losses was 2.9% and 2.7% for 2012 and 2011, respectively.

NOTE 5 - RECEIVABLES, NET

Net patient service receivable is reported at the estimated net realizable amount from patients, third-party payers, and others for services rendered. As of June 30, 2012 and 2011, the amount of accounts receivable greater than 90 days was \$1,018,898 and \$258,614, respectively. A summary of the accounts receivable is as follows:

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| TennCare | \$ 2,636,072 | \$ 1,597,924 |
| State and Federal Grants | 2,213,069 | 1,790,019 |
| Other Grants and Subsidies Receivable | 200,417 | 222,156 |
| Medicare, Commercial Insurance, and Private Pay | 785,478 | 230,843 |
| Interest | 621 | 3,932 |
| Allowance for Doubtful Accounts | <u>(462,909)</u> | <u>(344,456)</u> |
| Total | <u>\$ 5,372,748</u> | <u>\$ 3,500,418</u> |

The change in the valuation allowance is as follows:

| | <u>2012</u> | <u>2011</u> |
|----------------------|-------------------|-------------------|
| Beginning Balance | \$ 344,456 | \$ 593,045 |
| Provision (Recovery) | 113,253 | (212,188) |
| Charge Offs | <u>5,200</u> | <u>(36,401)</u> |
| Ending Balance | <u>\$ 462,909</u> | <u>\$ 344,456</u> |

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation follows:

| | <u>2012</u> | <u>2011</u> | <u>Asset Lives</u> |
|--------------------------------|----------------------|----------------------|--------------------|
| Land and Buildings | \$ 20,622,183 | \$ 17,697,543 | 5-40 Years |
| Furniture and Equipment | 3,596,830 | 3,009,965 | 3-10 Years |
| Construction in Progress | <u>1,800</u> | <u>1,305,571</u> | N/A |
| Total | 24,220,813 | 22,013,079 | |
| Less: Accumulated Depreciation | <u>(7,317,699)</u> | <u>(6,568,967)</u> | |
| Property and Equipment, Net | <u>\$ 16,903,114</u> | <u>\$ 15,444,112</u> | |

The depreciation expense for the years ended June 30, 2012 and 2011, was \$748,733 and \$661,923, respectively.

NOTE 7 - NOTES PAYABLE

The Center's notes payable at June 30, 2012 and 2011 total \$570,602 and \$339,653, respectively. Notes payable consist of the following:

The Center maintains an unsecured line of credit with a local financial institution in the amount of \$1,000,000 with variable interest rate. The line is available until February 20, 2014. Advances on the line are payable upon demand. If there is no demand, the balance is not payable until termination of the line on February 20, 2014. Interest is to be paid monthly at the current index rate. This rate at June 30, 2012 and 2011 was 4.00%. No funds were borrowed from this line of credit during the years ended June 30, 2012 and 2011.

A grant note payable of \$70,000 with the State of Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) dated August 10, 2005 consists of a promissory note with a fifteen year term and 0% stated interest rate. According to the terms of the note payable agreement, TDMHDD will forgive the note payable at the end of the note term if all conditions are fulfilled in association with the operation of the Supportive Housing Program (SHP) apartments (New Hope Apartments) located at 204 E. Fourth Avenue. All funds advanced are to be used for the purchase and rehabilitation of the property. The property is to be maintained as a residence for Tennessee low-income adult mental health consumers who have received treatment for psychiatric illness. In the event of default, TDMHDD shall be entitled to immediate demand payment of all amounts due under the grant note payable.

On March 27, 2009, the Center was approved for a Tennessee Housing Development Agency loan of \$449,422. Proceeds from the loan are being used to pay for part of the costs to construct rental apartments; \$89,884 was forgiven in 2012 and 2011. The loan is interest free and will be forgiven at the rate of 20% per year after occupancy, as long as the property continues to provide housing to very low income, special needs persons.

The Center purchased property in Morristown, Tennessee in August 2011 with \$550,000 of the purchase price financed through an interest-free note payable to the seller. Principal payments of \$22,917 will be due monthly until the maturity date of August 18, 2013.

Annual principal maturities of long-term debt for the year ending June 30, 2012:

| | |
|---------------------|-------------------|
| 2013 | \$ 364,884 |
| 2014 | 135,718 |
| 2015 and thereafter | <u>70,000</u> |
| Total | <u>\$ 570,602</u> |

NOTE 8 - RETIREMENT PLAN

The Center has a defined contribution retirement plan (the Plan), made available by Internal Revenue Code Section 403(b). The trustee and investment custodian of the Plan is the Trust Company of Knoxville. The Plan is open to all employees who are employed at least 1,000 hours per calendar year. An employee may elect to contribute up to the IRS maximum allowable of their annual salary. After one year of service, the Center contributes 1.25% of compensation in the second year of service which increases up to a maximum of 10%. During the year ended June 30, 2012 and 2011, the Center contributed \$702,716 and \$622,847, respectively to the Plan on behalf of eligible participants. Employees are 100% vested upon entry into the Plan.

NOTE 9 - DEFERRED COMPENSATION PLANS

The Center has a nonqualified deferred compensation plan under Internal Revenue Code Section 457 for certain key employees. The Plan will set aside an amount equal to 7% of the employees' annual salary. The participating employees are 100% vested after 10 years. Upon vesting, the participant will receive a lump sum payment net of taxes. During the years ended June 30, 2012 and 2011, the Center contributed approximately \$75,101 and \$70,879, respectively to the Plan on behalf of eligible participants.

NOTE 10 - RELATED PARTY TRANSACTIONS

The Helen Ross McNabb Mental Health Foundation is a private foundation organized to support the activities, facilities and programs of the Helen Ross McNabb Center. The Foundation has agreed to reimburse the Center for certain capital projects and for its administrative and other operational costs incurred, which have been paid on behalf of the Foundation by the Center. The balance due the Center from the Foundation at June 30, 2012 and 2011 was \$695,795 and \$914,886, respectively. Amounts paid to the Center from the Foundation during the years ended June 30, 2012 and 2011, were \$668,258 and \$2,431,113, respectively. See Note 11 for summarized financial data of the Foundation.

The development office of the Helen Ross McNabb Center provides services to the Foundation for management, facilities and equipment and certain supplies. The Foundation has paid the Center for these services in the amounts of \$320,782 for 2012 and \$307,413 for 2011.

In 2012, the Helen Ross McNabb Center completed an equity transfer to the Foundation in the amount of \$500,000 (\$0 in 2011). The equity transfer has been recorded in the Statement of Activities.

Prior to the current period, the Center formed and is the sole member of McNabb Center, LLC. McNabb Center, LLC is an active entity but has had no financial activities in 2012 or 2011.

NOTE 11 – HELEN ROSS MCNABB MENTAL HEALTH FOUNDATION – SUMMARIZED FINANCIAL DATA

The Center holds an interest in a closely related affiliate nonprofit entity, Helen Ross McNabb Mental Health Foundation, Inc. (see Note 1). The financial position of the Foundation as of June 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|----------------------------------|---------------|---------------|
| Assets: | | |
| Cash and Cash Equivalents | \$ 1,308,888 | \$ 1,977,182 |
| Investments | 10,625,481 | 8,581,739 |
| Pledges Receivable, Net | 1,110,715 | 1,276,652 |
| Total Assets | \$ 13,045,084 | \$ 11,835,573 |
| Liabilities and Net Assets: | | |
| Current Liabilities | \$ 28,072 | \$ 27,535 |
| Payable to Center | 695,795 | 914,886 |
| Total Liabilities | 723,867 | 942,421 |
| Net Assets | 12,321,217 | 10,893,152 |
| Total Liabilities and Net Assets | \$ 13,045,084 | \$ 11,835,573 |

**NOTE 11 - HELEN ROSS MCNABB MENTAL HEALTH FOUNDATION – SUMMARIZED FINANCIAL DATA
(Continued)**

The results of operations for the years ended June 30, 2012 and 2011 of the Foundation were as follows:

| | <u>2012</u> | <u>2011</u> |
|---------------------------------------|----------------------|----------------------|
| Revenues: | | |
| Contributions, Net | \$ 957,302 | \$ 2,233,063 |
| Investment Income (Loss) | 513,459 | 258,405 |
| Unrealized Gain (Loss) on Investments | (165,507) | 672,725 |
| Other Income | <u>734,939</u> | <u>504,455</u> |
| Total Revenues | <u>2,040,193</u> | <u>3,668,648</u> |
| Expenses: | | |
| Program Services | 371,994 | 2,154,671 |
| Administrative and General | 59,817 | 41,578 |
| Fund Raising | <u>680,317</u> | <u>625,120</u> |
| Total Expenses | <u>1,112,128</u> | <u>2,821,369</u> |
| Change in Net Assets | 928,065 | 847,279 |
| Net Assets, Beginning of Year | 10,893,152 | 10,045,873 |
| Equity Transfer from Center | <u>500,000</u> | <u>0</u> |
| Net Assets, End of Year | <u>\$ 12,321,217</u> | <u>\$ 10,893,152</u> |

NOTE 12 - SUBSEQUENT EVENTS

The Center entered into an agreement with the State of Tennessee to lease a facility at the former Lakeshore Mental Health Institute for the cost of \$1 per year with the purpose of housing twelve clients. Renovations required to upgrade the leased facility will be reimbursed by the State at a cost not to exceed approximately \$500,000. The rental agreement will commence on the earlier of the date that the facility is delivered to the Center for occupancy or December 31, 2012, and will expire on June 30, 2016 with additional one year renewal terms.

SUPPLEMENTARY SECTION

**HELEN ROSS MCNABB CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Period Ended June 30, 2012**

| Grantor or Pass-Through Grantor | Program Name/ Contract # | CFDA # | Grant # | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|--|-------------------------------------|--------|--------------------|-------------------------------|---------------|--------------|------------------------|-------------------------------|
| INDIRECT FEDERAL ASSISTANCE U.S. Department of Agriculture Through TN Department of Agriculture | Food Stamps | 10.551 | N/A | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | Food Stamps | 10.551 | N/A | 0 | 27,517 | 27,517 | 0 | 0 |
| Through TN Department of Education | School Breakfast Program | 10.553 | N/A | 1,366 | 1,366 | 0 | 0 | 0 |
| | School Breakfast Program | 10.553 | N/A | 0 | 8,455 | 8,961 | 0 | 1,507 |
| | School Lunch Program | 10.555 | N/A | 2,170 | 2,170 | 0 | 0 | 0 |
| | School Lunch Program | 10.555 | N/A | 0 | 12,703 | 14,980 | 0 | 2,277 |
| Through TN Department of Education | School Lunch Program | 10.555 | N/A | 2,170 | 14,873 | 14,980 | 0 | 2,277 |
| | School Lunch Program | 10.555 | N/A | 0 | 2,353 | 2,974 | 0 | 621 |
| DIRECT FEDERAL ASSISTANCE U.S. Dept. of Housing & Urban Development | Supportive Housing Program | 14.181 | TN 36B4J020602 | 27,892 | 27,892 | 0 | 0 | 0 |
| | Supportive Housing Program | 14.181 | TN 36B4J021003 | 0 | 52,479 | 52,479 | 0 | 0 |
| INDIRECT FEDERAL ASSISTANCE U.S. Department of Education Through the TN Alliance for Children & Families | Title 1 | 84.010 | N/A | 3,798 | 5,770 | 0 | 1,972 | 0 |
| | Title 1 | 84.010 | N/A | 0 | 15,350 | 32,712 | 0 | 17,362 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | K-Town | 93.104 | GR 10 30617 | 41,071 | 41,071 | 0 | 0 | 0 |
| | K-Town | 93.104 | GR 12 36414 | 0 | 278,863 | 389,029 | 0 | 90,166 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | P.A.T.H. Program | 93.150 | GR 11 32315 | 8,053 | 8,053 | 0 | 0 | 0 |
| | P.A.T.H. Program | 93.150 | GR 12 35988 | 0 | 99,690 | 99,690 | 0 | 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | My Health My Choice My Life | 93.243 | GR 12 37676 | 8,053 | 107,713 | 99,690 | 0 | 0 |
| | Peer Support | 93.243 | GR 12 36098 | 0 | 19,279 | 30,684 | 0 | 11,405 |
| U.S. Department of Health and Human Services Through East TN Human Resource Agency | SAMHSA | 93.243 | OR13717 001.01 | 79,380 | 79,380 | 0 | 0 | 0 |
| | SAMHSA | 93.243 | OR13717 001.01 | 0 | 175,376 | 243,230 | 0 | 67,854 |
| U.S. Department of Health and Human Services Through the University of Tennessee | SAMHSA - E-Therapy | 93.243 | OR A10 0143 001.01 | 45,284 | 45,284 | 0 | 0 | 0 |
| | SAMHSA - E-Therapy | 93.243 | OR A10 0143 001.01 | 0 | 99,827 | 149,252 | 0 | 49,425 |
| U.S. Department of Health and Human Services Through East TN Human Resource Agency | SAMHSA - Health IT | 93.243 | A12-03568 S001 | 0 | 39,409 | 78,709 | 0 | 39,300 |
| | Ryan White Minority AIDS Initiative | 93.917 | N/A | 187 | 187 | 0 | 0 | 0 |
| U.S. Department of Health and Human Services Through East TN Human Resource Agency | HIV / AIDS Prevention | 93.940 | N/A | 20,378 | 20,378 | 0 | 0 | 0 |
| | HIV / AIDS Prevention | 93.940 | N/A | 0 | 74,241 | 91,761 | 0 | 17,520 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Independent Living | 93.958 | GR 11 32051 | 823 | 823 | 0 | 0 | 0 |
| | Independent Living | 93.958 | GR 12 35987 | 0 | 10,500 | 10,500 | 0 | 0 |

See Independent Auditor's Report.

**HELEN ROSS MCNABB CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Period Ended June 30, 2012**

| Grantor or Pass-Through Grantor | Program Name/ Contract # | CFDA # | Grant # | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|---|--|------------------|-------------------------------|-------------------------------|----------------------------|--------------------|------------------------|-------------------------------|
| INDIRECT FEDERAL ASSISTANCE (Continued) U.S. Department of Health and Human Services Through TN Department of Mental Health | Targeted Transitional Support | 96.958 | GR 11 33030 | 3,474 0 | 3,474 0 | 0 0 | 0 0 | 0 0 |
| | Sisters Daycare Sisters Daycare | 93.959 93.959 | GR 11 33390 GR 12 35910 | 3,474 35,205 0 | 3,474 35,205 187,385 | 0 220,000 0 | 0 0 0 | 0 32,615 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Women's IOP Women's IOP | 93.959 93.959 | GR 11 33390 GR 12 35910 | 8,712 0 | 8,712 62,922 | 0 69,818 | 0 0 | 0 6,896 |
| | Adol. Residential Adol. Residential | 93.959 93.959 | GR 11 32809 GR 12 35875 | 8,712 0 | 71,834 472,500 | 69,818 472,500 | 0 0 | 6,896 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Adol. Day Treatment Adol. Day Treatment | 93.959 93.959 | GR 11 32809 GR 12 35875 | 0 0 | 128,260 128,280 | 128,260 128,280 | 0 0 | 0 0 |
| | Aids Outreach Aids Outreach | 93.959 93.959 | GR 11 32773 GR 12 35817 | 41,489 0 | 41,489 148,441 | 0 205,766 | 0 0 | 0 57,325 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Women's Wraparound Women's Wraparound | 93.959 93.959 | GR 11 33390 GR 12 35910 | 9,516 0 | 9,252 77,084 | 0 82,449 | (264) (264) | 0 5,365 |
| | A&D Continuum A&D Continuum | 93.959 93.959 | GR 11 33260/81 GR 12 35732 | 55,244 0 | 55,244 792,368 | 0 840,482 | 0 0 | 0 48,114 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Medically Monitored Crisis Detox Medically Monitored Crisis Detox | 93.959 93.959 | GR 11 32914 GR 12 35733 | 0 0 | 391,570 391,570 | 447,310 447,310 | 0 0 | 0 55,740 |
| | TN Prevention - Indicated Serv (TRACS) TN Prevention - Indicated Serv (TRACS) | 93.959 93.959 | GR 11 32994 GR 12 36170 | 26,835 0 | 26,835 162,473 | 0 188,407 | 0 0 | 0 25,934 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | TN Prevention - Selective Serv (Life Skills) TN Prevention - Selective Serv (Life Skills) | 93.959 93.959 | GR 11 32993 GR 12 36169 | 48,280 0 | 48,280 146,319 | 0 188,407 | 0 0 | 0 40,088 |
| | Criminal Justice Criminal Justice | 93.959 93.959 | GR 11 33218 GR 12 36586 | 0 0 | 48,880 48,880 | 79,308 79,308 | 0 0 | 0 30,428 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Family Support Services (Healthy Families) Family Support Services (Healthy Families) | 93.994 93.994 | GR 11 33000 GR 12 35941 | 0 0 | 80,900 80,900 | 80,900 80,900 | 0 0 | 0 0 |
| | BOPP BOPP | N/A N/A | 64920110121 64920110121 | 960 0 | 960 6,597 | 0 7,149 | 0 0 | 0 552 |
| U.S. Board of Probation & Parole U.S. Board of Probation & Parole | | | | 960 0 | 7,558 | 7,149 | 0 | 552 |
| Total | | | | \$ 458,097 | \$ 4,084,499 | \$ 4,225,187 | \$ 1,708 | \$ 600,493 |

See Independent Auditor's Report.

HELEN ROSS MCNABB CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Year Ended June 30, 2012

| Grantor or Pass-Through Grantor | Program Name / Contract Number | CFDA Number | Contract/Program Number | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures | Adjustments/Transfers | Receivable (Deferral) 6/30/12 |
|--|--------------------------------|-------------|-------------------------|-------------------------------|------------------|------------------|-----------------------|-------------------------------|
| STATE ASSISTANCE PROGRAMS TN Dept. of Children's Services | Innerechange (Knox Co.) | N/A | GG 11 33090 | \$ 85,179 | \$ 85,179 | \$ 0 | \$ 0 | \$ 0 |
| | Innerechange (Knox Co.) | N/A | GG 12 35392 | 0 | 132,379 | 182,948 | 0 | 50,569 |
| | | | | <u>85,179</u> | <u>217,558</u> | <u>182,948</u> | <u>0</u> | <u>50,569</u> |
| TN Dept. of Children's Services | Juvenile Court Blount Co. | N/A | GG 11 33092 | 35,996 | 35,996 | 0 | 0 | 0 |
| | Juvenile Court Blount Co. | N/A | GG 12 35261 | 0 | 82,816 | 98,668 | 0 | 15,852 |
| | | | | <u>35,996</u> | <u>118,812</u> | <u>98,668</u> | <u>0</u> | <u>15,852</u> |
| TN Dept. of Children's Services | Mountainview - Health | N/A | FA 11 32402 | 82,522 | 82,522 | 0 | 0 | 0 |
| | Mountainview - Health | NA | | 363,626 | 483,178 | 483,178 | 0 | 119,551 |
| | | | | <u>82,522</u> | <u>446,148</u> | <u>483,178</u> | <u>0</u> | <u>119,551</u> |
| TN Dept. of Children's Services | CIS Homebase | N/A | GR 11 32253 | 76,133 | 76,133 | 0 | 0 | 0 |
| | CIS Homebase | N/A | GR 12 35393 | 0 | 218,158 | 266,782 | 0 | 48,624 |
| | | | | <u>76,133</u> | <u>294,291</u> | <u>266,782</u> | <u>0</u> | <u>48,624</u> |
| TN Dept. of Children's Services | EXIT | N/A | GR 09 25647 02 | 34,310 | 34,310 | 0 | 0 | 0 |
| | EXIT | N/A | GR 09 25647 03 | 0 | 240,468 | 294,779 | 0 | 54,311 |
| | | | | <u>34,310</u> | <u>274,778</u> | <u>294,779</u> | <u>0</u> | <u>54,311</u> |
| TN Dept. of Children's Services | Adolescent Residential | N/A | SPED11008 | 4,400 | 4,400 | 0 | 0 | 0 |
| | Adolescent Residential | N/A | SPED12008 | 0 | 3,600 | 3,600 | 0 | 0 |
| | | | | <u>4,400</u> | <u>2,000</u> | <u>2,000</u> | <u>0</u> | <u>0</u> |
| TN Dept. of Children's Services | Traces Level I | N/A | PFC000054 | 81,378 | 78,456 | 0 | 0 | 2,922 |
| | Traces Level I | N/A | PBC000014 | 0 | 815,433 | 884,636 | 0 | 69,202 |
| | Traces Level II | N/A | P2C000047 | 98,880 | 98,784 | 0 | 0 | 96 |
| | Traces Level III | N/A | PBC000014 | 0 | 890,592 | 989,472 | 0 | 98,880 |
| | A&D Level 3 Residential | N/A | P3N000016 | 337,800 | 300,200 | 0 | 0 | 37,600 |
| | A&D Level 3 Residential | N/A | PBC000014 | 0 | 2,521,400 | 2,965,800 | 0 | 444,400 |
| | Local Education Funding | N/A | PBC000014 | 0 | 0 | 69,798 | 0 | 69,798 |
| | | | | <u>518,058</u> | <u>4,704,865</u> | <u>4,909,706</u> | <u>0</u> | <u>722,898</u> |
| | Alcohol and Drug Treatment | N/A | DP 11 31047 | 1,260 | 1,260 | 0 | 0 | 0 |
| | Alcohol and Drug Treatment | N/A | Edison ID: 25728 | 0 | 160,991 | 177,585 | 0 | 16,594 |
| | | | | <u>1,260</u> | <u>162,251</u> | <u>177,585</u> | <u>0</u> | <u>16,594</u> |
| | TN Dept. of Mental Health | SPOT | N/A | Edison ID: 26099 | 0 | 0 | 0 | 0 |

HELEN ROSS McNABB CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Year Ended June 30, 2012

| Grantor Agency | Program Name | CFDA Number | Contract/ Program Number | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures/ Amounts Earned | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|---------------------------|--|-------------|--------------------------|-------------------------------|----------------|------------------------------|------------------------|-------------------------------|
| TN Dept. of Mental Health | Board of Probation and Parole | N/A | DP 11 33018 | 2,155 | 2,155 | 0 | 0 | 0 |
| | | N/A | Edison ID: 26098 | 0 | 39,689 | 42,373 | 0 | 2,684 |
| | | | | <u>2,155</u> | <u>41,844</u> | <u>42,373</u> | <u>0</u> | <u>2,684</u> |
| TN Dept. of Mental Health | Forensics & Juvenile Evaluations P.A.T.H. Drop In Center (Peer Support) C&Y Homeless Regional Intervention (RIP/PACT) Criminal Justice A & D Continuum | N/A | GR 11 31829 | 4,800 | 3,900 | 0 | (900) | 0 |
| | | N/A | GR 11 32315 | 19,589 | 19,589 | 0 | 0 | 0 |
| | | N/A | GR 11 32372 | 0 | 0 | 0 | 0 | 0 |
| | | N/A | GR 11 32303 | 5,865 | 5,865 | 0 | 0 | 0 |
| | | N/A | GR 11 31927 | 8,570 | 8,570 | 0 | 0 | 0 |
| | | N/A | GR 11 33218 | 4,094 | 4,094 | 0 | 0 | 0 |
| | | N/A | GR11 33260/61 | 0 | 0 | 0 | 0 | 0 |
| TN Dept. of Mental Health | Forensics & Juvenile Evaluations P.A.T.H. Drop In Center (Peer Support) C&Y Homeless Regional Intervention (RIP/PACT) Criminal Justice A & D Continuum | N/A | GR 12 34538 | 0 | 35,150 | 43,200 | 0 | 8,050 |
| | | N/A | GR 12 35988 | 0 | 2,074 | 35,241 | 0 | 33,167 |
| | | N/A | GR 12 36088 | 0 | 108,420 | 109,420 | 0 | 0 |
| | | N/A | GR 12 36059 | 0 | 26,055 | 37,006 | 0 | 10,951 |
| | | N/A | GR 12 35730 | 0 | 92,971 | 109,947 | 0 | 16,976 |
| | | N/A | GR 12 36586 | 0 | 20,000 | 20,000 | 0 | 0 |
| | | N/A | GR 12 35732 | 0 | 362,069 | 362,069 | 0 | 0 |
| | | | <u>42,918</u> | <u>709,757</u> | <u>736,883</u> | <u>(900)</u> | <u>69,144</u> | |

HELEN ROSS McNABB CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Year Ended June 30, 2012

| Grantor Agency | Program Name | CFDA Number | Contract/ Program Number | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures/ Amounts Earned | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|---|---|-------------|-----------------------------|-------------------------------|---------------|------------------------------|------------------------|-------------------------------|
| TN Dept. of Mental Health | Adult Mobile Crisis Services | N/A | GR 12 37769 | 0 | 95,918 | 125,918 | 0 | 30,000 |
| TN Dept. of Mental Health | Inpatient Targeted Transitional Support | N/A | GR 12 35989 | 0 | 38,037 | 38,500 | 0 | 463 |
| TN Dept. of Mental Health | Intensive Long-Term Support | N/A | N/A | 0 | 0 | 30,091 | 0 | 30,091 |
| TN Dept. of Mental Health | Gambling Addiction | N/A | GR 11 31816 | 9,000 | 9,000 | 0 | 0 | 0 |
| | Gambling Addiction | N/A | GR 12 36177 | 0 | 50,650 | 60,000 | 0 | 9,350 |
| | | | | 9,000 | 59,650 | 60,000 | 0 | 9,350 |
| TN Dept. of Intellectual and Developmental Disabilities | MR Dual Diagnosis - Psychopharmacology | N/A | N/A | 10,947 | 10,947 | 0 | 0 | 0 |
| | MR Dual Diagnosis - Psychopharmacology | N/A | GR 12 37709 | 0 | 138,065 | 138,800 | 0 | 735 |
| | | | | 10,947 | 149,012 | 138,800 | 0 | 735 |
| TN Dept. of Mental Health | Safety Net | N/A | GR 11 31326 | 40,577 | 40,577 | 0 | 0 | 0 |
| | Safety Net | N/A | GR 12 35795 | 0 | 381,141 | 482,034 | 0 | 100,893 |
| | Crisis Stabilization Unit | N/A | GR 11 32735 | 217,837 | 217,837 | 0 | 0 | 0 |
| | Crisis Stabilization Unit | N/A | GR 12 35371 | 0 | 929,862 | 1,115,658 | 0 | 185,976 |
| | | | | 258,415 | 1,569,437 | 1,597,892 | 0 | 286,869 |
| TN Dept. of Health | Healthy Start Program | N/A | GR 11 33000 | 170,630 | 170,630 | 0 | 0 | 0 |
| | | | GR 12 35941 | 0 | 534,361 | 680,189 | 0 | 145,828 |
| | | | | 170,630 | 704,991 | 680,189 | 0 | 145,828 |
| TN Dept. of Health | Morgan County HIV Testing | N/A | GR 12 37419 | 0 | 24,860 | 33,706 | 0 | 8,826 |
| TOTAL STATE ASSISTANCE PROGRAMS | | | | 1,331,923 | 9,622,232 | 9,903,598 | (900) | 1,612,389 |
| TOTAL FEDERAL AND STATE ASSISTANCE PROGRAMS | | | | \$ 1,790,019 | \$ 13,706,730 | \$ 14,128,785 | \$ 808 | \$ 2,212,882 |

INTERNAL CONTROL AND COMPLIANCE SECTION

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

Board of Directors
Helen Ross McNabb Center, Inc.
Knoxville, Tennessee

We have audited the financial statements of Helen Ross McNabb Center, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2012 and have issued our report thereon dated October 22, 2012. 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.

Internal Control Over Financial Reporting

Management of Helen Ross McNabb Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Helen Ross McNabb Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Helen Ross McNabb Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 22, 2012

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Helen Ross McNabb Center, Inc.
Knoxville, Tennessee

Compliance

We have audited Helen Ross McNabb Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2012. Helen Ross McNabb Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Helen Ross McNabb Center, Inc.'s management. Our responsibility is to express an opinion on Helen Ross McNabb Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Helen Ross McNabb Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Helen Ross McNabb Center, Inc.'s compliance with those requirements.

In our opinion, Helen Ross McNabb Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.



Internal Control Over Compliance

Management of Helen Ross McNabb Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Helen Ross McNabb Center, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Helen Ross McNabb Center, Inc.'s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Helen Ross McNabb Center, Inc.'s internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 22, 2012

HELEN ROSS McNABB CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X None
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major programs:

| | |
|-----------------------|---|
| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 93.959 | Block Grant for Prevention and Treatment of Substance Abuse |

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Findings

No matters are being reported.

Section III - Federal Award Findings and Questioned Costs

No matters are being reported.

HELEN ROSS MCNABB CENTER, INC.
Board of Directors
2013-2014

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Mr. Charles (Chip) Finn, Secretary
Kramer Rayson, et al
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2011-2014-2017

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2011-2014-2017

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2008-2011-2014

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2008-2011-2014



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|---|
| Offer Name: | Children and Youth Integrated Services Treatment (IST) |
| Lead Agency: | Fortwood, a service provider of Helen Ross McNabb Center, Inc. |
| Collaborating City Department(s): | none |
| Contact Name: | Gayle Lodato |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$38,000 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Fortwood offers outpatient mental health services for children and adolescents through our Children and Youth Integrated Service Team (IST), which uses a multi-disciplinary approach to serve and treat individuals diagnosed with severe mental illness. Our program works to ensure the safety, health, and well-being of Chattanooga residents by making comprehensive mental health treatment available to anyone seeking mental health treatment, including those who are underinsured or uninsured, through the following services offered to clients:

- Comprehensive psychiatric evaluations, psychosocial assessments, illness education and management, anger management classes, crisis intervention, and case management services.
- Outpatient therapy based on individualized treatment plans.
- Referrals/linkage with other service providers based upon their treatment progression and needs.
- Access to professional staff ready to advocate on their behalf as needed based on individual cases.

This innovative model of treatment provides wraparound services in order to address all facets of each client’s situation and provide appropriate case management and referrals to facilitate mental health recovery and encourage positive outcomes for children and youth.



City of Chattanooga

FY15 Offers

Children and adolescents who suffer from mental illness are at-risk for other serious, co-occurring problems, including substance abuse, physical illness, truancy, juvenile delinquency and homelessness. One in four persons will need mental health treatment in any single year; unfortunately, there are significant barriers to mental health treatment for those without insurance or financial resources, and in 2012, 58.2% of Tennesseans with severe mental illness went untreated (SAMHSA Behavioral Health Barometer). With 9.2% of Tennesseans uninsured (University of Tennessee, 2012), and 18.4% of families in Chattanooga living below the poverty level (U.S. Census), many are unable to access the mental health care they need. Fortwood's IST services help bridge this gap by making high-quality mental health services available and accessible to Chattanooga residents who would otherwise be unable to pay for much-needed mental health treatment.

Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the City
 - Through the treatment of mental illness and co-occurring disorders, there will be a reduction in crimes related to mental health decompensation, substance abuse, truancy, and juvenile delinquency
2. Reduce incidents of juvenile crime
 - Through the treatment of youth & adolescents with mental illness and co-occurring disorders, there will be a reduction in incidents of juvenile crime related to mental health decompensation, substance abuse, truancy, and juvenile delinquency

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---|---|-----------------|---------------|------------------|
| Children and Adolescent Outpatient Services | \$931,803 | \$349,994 | \$38,000 | 16.14 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|-----------------------------------|-------------|
| TennCare billing | \$1,191,833 |
| United Way of Greater Chattanooga | \$34,264 |
| Fee for Services | \$17,500 |

PERFORMANCE DATA

Measurement 1:

90% of clients have access to begin therapy services within 10 business days of their request.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.



City of Chattanooga

FY15 Offers

Measurement 2:

90% of clients will show improved functioning in their daily activities by maintaining or improving their score on the DLA-20 measure.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Measurement 3:

90% of clients will show progress towards goals and improvement in their diagnosed symptoms/functioning as indicated by improved scores on the Beck Inventories measure.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Return on Investment:

The **Children and Youth IST** program currently serves the citizens of Chattanooga by offering a strong program to combat mental illness through holistic care. Untreated mental illness places a strain on individuals, their families, and the community at large. Children and adolescents affected by untreated mental illness are at a higher risk for criminal activity, substance abuse, and homelessness. By delivering this crucial service to children and adolescents in Chattanooga, IST programming creates a safer, more productive city by providing effective treatment options.

- In addition to City of Chattanooga funding, the IST program is leveraged with billing to TennCare and also receives funding from the United Way of Greater Chattanooga.
- Providing access to IST services for Chattanooga's mentally ill children and youth relieves the burden on several domains of city expenses. Community costs related to untreated mental health issues in children and adolescents include costly placements in residential facilities, psychiatric hospitals, juvenile detention centers and State custody. Cost estimates range from \$30,000 annually for a child in DCS custody to \$1,900 per day in inpatient care. ***By providing IST treatment services, specifically to those without insurance, our program facilitates recovery from mental illness and co-occurring disorders to prevent placement in these costly settings, alleviating costs to our community.***
- Funding for the IST is partially sustained by TennCare billing for services provided; however, without City funding, the program will have difficulty serving Chattanooga children and adolescents who are uninsured or underinsured and otherwise unable to access treatment services. We constantly seek out new grants and funding opportunities to address unmet needs related to early childhood intervention and treatment for mental and behavioral health issues.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|---|
| Offer Name: | Project BASIC |
| Lead Agency: | Fortwood, a service provider of Helen Ross McNabb Center, Inc. |
| Collaborating City Department(s): | None; program partners with Hamilton County Schools at Calvin Donaldson Elementary School in Chattanooga |
| Contact Name: | Gayle Lodato |
| Primary Results Area: | Smarter Students, Stronger Families |
| Offer Cost (Funding Request): | \$15,000 |

RESULTS AREAS

- Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
- Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
- Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

As an in-school, early intervention service, Project BASIC provides mental and behavioral health screening and treatment to children grades K-3 at Calvin Donaldson Elementary School. Our program works closely with teachers, parents, and school officials to efficiently coordinate services to address mental and behavioral health needs. By funding Project BASIC, the City will support its Smarter Students, Stronger Families result area so that Chattanooga’s students have a greater chance at school achievement and receive the treatment that they require.

- Students will receive mental health education, early identification, intervention, teacher consultation, and school climate enhancement.
- Students will be linked with primary mental health service providers, have access to advocates, crisis intervention and case management.

Project BASIC program services identify problematic issues in children in order to prevent negative outcomes later in life. Studies conducted in 2009 indicated that only 50% of young people with serious mental health challenges ages 18-25 were employed, compared to 66% of their peers without mental illness; in addition, only 53% of young adults with serious mental health challenges were enrolled in post-secondary education, compared to 67% of otherwise healthy young adults (SAMHSA, Data on Children’s Mental Health and



City of Chattanooga

FY15 Offers

Trauma). This disparity highlights the critical importance of diagnosing and treating mental illness early on to avoid setbacks and further stressors in the child’s future. By providing this valuable service to Chattanooga’s students, we make a difference early in the lives of these children to encourage their success in the future.

Identify Which Desired Outcomes This Offer Impacts:

1. More kids graduating high school college and career ready
 - By identifying, diagnosing, and treating mental and behavioral health issues early on, students will have a greater rate of educational success
2. Fewer kids dropping out of school
 - By identifying, diagnosing, and treating mental and behavioral health issues early on, students will have a greater rate of educational success
3. More parental involvement
 - By working closely with parents and caregivers during the screening and treatment process, parents will be more involved and engaged in their children’s school achievement and mental/behavioral health.

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---------------|---|-----------------|---------------|------------------|
| Project BASIC | \$44,200 | \$56,090 | \$15,000 | 1 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: (Please list other revenues associated with the specific program for which funding is requested)

| Name | Amount |
|-----------------------------------|----------|
| Tennessee Department of Education | \$40,016 |
| | |
| | |

PERFORMANCE DATA

Measurement 1:

90% of clients are seen within 2 school days.

Historical Comparison Data? Helen Ross McNabb Center (HRMC) operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.



City of Chattanooga

FY15 Offers

Measurement 2:

90% of participants will increase coping skills as evidenced by decrease in discipline reports.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Measurement 3:

Project BASIC will provide 3 mental health curriculum presentations per quarter.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Return on Investment:

Providing comprehensive screening, education, and treatment for mental illness and behavioral problems in children is vital to the well-being of the Chattanooga community. Without this service, both educators and parents will encounter further strains and stressors that may prevent them from efficiently and effectively engaging their children who go undiagnosed or untreated for mental and behavioral issues. By removing this burden and providing diagnosis, treatment, crisis intervention, and referrals to community resources, Project BASIC will empower students to function normally, learn at an appropriate rate, and prepare for a productive adult life.

- Project BASIC funding from the City of Chattanooga is leveraged with funding from the Tennessee Department of Education.
- By engaging in a critical community partnership with the school system, Project BASIC will aim to remove the costly and inefficient use of resources placed upon teachers by children with undiagnosed mental or behavioral health disorders. Should children go without treatment early in their school careers, they become more at-risk for truancy and juvenile delinquency later on in life. ***By providing early intervention and treatment through Project BASIC, many of the community costs to the law enforcement and court system due to juvenile delinquency and truancy can be averted.***
- The program has an existing partnership with Calvin Donaldson Elementary School, and receives funds from the Tennessee Department of Education; however, funding from the City of Chattanooga will demonstrate the importance that such a service holds for the community. Our agency constantly seeks out new grants and funding opportunities to address unmet needs related to early childhood intervention and treatment for mental and behavioral illness.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|--|
| Offer Name: | Mitchell Home |
| Lead Agency: | Fortwood, a service provider of Helen Ross McNabb Center, Inc. |
| Collaborating City Department(s): | Chattanooga Housing Authority; Chattanooga Department of Human Services |
| Contact Name: | Gayle Lodato |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$52,000 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Mitchell Home provides supportive housing to adults with a mental health diagnosis who are homeless. Mitchell Home meets a critical community need by providing permanent housing with on-site supportive services so that residents return into productivity and self-sufficiency in the community. These services include 24/7 staff supervision, medication supervision, assistance with scheduling appointments and arranging transportation, assistance with daily living skills, daily group sessions, and weekly outings with other residents. Residents are also encouraged to participate in Vocational Rehabilitation, Psychosocial Rehabilitation, and explore employment options in order to improve their financial situation and increase their self-sufficiency.

Approximately 25% of homeless persons suffer from severe mental illness; unfortunately, many homeless individuals who are suffering from mental illness cannot acquire housing due to a lack of treatment, history of evictions, unpaid utility bills, a criminal record, or lack of income. Mitchell Home makes an impact in the community by targeting this specific population and providing them with the housing and supportive services needed to end homelessness, further mental health recovery, and contribute positively to the community.



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FY15 Offers

Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the City
 - Mitchell Home’s supportive housing reduces the number of homeless persons living on the streets
 - Supportive services are provided to prevent further homelessness and criminal activity related to mental health and co-occurring disorders including substance abuse.
2. Reduce violent crimes
 - Through supportive services which promote treatment for mental health and co-occurring disorders (such as substance abuse), there will be a reduction in crimes that often occur when mental illness and substance abuser are left untreated and basic needs are not met.

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---------------|---|-----------------|---------------|------------------|
| Mitchell Home | \$183,643 | \$94,898 | \$52,000 | 4.08 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|----------------------|-----------|
| Vouchers | \$192,301 |
| Fee for Services | \$30,240 |
| Other Program Income | \$4,000 |

PERFORMANCE DATA

Measurement 1:

100% of empty beds in Mitchell Home will be filled within 5 days of vacancy.

Historical Comparison Data? Helen Ross McNabb Center (HRMC) operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Measurement 2:

35 clients will be provided with residential housing and treatment annually.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to



City of Chattanooga

FY15 Offers

provide this data to the City of Chattanooga once it has been collected.

Measurement 3:

90% of Mitchell Home clients will remain free of major mental illness events after they leave supportive housing services, as indicated by decreased need for hospitalization.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Return on Investment:

The Mitchell Home offer is vital to the city's budget strategy to provide community outreach to at-risk constituencies, specifically homeless, mentally ill adults. Homelessness continues to be a problem in Chattanooga; nearly 400 people are classified as homeless in the City at any point in the year, according to the 2012 Blueprint Analysis report. Citizens of Chattanooga will benefit from providing these individuals with the tools to engage in treatment in a supportive, safe environment to return to self-sufficiency and stability.

Persons struggling with homelessness and mental health issues experience many barriers to self-sufficiency and recovery. However, by providing safe housing with supportive services and advocacy, the program eliminates those barriers by stabilizing residents, facilitating mental health recovery, linking them with needed resources, and preparing them to contribute again to the City of Chattanooga.

- The program is leveraged with Tennessee Care and Section 8 Housing Vouchers to provide the full range of services to Mitchell Home residents.
- Providing Supportive Housing services for Chattanooga residents experiencing homelessness and mental health issues relieves the burden on several domains of city expenses. Community costs related to homelessness and mental illness include costly inpatient hospitalization, emergency services and shelter costs, and costs to the law enforcement and court systems. By providing Supportive Housing services to this population, many of these costs to the City of Chattanooga can be averted, allowing city resources to be administered more efficiently and effectively.
- Fortwood's Mitchell Home depends heavily upon city funding to complement TennCare billing for clients to receive wrap-around treatment; the city's continued investment in the program will highlight its value in providing safe, therapeutic, residential options to mentally ill, homeless individuals. However, our agency constantly seeks out new grants and funding opportunities to address unmet needs related to intervention and treatment for mental and behavioral health issues.

Attachment B: Comparative Financial Information

Agency Name: Fortwood

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|--|---|----------------------------------|
| Chattanooga | 100%** | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |
| | | |
| Percent of Services rendered to residents of: | Estimate, if you do not now track this data. | |
| Chattanooga | 74% | 49.83% |
| Unincorporated Hamilton County | 9% | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | 2% | 2.46% |
| East Ridge | 4% | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | 3% | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | 3% | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | 5% | |
| | Above percentages should total 100% | |

*Population numbers are from 2010 U.S. Census.

** Local government funding provided is for Fortwood services only. HRMC receives local government funding from a variety of sources and will provide further information if required.

Attachment C: Program Beneficiary Statistics

Agency Name: Fortwood Program: Children & Youth Outpatient Services; Project BASIC; Mitchell Home

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|-------------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 267* | 1144** | 1550*** |
| a) Total Continuing From Previous Fiscal Year | 6 | | 1450 |
| b) Total New for the Year | 261 | | 1450 |
| c) Total Terminated During the Year | 261 | | |
| 2. Age Group TOTAL | 267 | 1144 | 1550 |
| a) Infants – Under 5 | | 24 | 30 |
| b) Between 5 and 12 | 91 | 570 | 720 |
| c) Between 13 and 17 | 132 | 216 | 320 |
| d) Between 18 and 29 | 21 | 116 | 170 |
| e) Between 30 and 64 | 23 | 211 | 285 |
| f) 65 and over | | 9 | 25 |
| g) Not Known | | | |
| 3. Sex TOTAL | 267 | 1144 | 1550 |
| a) Male | 168 | 568 | 760 |
| b) Female | 99 | 573 | 790 |
| c) Not Known | | | |
| 4. Ethnic Background TOTAL | 267 | 1144 | 1550 |
| a) White | 81 | 801 | 1100 |
| b) Black | 148 | 282 | 370 |
| c) Hispanic | 15 | 35 | 50 |
| d) Asian | | 1 | 10 |
| e) Other – Ethnic Minority | 23 | 19 | 20 |
| f) Not Known | | 6 | |
| 5. % Income Level TOTAL | 267 | 1144 | 1550 |
| a) Below 9,999 | 138 | 342 | 450 |
| b) 10,000 –19,999 | 81 | 384 | 500 |
| c) 20,000 – 29,999 | 28 | 272 | 350 |
| d) 30,000 and Over | 20 | 146 | 200 |
| e) Not Known | | | |
| 6. Location of Residence TOTAL | 267 | 1144 | 1550 |
| a) Chattanooga | 141 | 909 | 1200 |
| b) Outside of Chattanooga | 36 | 235 | 350 |
| c) Not Known | | | |

*Includes programs not previously funded by the City of Chattanooga but requested this year.

**The total number is higher than was originally projected, due to a higher volume of IST clients, the addition of 3 residential facilities, and growth in Project BASIC.

***The projected number served for FY15 has been updated to reflect the volume of clients treated at Fortwood.

Attachment D: Schedule of Positions, Salaries & Wages

Agency Name: Fortwood

Note: List all employees in order of responsibility.

ALL EMPLOYEES, COPY THIS FORM AS NEEDED.

| Title of Position | Last Name, Initial | Full Time or Part Time | Number of Years Employed | Current – FY 2014 | | | Projected – FY 2015 | | |
|---|---------------------|------------------------|--------------------------|-------------------|--------------|--------------|---------------------|--------------|--------------|
| | | | | Weeks Employed | Annual Rate | Budgeted | Weeks Employed | Annual Rate | Budgeted |
| Vice President of Children & Youth Services | Blanton-Kitts, M. | Full | 28 | 33 | \$118,227.00 | \$11,822.00 | 52 | \$118,227.00 | \$11,822.00 |
| Nurse Practitioner | Khairunnisa, J. | Full | | | \$ 99,424.00 | \$ 16,902.08 | 52 | \$ 99,424.00 | \$ 16,902.08 |
| Nurse Practitioner | Norman, R | Full | 1 | 33 | \$ 97,614.00 | \$ 43,926.30 | 52 | \$ 97,614.00 | \$ 43,926.30 |
| Nurse Practitioner | Shenandoah, Chenoah | Full | 0.5 | 29 | \$ 97,614.00 | \$ 31,317.83 | 52 | \$ 97,614.00 | \$ 31,317.83 |
| Senior Director | Lodato, G. | Full | 0.5 | 33 | \$ 82,909.00 | \$ 33,163.60 | 52 | \$ 82,909.00 | \$ 33,163.60 |
| RN | Nunnaley, J. | Full | 0.5 | 23 | \$ 43,514.00 | \$ 43,514.00 | 52 | \$ 43,514.00 | \$ 43,514.00 |
| Masters Clinical Counselor | Horner, P. | Full | 0.75 | 33 | \$ 34,362.00 | \$ 34,362.00 | 52 | \$ 34,362.00 | \$ 34,362.00 |
| Masters Level Counselor | Bolwari-Montez, T. | Full | 1 | 33 | \$ 32,843.00 | \$ 32,843.00 | 52 | \$ 32,843.00 | \$ 32,843.00 |
| Case Manager | Ericson, H. | Full | 17 | 33 | \$ 32,157.00 | \$ 32,157.00 | 52 | \$ 32,157.00 | \$ 32,157.00 |
| Masters Level Counselor | Rosario, N. | Full | 1 | 33 | \$ 32,843.00 | \$ 27,916.55 | 52 | \$ 32,843.00 | \$ 27,916.55 |

| | | | | | | | | | |
|---|---------------|------|-----|----|--------------|--------------|----|--------------|--------------|
| Client Benefits Supervisor | Cain, N. | Full | 5 | 33 | \$ 31,824.00 | \$ 15,912.00 | 52 | \$ 31,824.00 | \$ 15,912.00 |
| BA Level – Housing Coordinator | Hollis, M. | Full | 10 | 33 | \$ 36,629.00 | \$ 12,087.57 | 52 | \$ 36,629.00 | \$ 12,087.57 |
| Property Management, Supportive Housing Manager | Wade, R. | Full | 10 | 33 | \$ 31,554.00 | \$ 31,554.00 | 52 | \$ 31,554.00 | \$ 31,554.00 |
| Supportive Housing Team Leader | Taylor, M. | Full | 13 | 33 | \$ 29,952.00 | \$ 29,952.00 | 52 | \$ 29,952.00 | \$ 29,952.00 |
| Supportive Housing Team Leader | Walker, J. | Full | 2 | 33 | \$ 29,848.00 | \$ 22,386.00 | 52 | \$ 29,848.00 | \$ 22,386.00 |
| Mental Health Tech | Collins, C. | Full | 6 | 33 | \$ 25,667.00 | \$ 25,667.00 | 52 | \$ 25,667.00 | \$ 25,667.00 |
| Mental Health Tech | Leftwich, L | Full | 7 | 33 | \$ 21,611.00 | \$ 21,611.00 | 52 | \$ 21,611.00 | \$ 21,611.00 |
| Mental Health Tech | Deere, D. | Full | 6 | 33 | \$ 15,522.00 | \$ 20,696.00 | 52 | \$ 15,522.00 | \$ 20,696.00 |
| Team Leader | Bryant, M. | Full | | | \$ 31,158.00 | \$ 15,579.00 | 52 | \$ 31,158.00 | \$ 15,579.00 |
| Case Manager | McClendon, W. | Full | 2 | 33 | \$ 27,976.00 | \$ 27,976.00 | 52 | \$ 27,976.00 | \$ 27,976.00 |
| Case Manager | Thomas, S. | Full | 3 | 33 | \$ 27,976.00 | \$ 14,687.40 | 52 | \$ 27,976.00 | \$ 14,687.40 |
| Case Manager | Bergman, K. | Full | 0.5 | 27 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Branch, G. | Full | 2 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Rogers, S. | Full | 1 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Sims, J. | Full | 0.5 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Trasher, J. | Full | 0.5 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |

| | | | | | | | | | |
|--------------|------------|------|---|----|--------------|--------------|----|--------------|--------------|
| Case Manager | Kepper, V. | Full | 1 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
|--------------|------------|------|---|----|--------------|--------------|----|--------------|--------------|

Note: List all employees in order of responsibility.

Attachment E: Major Sources of Funding for the Past Five Years

Agency Name: Fortwood

| Program/Project Title | Name of Funding Source | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 (Projected) |
|---|------------------------|---------|---------|--------------|--------------|----------------|---------------------|
| Children & Adolescent Outpatient Services | United Way | | | \$36,235.00 | \$36,235.00 | \$36,235.00 | \$34,624.00 |
| | City of Chattanooga | | | \$10,500.00 | \$30,000.00 | \$80,000.00 | \$38,000.00 |
| | TennCare | | | \$609,043.00 | \$620,000.00 | \$692,120.00 | \$1,191,833.00 |
| | Private Insurance | | | \$11,079.00 | \$12,000.00 | \$27,840.00 | |
| | Other | | | \$6,070.00 | \$8,040.00 | \$15,630.00 | \$17,500.00 |
| Project BASIC | State of Tennessee | | | | \$40,016.00 | \$40,016.00 | \$40,016.00 |
| | City of Chattanooga | | | | \$8,000.00 | \$8,000.00 | \$15,000.00 |
| Mitchell Home | HUD | | | \$138,649.00 | | | |
| | City of Chattanooga | | | | \$17,000.00 | \$17,000.00 | \$17,000.00 |
| | Program Income | | | \$155,005 | \$208,641.00 | \$211,937.00 | \$192,301.00 |
| | Fee for Services | | | | | | \$30,240.00 |
| | Other Program Income | | | | | | \$4,000.00 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Subtotal, Major Funding Sources | | | | \$966,581.00 | \$979,932.00 | \$1,128,778.00 | \$1,580,514.00 |
| Total, All Revenue Sources | | | | \$966,581.00 | \$979,932.00 | \$1,128,778.00 | \$1,580,514.00 |

*Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012. Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013.

| Attachment F: Budget Format | | Agency Name: | | Fortwood | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency Funding Financial Form | | | | | | | | |
| Mental Health Treatment - Integrated Services Team | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | | | | | \$ - | N/A | |
| State | | | | | | \$ - | N/A | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | \$ 10,500 | \$ 30,000 | \$ 80,000 | \$ 38,000 | \$ (42,000) | -52.5% | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | \$ 36,235 | \$ 36,235 | \$ 36,235 | \$ 34,264 | \$ (1,971) | -5.4% | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | | \$ 610,755 | \$ 640,040 | \$ 692,120 | \$ 1,191,833 | \$ 499,713 | 72.2% | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | \$ 9,367 | | \$ 27,840 | | \$ (27,840) | -100.0% | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | \$ 3,562 | | \$ 12,000 | \$ 17,500 | \$ 5,500 | 45.8% | |
| Other Program Income | | | | | | \$ - | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | \$ 2,508 | | \$ 3,360 | | \$ (3,360) | -100.0% | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | | \$ 672,927 | \$ 706,275 | \$ 851,555 | \$ 1,281,597 | \$ 430,042 | 50.5% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | | \$ 448,545 | \$ 365,200 | \$ 510,304 | \$ 766,138 | \$ 255,834 | 50.1% | |

Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012.
 Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013. Therefore
 no budget info/raamtion is available for FY2011.

| Attachment F: Budget Format | Agency Name: | Fortwood | | | | | | |
|--|---------------------|--------------|--------------|-------------|--------------|-------------|--------|--|
| Fringe Benefits | | | | | | \$ - | N/A | |
| Employee Health | | \$ 25,311 | \$ 23,777 | \$ 25,311 | \$ 85,261 | \$ 59,950 | 236.9% | |
| Pension/Retirement | | \$ 17,942 | \$ 14,610 | \$ 18,932 | \$ 25,756 | \$ 6,824 | 36.0% | |
| Payroll Taxes, etc. | | \$ 39,009 | \$ 27,938 | \$ 39,039 | \$ 51,350 | \$ 12,311 | 31.5% | |
| Other (unemployment, life insurance, etc) | | | | | \$ 3,298 | \$ 3,298 | N/A | |
| Total Personnel Expenses | \$ - | \$ 530,807 | \$ 431,525 | \$ 593,586 | \$ 931,803 | \$ 338,217 | 57.0% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | \$ 21,608 | \$ 25,000 | | \$ 9,893 | \$ 9,893 | N/A | |
| Utilities | | | | | \$ 9,821 | \$ 9,821 | N/A | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | | | | \$ - | N/A | |
| Travel/Transportation | | \$ 16,638 | \$ 10,000 | \$ 11,000 | \$ 45,000 | \$ 34,000 | 309.1% | |
| Insurance (not employee health) | | | | | \$ 11,175 | \$ 11,175 | N/A | |
| Materials & Supplies | | \$ 14,641 | \$ 18,000 | \$ 16,234 | \$ 15,621 | \$ (613) | -3.8% | |
| Telephone, Fax, ISP | | \$ 11,433 | \$ 11,000 | \$ 11,200 | \$ 13,262 | \$ 2,062 | 18.4% | |
| Postage and Shipping | | \$ 829 | | | | \$ - | N/A | |
| Occupancy/Building/Utilities | | \$ 27,174 | \$ 26,750 | \$ 28,000 | \$ 37,841 | \$ 9,841 | 35.1% | |
| Equipment Rental and Maintenance (including contracts) | | \$ 5,197 | \$ 4,000 | \$ 5,200 | \$ 19,999 | \$ 14,799 | 284.6% | |
| Outside Printing, Art Work, etc. | | \$ 1,974 | | | \$ 2,052 | \$ 2,052 | N/A | |
| Conferences, Conventions, etc. | | \$ 379 | | | \$ 2,308 | \$ 2,308 | N/A | |
| Special Assistance to Individuals | | \$ 94 | | | \$ 2,500 | \$ 2,500 | N/A | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities | | | | | | \$ - | N/A | |
| Miscellaneous | | \$ 1,000 | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | | | | \$ - | N/A | |
| Depreciation | | \$ 22,048 | \$ 20,000 | \$ 20,000 | \$ 21,769 | \$ 1,769 | 8.8% | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| Management & General | | \$ 208,792 | \$ 274,750 | \$ 255,535 | \$ 158,753 | \$ (96,782) | -37.9% | |
| Operating Expenses Total | \$ - | \$ 331,807 | \$ 389,500 | \$ 347,169 | \$ 349,994 | \$ 2,825 | 0.8% | |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ - | \$ 862,614 | \$ 821,025 | \$ 940,755 | \$ 1,281,797 | \$ 341,042 | 36.3% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ - | \$ (189,687) | \$ (114,750) | \$ (89,200) | \$ (200) | \$ 89,000 | -99.8% | |

| Attachment F: Budget Format | | Agency Name: | | Fortwood | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency Funding Financial Form | | | | | | | | |
| Project BASIC | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | | | | | \$ - | N/A | |
| State | | \$ 40,016 | \$ 40,016 | \$ 40,016 | \$ 40,016 | \$ - | 0.0% | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | | \$ 8,000 | \$ 8,000 | \$ 15,000 | \$ 7,000 | 87.5% | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | | | | | \$ - | N/A | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | | | | | | \$ - | N/A | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | | | | | \$ - | N/A | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | | | | | \$ - | N/A | |
| Other Program Income | | | | | | \$ - | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | | \$ 40,016 | \$ 48,016 | \$ 48,016 | \$ 55,016 | \$ 7,000 | 14.6% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | | \$ 28,968 | \$ 29,925 | \$ 31,000 | \$ 34,718 | \$ 3,718 | 12.0% | |

Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012.
 Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013. Therefore
 no budget information is available for FY2011.

| Attachment F: Budget Format | Agency Name: | Fortwood | | | | | | |
|--|---------------------|------------|-----------|-----------|------------|------------|--------|--|
| Fringe Benefits | | | | | | \$ - | N/A | |
| Employee Health | | \$ 3,639 | \$ 3,128 | \$ 3,100 | \$ 5,282 | \$ 2,182 | 70.4% | |
| Pension/Retirement | | \$ 1,159 | \$ 1,000 | \$ 2,664 | \$ 1,596 | \$ (1,068) | -40.1% | |
| Payroll Taxes, etc. | | \$ 2,198 | \$ 2,230 | \$ 2,300 | \$ 2,604 | \$ 304 | 13.2% | |
| Other (unemployment, life insurance, etc) | | | | | | \$ - | N/A | |
| Total Personnel Expenses | \$ - | \$ 35,964 | \$ 36,283 | \$ 39,064 | \$ 44,200 | \$ 5,136 | 13.1% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | | | | \$ 613 | \$ 613 | N/A | |
| Utilities | | | | | | \$ - | N/A | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | | | | \$ - | N/A | |
| Travel/Transportation | | \$ 888 | \$ 1,100 | \$ 900 | \$ 250 | \$ (650) | -72.2% | |
| Insurance (not employee health) | | | | | \$ 721 | \$ 721 | N/A | |
| Materials & Supplies | | \$ 707 | \$ 800 | \$ 500 | \$ 658 | \$ 158 | 31.6% | |
| Telephone, Fax, ISP | | \$ 195 | \$ 180 | \$ 200 | \$ 272 | \$ 72 | 36.0% | |
| Postage and Shipping | | | | | \$ 46 | \$ 46 | N/A | |
| Occupancy/Building/Utilities | | | | | | \$ - | N/A | |
| Equipment Rental and Maintenance (including contracts) | | | \$ 1,000 | \$ 1,000 | \$ 1,239 | \$ 239 | 23.9% | |
| Outside Printing, Art Work, etc. | | | | | \$ 127 | \$ 127 | N/A | |
| Conferences, Conventions, etc. | | | | | \$ 582 | \$ 582 | N/A | |
| Special Assistance to Individuals | | | | | | \$ - | N/A | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | | | | \$ - | N/A | |
| Depreciation | | | | | | \$ - | N/A | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| Management & General | | \$ 12,057 | \$ 8,652 | \$ 6,352 | \$ 7,382 | \$ 1,030 | 16.2% | |
| Operating Expenses Total | \$ - | \$ 13,847 | \$ 11,732 | \$ 8,952 | \$ 11,890 | \$ 2,938 | 32.8% | |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ - | \$ 49,811 | \$ 48,015 | \$ 48,016 | \$ 56,090 | \$ 8,074 | 16.8% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ - | \$ (9,795) | \$ 1 | \$ - | \$ (1,074) | \$ (1,074) | N/A | |

| Attachment F: Budget Format | | Agency Name: | | Fortwood | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency Funding Financial Form | | | | | | | | |
| Mitchell Home Supportive Housing Services | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | \$ 138,649 | | | | \$ - | N/A | |
| State | | | | | | \$ - | N/A | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | | \$ 17,000 | \$ 17,000 | \$ 52,000 | \$ 35,000 | 205.9% | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | | | | | \$ - | N/A | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | \$ 155,005 | \$ 208,641 | \$ 211,937 | \$ 211,937 | \$ 192,301 | \$ (19,636) | -9.3% | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | | | | | \$ - | N/A | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | | | | \$ 30,240 | \$ 30,240 | N/A | |
| Other Program Income | | | | | \$ 4,000 | \$ 4,000 | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | \$ 293,654 | \$ 225,641 | \$ 228,937 | \$ 228,937 | \$ 278,541 | \$ 49,604 | 21.7% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | \$ 145,845 | \$ 114,000 | \$ 118,000 | \$ 118,000 | \$ 144,727 | \$ 26,727 | 22.6% | |

Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012.
 Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013. Therefore
 no budget information is available for FY2011.

| Attachment F: Budget Format | Agency Name: | Fortwood | | | | | | |
|--|---------------------|------------|------------|------------|------------|-------------|---------|--|
| Fringe Benefits | | | | | | \$ - | N/A | |
| Employee Health | | \$ 4,030 | \$ 1,500 | \$ 1,484 | \$ 21,552 | \$ 20,068 | 1352.3% | |
| Pension/Retirement | | \$ 2,917 | \$ 3,420 | \$ 2,426 | \$ 6,510 | \$ 4,084 | 168.3% | |
| Payroll Taxes, etc. | | \$ 11,874 | \$ 8,721 | \$ 9,027 | \$ 10,854 | \$ 1,827 | 20.2% | |
| Other (unemployment, life insurance, etc) | | | | | | \$ - | N/A | |
| Total Personnel Expenses | \$ - | \$ 164,666 | \$ 127,641 | \$ 130,937 | \$ 183,643 | \$ 52,706 | 40.3% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | \$ 250 | | | \$ 2,501 | \$ 2,501 | N/A | |
| Utilities | | | | | \$ 8,200 | \$ 8,200 | N/A | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | | | | \$ - | N/A | |
| Travel/Transportation | | \$ 4,983 | \$ 8,000 | \$ 8,000 | \$ 2,800 | \$ (5,200) | -65.0% | |
| Insurance (not employee health) | | | | | \$ 3,388 | \$ 3,388 | N/A | |
| Materials & Supplies | | \$ 743 | \$ 2,000 | \$ 2,000 | \$ 12,864 | \$ 10,864 | 543.2% | |
| Telephone, Fax, ISP | | \$ 1,772 | \$ 3,000 | \$ 3,000 | \$ 3,352 | \$ 352 | 11.7% | |
| Postage and Shipping | | \$ 32 | | | \$ 186 | \$ 186 | N/A | |
| Occupancy/Building/Utilities | | \$ 14,618 | \$ 16,500 | \$ 16,500 | \$ 14,985 | \$ (1,515) | -9.2% | |
| Equipment Rental and Maintenance (including contracts) | | \$ 741 | \$ 3,000 | \$ 3,000 | | \$ (3,000) | -100.0% | |
| Outside Printing, Art Work, etc. | | \$ 235 | | | \$ 519 | \$ 519 | N/A | |
| Conferences, Conventions, etc. | | \$ 48 | | | \$ 833 | \$ 833 | N/A | |
| Special Assistance to Individuals | | \$ 12,220 | \$ 10,000 | \$ 10,000 | \$ 4,500 | \$ (5,500) | -55.0% | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | | | | \$ - | N/A | |
| Depreciation | | \$ 7,714 | \$ 7,500 | \$ 7,500 | \$ 7,400 | \$ (100) | -1.3% | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| Management & General | | \$ 66,430 | \$ 48,000 | \$ 48,000 | \$ 33,370 | \$ (14,630) | -30.5% | |
| Operating Expenses Total | \$ - | \$ 109,786 | \$ 98,000 | \$ 98,000 | \$ 94,898 | \$ (3,102) | -3.2% | |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ - | \$ 274,452 | \$ 225,641 | \$ 228,937 | \$ 278,541 | \$ 49,604 | 21.7% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ - | \$ 19,202 | \$ - | \$ - | \$ 0 | \$ 0 | N/A | |



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|---|
| Offer Name: | Ex-Offender Workforce Dev Initiative |
| Lead Agency: | Hope For the Inner City |
| Collaborating City Department(s): | Department of Public Safety |
| Contact Name: | Paul A. Green |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$126,000 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

The Ex-offender Workforce Development Initiative empowers young men (aged 18 to 25) who have been previously incarcerated to enter the workforce and return to their community through the development of life skills such as money management, financial accountability, educational and vocational skills, and character development. The initiative will also provide individualized assessments that include but are not limited to the following resources: job training, parole release services, counseling, addiction treatment, job referral, and high school/GED achievement.

Existing programs and partnerships will be expanded to ensure the success of this initiative, including Father to the Fatherless (F2F), a new program under the auspices of Hope for the Inner City. A Hotline will be manned by trained volunteers who will respond to any requests for assistance or crises from the program participants. The initiative will also use Jobs for Life, a nationally recognized vocational program for men with criminal backgrounds. Hope for the Inner City is the longest running and most extensive provider of the Jobs for Life Program in Chattanooga. Five employees will provide case management, mentorship and training to 10 to 15 men in ten week segments. F2F is committed to continue services to graduates following completion of the course for twelve months. A wide variety of collaborations will be established with local service organizations and churches to ensure comprehensive and consistent services. F2F will maintain data on the participants and their progress as required by Jobs for Life and the City of Chattanooga. F2F will use Service Point, a database operated by the Chattanooga Regional Homeless Coalition to document services provided and referrals made.



City of Chattanooga

FY15 Offers

Identify Which Desired Outcomes This Offer Impacts:

- 1.Reduce shootings in our corridor
- 2.Reduce juvenile crime
- 3.Reduce violent crimes

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---------------|---|-----------------|---------------|------------------|
| Safer Streets | 106,000 | 20,000 | 126,000 | 6 |

Capital Budget Impact? Yes XNo \$Amount

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|------|--------|
| NONE | NONE |
| | |
| | |

PERFORMANCE DATA

Measurement 1:

Fifty percent of the Life Plan goals will be met when F2F participants complete the 10 weeks Jobs for Life curriculum.

Historical Comparison Data? Data on goal completion was not done by the Jobs for Life Program. Advance Memphis, a Jobs for Life Program in Memphis, TN, also does not report on goal attainment.

Measurement 2:

Forty percent of F2F participants will be employed six months after completion of the Jobs for Life curriculum.

Historical Comparison Data? In 2012 and 2013, over one half of the Jobs for Life graduates were employed at the time they graduated. Advance Memphis, a Jobs for Life Program in Memphis, TN, reports that approximately 12 percent of their graduates were employed 90 days following graduation from the Jobs for Life Program.

Measurement 3:

Forty percent of F2F participants will complete G.E.D. or technical training one year after completion of the program.

Historical Comparison Data? In 2012 and 2013, approximately one half of the Hope for the Inner City graduates attended G.E.D. Programs. For the same time frame, almost forty percent of the graduates were referred to colleges. Advance Memphis, a Jobs for Life Program in Memphis, TN, documents that in 2010 slightly less than one half of their program graduates completed the G.E.D. Program.



City of Chattanooga

FY15 Offers

Return on Investment:

How do citizens benefit? Chattanooga will become a safer community as documented by decreased criminal acts, measured by City statistics. This will result in decreased costs to the community. Property values will be maintained and neighborhoods will be revitalized.

Does this activity leverage other financial resources? F2F will utilize a number of other community agencies in collaborations for services for participants.

How does this activity decrease costs over time for the City? The decrease in crime will save the City money for police, judicial and correctional services. The participants will become competitively employed and that additional revenue will benefit the City.

How can this program become sustainable without City funding? F2F will pursue national and local grants as well as other funding sources including churches and corporate organizations. F2F will pursue fee for service opportunities in juvenile justice.



Fortwood

a service of the **Helen Ross McNabb Center**

February 21, 2014

Mr. Randy Burns, Management Analyst
City Council Office
1000 Lindsey Street
Chattanooga, TN 37402

Dear Mr. Burns:

Fortwood, a service of Helen Ross McNabb Center, Inc. (HRMC), requests **\$105,000** for fiscal year 2015 from the City of Chattanooga, Community Agency Support. These funds are necessary to continue to provide three services currently offered by Fortwood that significantly improve the lives of the people of Chattanooga: Children & Youth Integrated Service Team (IST); Project BASIC; and Mitchel Home – Supportive Housing for severely and persistently mentally ill Adults. The city's Community Agency Support funding allows the center to provide these crucial mental health services to individuals when they are not fully covered by TennCare or the State of Tennessee.

These services strongly reflect two of the City of Chattanooga's result areas. Both Fortwood's Children & Youth IST, and the Mitchell Home aim to provide ***Safer Streets*** to the residents of Chattanooga, children and youth with mental illness and/or at-risk for abuse, neglect, or juvenile delinquency; and adults with mental illness who would otherwise be homeless without supportive housing. Project BASIC (Better Attitudes and Skills In Children) provides community support under the ***Smarter Students & Stronger Families*** result area, by serving children and youth in their schools with an early intervention program to deliver mental health education, identification, and intervention; teacher consultation; and further referral linkages and advocacy for children and youth with diagnosed mental illness.

Fortwood has served residents of Chattanooga with mental health care since 1946, and merged with HRMC on April 1, 2013, to both increase its continuum of care and stabilize its sources of funding. HRMC is a regional, not-for-profit agency providing mental health care, substance abuse treatment, and social services to East Tennesseans, with a ***mission of "improving the lives of the people we serve."*** The Center is headquartered in Knoxville, TN, and has been serving residents of Chattanooga since its April 1, 2013 merger with Fortwood.

6049 Shallowford Road ■ Chattanooga, Tennessee 37421 ■ 423.266.6751 ■ 800.255.9711 ■ www.mcncabbcenter.org

A premier provider of behavioral health care in East Tennessee



Fortwood FY15 Proposal p.1

Thank you for your support of Fortwood's services to the Chattanooga community. Any questions may be addressed to **Gayle Lodato, Senior Director, at (423) 266-6751**, or gayle.lodato@mcnabb.org. Ms. Lodato is located at 6049 Shallowford Road, Chattanooga, TN 37421.

Yours very sincerely,



Jerry Vagnier
President, Helen Ross McNabb Center, Inc.
201 West Springdale Ave.
Knoxville, TN 37917
(865) 937-6711

Cc: Gayle Lodato, Senior Director of Fortwood Services
Katie Trueblood, Evaluation and Research Coordinator

City of Chattanooga, Community Agency Support Executive Summary

Agency: Fortwood, a service of Helen Ross McNabb Center, Inc.

Funding Request: \$105,000

Fortwood, a service of Helen Ross McNabb Center, Inc. (HRMC), requests \$105,000 in its fiscal year 2015 request from the City of Chattanooga, Community Agency Support. Fortwood provides mental health treatment services to Chattanooga residents through outpatient therapy, crisis intervention, education, case management and referrals, in-school services, and supportive housing. Funds received by the City will be divided among the following Fortwood services: \$38,000 to Children & Youth Integrated Services Team (IST); \$15,000 to Project BASIC; and \$52,000 to Mitchell Home Supportive Housing.

Children & Youth IST (for clients ages 2-21) use a multi-disciplinary team approach to serve individuals diagnosed with severe mental illness. All clients are provided comprehensive psychiatric evaluations, illness education and management, crisis intervention, psychosocial assessments, both individual and family therapy, as needed, and case management services. Treatment is outpatient, and clients are served through an individualized treatment plan. Funding from the City of Chattanooga helps us make this service available to children and youth who are underinsured or uninsured when TennCare or other insurance provisions are not enough to cover the cost of treatment.

The Children & Youth IST serves the City of Chattanooga's **Safer Streets** results area through the services provided. Undiagnosed mental illness strains both individuals and families, and can co-occur with other physical illness and/or substance abuse. Without access to treatment, children and youth at risk for juvenile delinquency and truancy. Additionally, children and youth with histories of juvenile delinquency and truancy often carry these negative behaviors into adulthood leading to criminal activity, domestic violence, homelessness, and abuse and neglect. By ensuring access to mental healthcare for children and youth, we provide valuable intervention services which help prevent risky behaviors now and in the future. The delivery of this service helps make Chattanooga a safer city with a more efficient provision of its services to those who need them most.

Project BASIC (Better Attitudes and Skills In Children) is a school-based program that provides early intervention services for children with behavioral problems. The service delivers mental health education, early identification, intervention, teacher consultation, and school climate enhancement for children who have been diagnosed with mental or behavioral disorders. Clients are linked with primary mental health service providers, and program staff coordinate with those providers and advocate for their clients across a wide spectrum of community resources, including crisis intervention programs, emergency services, law enforcement, and other treatment options. Funding Project BASIC will complement the city's **Smarter Students & Stronger Families** result area by sustaining a critical community partnership that provides a continuum of services for children and youth to receive screening and treatment early for a greater chance of success in school.

Mitchel Home-Supportive Housing provides much-needed services for severely and persistently mentally ill adults. Adults who suffer from mental illness are increasingly likely to become homeless: according to the Substance Abuse and Mental Health Services Administration, 20 to 25% of the homeless population in the United States suffers from some form of severe mental illness (National Institute of Mental Health, 2009). Unfortunately, many homeless individuals who are suffering from mental illness cannot acquire housing due to a lack of treatment, history of evictions, unpaid utility bills, a criminal record, or lack of income. Supportive housing meets this community need by targeting this specific population and providing them with the housing and supportive services needed to further their recovery and improve self-sufficiency. Clients in residence are provided with 24/7 staff supervision, medication supervision, assistance with appointment scheduling and transportation, daily group sessions, individual therapy, and weekly outings with other residents. Clients residing at Mitchel Home must be at least 18 years of age, have an annual income below 50% of the adjusted mean income and/or a current Section 8 voucher, have a current Axis I mental health diagnosis, and be homeless. Supportive Housing meets a critical need Chattanooga's **Safer Streets** initiative by providing the homeless, mentally ill population with a residence where services can be accessed and clients can receive therapy and obtain permanent housing elsewhere as an alternative to homelessness. Reducing the number of homeless persons per night in Chattanooga will also lead to a reduction in criminal activity, police action, medical intervention, and emergency services.

HRMC will provide a detailed accounting of City of Chattanooga, Community Agency Support funds that are utilized by Fortwood's service provision, prior to the close of the City of Chattanooga's fiscal year and at the close of each succeeding fiscal year until all municipal funds have been spent. The Center will also provide a thorough report detailing the accomplishments and outcomes as indicated in this application from use of those funds.

HRMC will provide the City of Chattanooga copies of its annual audit for each year that it spends funds appropriated by the City of Chattanooga.



Jerry Vagnier



Date

President, Helen Ross McNabb Center, Inc.
201 West Springdale Ave.
Knoxville, TN 37917
(865) 937-6711

HELEN ROSS McNABB CENTER

FY14 BUDGET

| | MYFY14 BUDGET |
|--|-----------------------------|
| <u>REVENUES</u> | |
| TN. Dept of Mental Health | \$ 7,649,693 |
| TN. Dept of Mental Health A&D | 3,281,297 |
| TennCare | 22,848,779 |
| TN. Dept of Health | 1,998,455 |
| TN. Dept of Children Services | 8,561,517 |
| TN Dept of Education | 133,750 |
| TN- OCJP | 594,960 |
| Federal | 2,316,131 |
| Foundations | 826,142 |
| Knox County Government | 1,466,772 |
| Knoxville City Government | 77,026 |
| Blount County Grants | 139,120 |
| Hamblen County/City Government | 60,625 |
| Other Grants | 1,266,911 |
| United Ways | 1,216,016 |
| Food Reimbursement | 87,230 |
| Medicare | 618,490 |
| Commercial Insurance & Direct Pay | 600,380 |
| Other - Housing Rental Receipts, Interest Income, E H R | 618,934 |
| Total Revenue | <u>\$ 54,362,228</u> |
| <u>EXPENSES</u> | |
| Salaries | \$ 32,054,828 |
| Employee Benefits | 5,613,551 |
| Social Security | 2,411,890 |
| Travel | 1,554,885 |
| Printing & Duplicating | 100,764 |
| Professional Development | 343,563 |
| Telephone | 651,250 |
| Postage | 36,084 |
| Occupancy Expenses | 2,346,129 |
| Professional Services | 669,701 |
| Non-Personnel Expenses | 259,747 |
| Patient Assistance | 534,048 |
| Supplies | 1,333,856 |
| Insurance | 590,409 |
| Data Processing, Equipment Rental and Maintenance | 982,057 |
| Foster Care Payments | 1,165,788 |
| Allowance for Bad Debts | 1,203,382 |
| Allowance for New Billing Software Start-Ups, and Fortwood | 409,823 |
| Depreciation - Bldg. and Eqmnt., and Interest Expense | 1,241,292 |
| Provision for Future Healthcare Needs | <u>859,181</u> |
| Total Expenses | <u>\$ 54,362,228</u> |

State of Tennessee



Department of State

I, G. Edward Friar, Secretary of State of the State of Tennessee, do hereby certify that the annexed Instrument with Certificate of Acknowledgment was filed in my office, and recorded on the 19th day of November 1953 in Corporation Record Book VOLUME O-19 page 18.

In Testimony Whereof, I have hereunto subscribed my Official Signature, and by order of the Governor, affixed the Great Seal of the State of Tennessee, at the Department, in the City of Nashville, this 19th day of

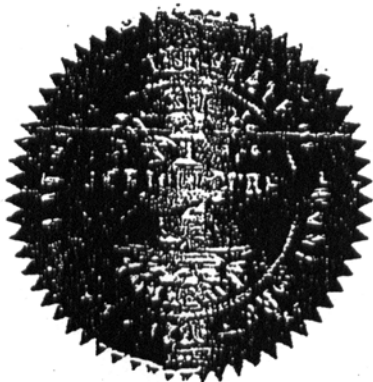
November

19th

day of

1953

Secretary of State.



STATE OF TENNESSEE

512

Charter of Incorporation

Be It Known, That Dr. Gilbert Eblen, Mr. Oscar Tate, Mrs. Richard McNabb, Mr. Robert McClure, Dr. B. M. Overholt, Mrs. W. E. Lockett, Miss Christine Beasley, Miss Helon Brixey, Mr. D. A. Cooper, Dr. Felix Line, Mrs. Ralph McDade, Mrs. Amelia Strauss, Dr. James Wilder, Mrs. Earl Coulter, and Mr. C. A. Cowan and hereby constituted a body politic and corporate, by the name of and style of The Mental Health Center of Knoxville whose office and principal place of business shall be in Knoxville, Tenn.

for the purpose of Sponsoring and maintaining a Mental Health Center for the study and treatment of mental and emotional problems of children and adults; performing such other functions as may be consistent with the operation of a Mental Health Center and assuming the responsibility for community projects relating to the operation of such.

The general powers of said corporation shall be: (1) To sue and be sued by the corporate name. (2) To have and use a common seal, which it may alter at pleasure; if no common seal then the signature of the name of the corporation, by any duly authorized officer, shall be legal and binding. (3) Any corporation chartered under the laws of Tennessee for religious, charitable, educational, missionary, or other eleemosynary purposes, and not for profit, shall have the power to receive property, real, personal or mixed, by purchase, gift, devise, or bequest, sell the same and apply the proceeds toward the promotion of the objects for which it is created, or hold any such property and apply the income and profits towards such objects. (4) Any corporation heretofore chartered for any of the foregoing purposes, desiring to avail itself of these powers, shall submit the question to its directors or trustees at any regular meeting, or special meeting, called for the purpose, or to any regular or special meeting of its executive committee, and if a majority of said directors, trustees, or executive committee vote in favor of applying for the amendment, it may then proceed in usual course to file an amendment to its charter. (5) To establish by-laws, and make all rules and regulations not inconsistent with the laws and constitution, deemed expedient for the management of corporate affairs. (6) To appoint such subordinate officers and agents, in addition to a president and secretary, or treasurer, as the business of the corporation may require. (7) To designate the name of the office, and fix the compensation of the officer. (8) To borrow money to be used in payment of property bought by it, and for erecting buildings, making improvements, and for other purposes germane to the objects of its creation, and secure the repayment of the money thus borrowed by mortgage, pledge, or deed of trust, upon such property, real, personal, or mixed, as may be owned by it; and it may, in like manner, secure by mortgage, pledge, or deed of trust, any existing indebtedness which it may have lawfully contracted.

The said five or more corporators shall, within a convenient time after the registration of this charter, elect from their number a president, secretary, and treasurer, or the last two officers may be combined into one, said officers and the other corporators to constitute the first board of directors.

Any corporation not for profit may increase its directors or trustees to a number not more than one hundred, by due and proper amendment to its by-laws, unless otherwise specifically provided. In all elections each member to be entitled to one vote, either in person or by proxy, and the result to be determined by a majority of the votes cast. Due notice of any election must be given by advertisement in a newspaper, personal notice to the members, or a day stated on the minutes of the board one month preceding the election. The term of officers may be fixed by the by-laws, the said term not, however, to exceed three years. All officers hold office until their successors are duly elected and qualified.

The general welfare of society, not individual profit, is the object for which this charter is granted, and the members are not stockholders in the legal sense of the term, and no dividends or profits shall be divided among the members.

The board of directors shall keep a record of all their proceedings, which shall be at all times subject to the inspection of any member. The corporation may establish branches in any other county in the state.

The members may, at any time, voluntarily dissolve the corporation, by a conveyance of its assets and property to any other corporation holding a charter from the state for purposes not of individual profit, first providing for corporate debts. A violation of any of the provisions of the charter shall subject the corporation to dissolution at the instance of the state.

The charter is subject to modification and amendment; and in case said modification or amendment is not accepted, corporate business is to cease, and the assets and property, after payment of debts, are to be conveyed, as aforesaid, to some other corporation holding a charter for purposes not connected with individual profit. Acquiescence in any modification, thus declared, shall be determined in a meeting of the members especially called for that purpose, and only those voting in favor of the modification shall thereafter compose the corporation.

The means, assets, income, or other property of the corporation shall not be employed, directly or indirectly, for any other purpose whatever than to accomplish the legitimate objects of its creation, and by no implication shall it engage in any kind of trading operation, nor hold any more real estate than is necessary for its legitimate purposes.

Expulsion shall be the only remedy for the nonpayment of dues by the members, and there shall be no individual liability against the members for corporate debts, but the entire corporate property shall be liable for the claims of creditors.

We, the undersigned, the incorporators above mentioned, hereby apply to the State of Tennessee for a charter of incorporation for the purposes declared in the foregoing instrument.

Witness our hands this, the 5th day of November, 1953

SUBSCRIBING WITNESSES:

James S. Wilder
Mrs. Richard Mc Nabbb
Dr. James Wilder
Felix Line

Oscar M. Tate
Mrs. Earl Coulter
Robert McClure
Mrs. Emma C. Strauss
Mr. B. M. Overholt
Christine Beasley
Mrs. Ralph McDade
Carl G. Cowan
Helon Brixey
Mrs. Ed Lockett
J. Gilbert Eblen

STATE OF TENNESSEE, COUNTY OF Knox

Personally appeared before me _____

(~~Clerk of the County Court~~ Notary Public), the within named incorporators, Dr. Gilbert Eblen,

Mr. C. A. Cowan, Mrs. Richard McNabb, Mr. Oscar Tate, Mr. Robert McClure, Dr. B. M.

Overholt, Mrs. W. E. Lockett, Miss Christine Beasley, Miss Helon Brixey, Mrs. Ralph
McDade, Mrs. Earl Coulter, Dr. Felix Line, Dr. James Wilder, Mrs. Amelia Strauss, Mr. D. A.
with whom I am personally acquainted, and who acknowledged that they executed the within applica-
tion for a Charter of Incorporation for the purposes therein contained and expressed. Cooper

Witness my hand and official seal at office in Knoxville, Tennessee, this 5th
day of November, 1953.

Mae M. Kelly
(Signature of County Court Clerk
or Notary Public)



(If Notary Public) My commission expires 7th day of April, 1955.

(Official Title) Notary Public.

No. 1263 REGISTER'S OFFICE
STATE OF TENNESSEE
KNOX COUNTY
Received for Record the 23 day
of Nov. A. D. 1953
at 7:40 o'clock P. M. Recorded in
Book No. 15 Page 511
Noted in Note Book 42 Page 65
Fee \$ 4.00
Registrar
Reid White

State of Tennessee



Department of State

CERTIFICATE

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of THE MENTAL HEALTH CENTER OF KNOXVILLE

(Name of Corporation)

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

THEREFORE, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on November Twenty-First, 1969.



Secretary of State

For Profit
or
Not for Profit

ARTICLES OF AMENDMENT TO THE CHARTER
of

THE MENTAL HEALTH CENTER OF KNOXVILLE

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is
The Mental Health Center of Knoxville.
2. The amendment adopted is (insert amendment).
Change corporate name to THE HELEN ROSS McNABB CENTER, INC.
3. The amendment was duly adopted (at a meeting) ~~by the unanimous written consent~~ of the ~~(shareholders)~~ (members) on March 29, 1969.
(strike inapplicable words).
4. If a corporation for profit, the manner, if not set forth in such amendment, in which any exchange, reclassification or cancellation of issued shares provided for in the amendment shall be effected is as follows:
5. If the amendment is not to be effective when these articles are filed by the Secretary of State, the date it will be effective is _____, 19__ (not later than thirty (30) days after such filing).

Dated _____, 19__.

B 354606 000005.00

The Mental Health Center of Knoxville
(Name of Corporation)
BY H. H. Prude M.D.
(Title)

| | |
|--------------------------------------|--------------------|
| No. <u>17</u> | REGISTER'S OFFICE |
| STATE OF TENNESSEE | |
| KNOX COUNTY | |
| Received for record the <u>3</u> day | |
| of <u>Dec.</u> | A. D. 19 <u>69</u> |
| at <u>10:05</u> O'Clock | M. P. 'd' r |
| Book No. <u>54</u> | Page <u>34</u> |
| In Note Book <u>54</u> | Page <u>383</u> |
| Fee \$ <u>5.00</u> | |
| <u>Deward A. Shaw</u> | |
| Register | |

1969 NOV 21 PM 10 3

BOOK 51 PAGE 35

INDEXED
DIRECT

State of Tennessee



ARTICLES OF AMENDMENT TO

Charter of Incorporation

of

THE MENTAL HEALTH CENTER
OF KNOXVILLE

(name changed to)

THE HELEN ROSS McNABB CENTER,
INC.

| | |
|------------------|-------|
| RECEIVED FEE, \$ | 10.00 |
| RECEIVED TAX, \$ | |
| TOTAL, \$ | 10.00 |

J. J. [Signature]
Secretary of State.

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: April 17, 2013

Person to Contact:

Mrs. Day #0110209

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

62-0548914

THE HELEN ROSS MCNABB CENTER
201 W SPRINGDALE AVE
KNOXVILLE TN 37917-5158

Dear Sir or Madam:

This is in response to your request for information regarding your tax-exempt status.

Our records indicate you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in August 1953.

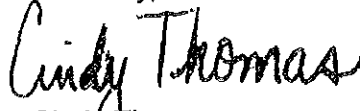
Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

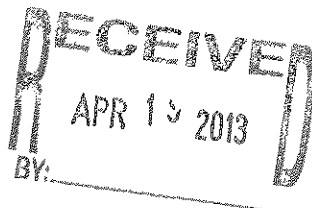
Please refer to our website www.irs.gov/charities for information regarding filing requirements. Specifically, note that section 6033(j) of the Code automatically revokes the tax-exemption of any organization that fails to satisfy its filing requirement for three consecutive years. The automatic revocation of exemption is effective as of the due date of the third required annual filing or notice. The IRS maintains a list of organizations whose tax-exempt status was automatically revoked at IRS.gov.

If you have any questions, please call the phone number in the heading of this letter.

Sincerely,



Cindy Thomas
Manager, Exempt Organizations
Determinations



Opening Windows. IMPROVING Lives.

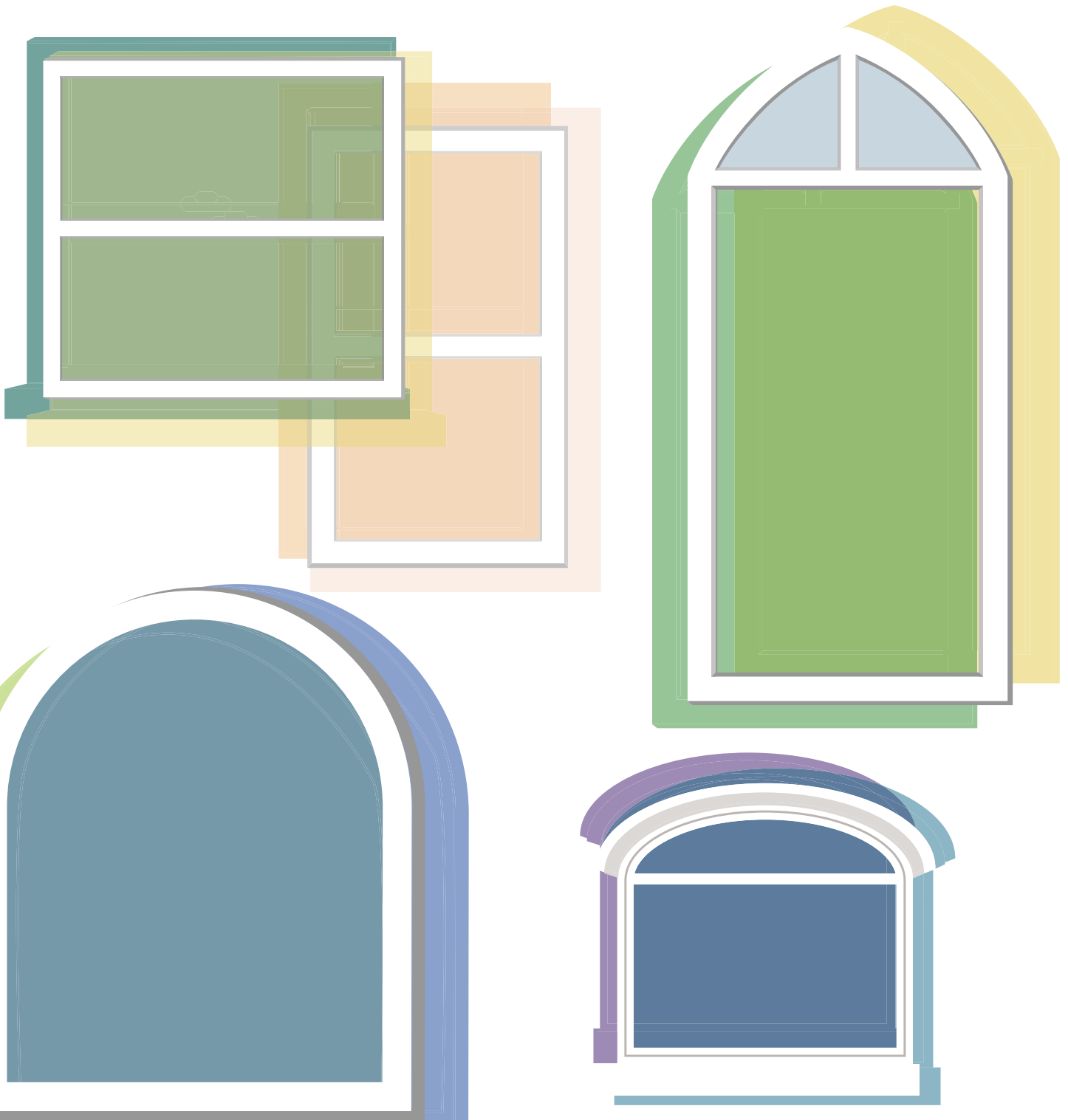
2013 *Annual
Services
Report*



 **Helen Ross
McNabb Center**

*A premier provider of
behavioral health care
in East Tennessee*

Improving the lives of the people we serve.



Report Contributors

**Linda Gay Blanc, Susan Conway, Ellie Kassem,
Liz Stowers, Traci Topham and Linda Vaughn**
Service Review Committee

Charles Brooks
Photographer

Andrea Truan
Graphic Designer

Introduction

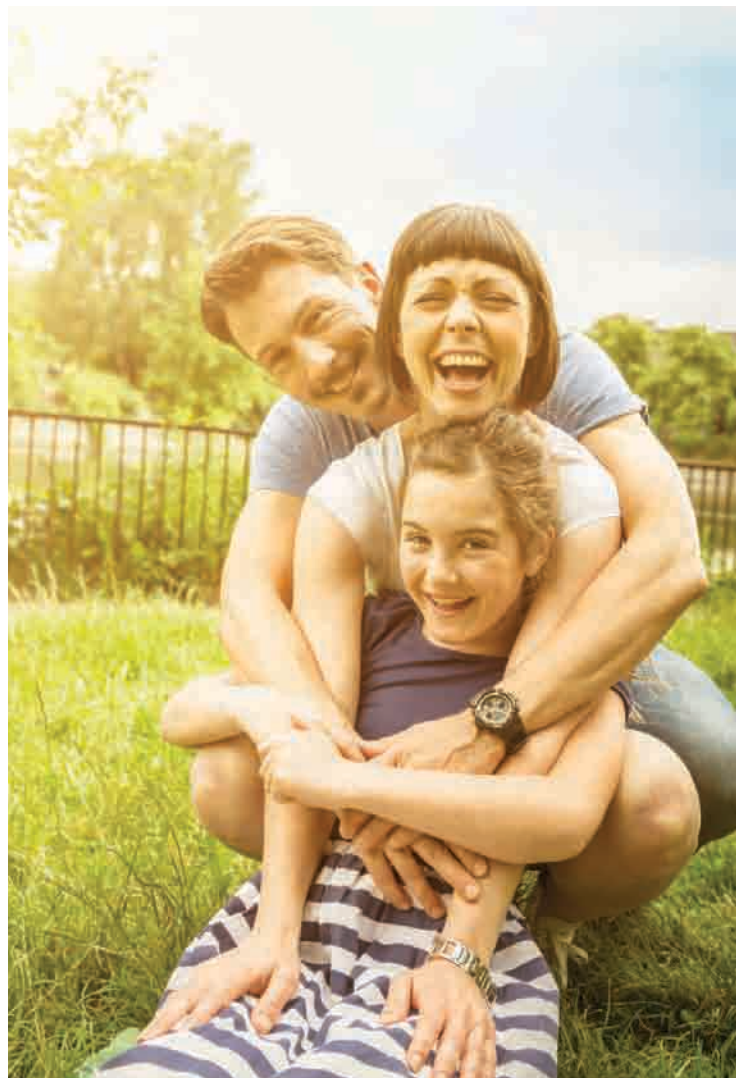
The Helen Ross McNabb Center’s mission of “improving the lives of the people we serve” is the driving force behind every service we provide. Through its continuum of care, the Center provides mental health care, substance abuse treatment and social services to the East Tennessee community. With a professional staff including psychiatrists, nurses, clinicians, therapists, case managers and support staff, the Center’s clients receive quality care tailored to their specific needs. Although services span across social and economic lines, the Center has a rich history of going above and beyond to provide care to those in our community with the greatest needs and the least resources.

The Center receives grants from the federal government and the State of Tennessee through various agencies: Tennessee Department of Mental Health and Substance Abuse Services, Department of Health, Department of Children’s Services and the Bureau of TennCare. It also receives funding from various local governments: Knox County, City of Knoxville, Blount County, City of Morristown, Hamblen County and Hamilton County. Other sources of revenue include local grants, contributions from donors, the Helen Ross McNabb Foundation, local United Ways, and third party and private client payments.

All Center programs satisfy the requirements of regulatory agencies including TennCare, Medicare, the Tennessee Department of Children’s Services and the Tennessee Department of Human Services. Staff and the Board of Directors work collectively to ensure that all resources are used effectively and efficiently. The Center is accredited by the Commission for the Accreditation of Rehabilitation Facilities (CARF) International. CARF accreditation provides assurance that the Center’s programs and facilities are of the highest quality. The Center also follows its own robust assurance programs, adheres to corporate compliance and the Health Insurance Portability and Accountability Act of 1996 (HIPPA).

The Center considers it a privilege to serve the community by providing the exceptional services that are outlined in this report.

The Helen Ross McNabb Center offers all services equally to eligible persons regardless of race, color, national origin, religion, gender, sexual orientation, disability or age.



What’s Inside

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This publication was paid for, in part, with state funds.

Dale and Robbie Read

Providing windows of hope and opportunity

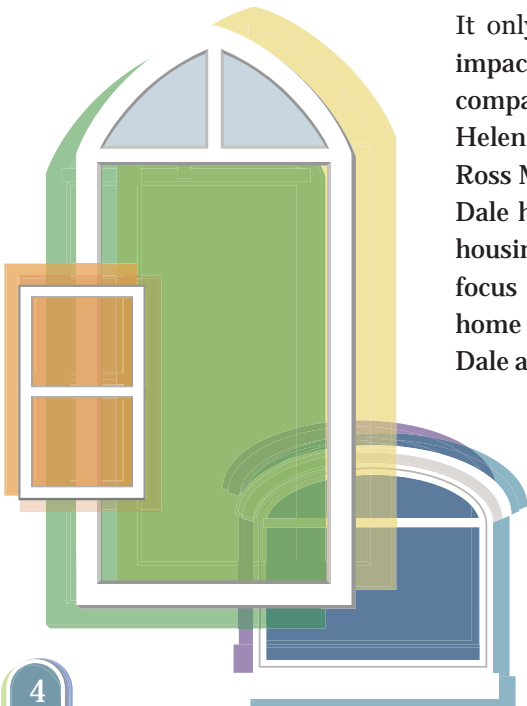
Windows represent hope and opportunity, two things that the Center provides for individuals living with mental illness, addiction and social challenges. Dale and Robbie Read are service-minded leaders in the greater Knoxville community who are constantly seeking ways to help create hope and opportunity for our neighbors in need. As a child, Dale Read witnessed the profound effect that support and genuine concern for another's well-being can have on an individual's life. Watching his parents reach out to a single mom in a time of need forever impacted his view on helping his neighbors and community. He attributes their example to why he fostered and adopted children and became heavily involved in community organizations, like the Helen Ross McNabb Center, that serve children who have grown up in difficult environments and circumstances.

In 2003, Dale was introduced to the Helen Ross McNabb Center when he was approached by a friend to serve on the board of directors. Immediately, Dale was intrigued and inspired by the Center's ability to use funds in a way that would make the greatest impact on individuals served by the Center and the community as a whole. During his time as a board member, Dale served on the corporate compliance committee, finance committee and as board chair. He has also served on several annual fund campaign committees including the Lifeline campaign which currently allows the Center to provide care to adults who are either uninsured or underinsured. He also served on the Housing First campaign which provided supportive housing for homeless individuals with diagnosed mental illnesses. As CEO of Read Window Products, his experience as a successful businessman helped guide the Center to make sound business decisions that have ultimately allowed the Center to serve as a safety net for our community's most vulnerable citizens.



It only takes five seconds with Dale to realize that he thinks on a global scale of impact, yet also acts on a direct level with a compassionate heart. Practicality and compassion make for a winning combination especially for an organization like the Helen Ross McNabb Center. Dale and his wife, Robbie, continue to support the Helen Ross McNabb Center in several ways. Through his company, Read Window Products, Dale has donated window treatments to several service locations like the supportive housing facilities in Knoxville. These generous donations not only help the Center focus its resources on directly serving clients but it also helps provide a welcoming home for clients who need supportive housing. Like the Helen Ross McNabb Center, Dale and Robbie believe that everyone should be treated like we ourselves would like to be treated. Considerate gestures like donating window treatments goes a long way in the lives of clients served by the Center.

It is an honor to dedicate the 2013 Annual Services report to Dale and Robbie Read. Because of their exemplary leadership and generosity, the Center is able to provide opportunity and hope to individuals and families across East Tennessee through quality and compassionate care.





Helen Ross McNabb

Peering In...

An opening for hope, a history of opportunity

As a small child, little Helen Ross had an experience that stirred her lifelong interest in mental health. Her childhood family home was on a hill about a half mile from the gate of Eastern State Hospital (This facility closed in 2012 as the Lakeshore Mental Health Institute). Her nanny had a friend who worked in one of the buildings at the hospital, and one day walked down the road to visit, taking young Helen with her. The year was 1914. The young girl found herself in a prison-like building, overcrowded and smelly, with faces inside peering out looking frightened and unkempt.

Throughout her childhood, a couple of other events helped foster her interest in mental illness. When she was eight or nine years old, a patient escaped from Eastern State in the middle of the night and went to Helen Ross' house. They could hear him cracking nuts with a nutcracker in their breakfast room. Her father called the hospital and the patient was taken back. When she was a teenager, she and her mother were asked—as neighbors—to judge the Christmas decorations at the hospital. The impressions she took away

from that visit were of dim lighting, drab colors, old clothes, shabby furniture, tiny rooms, boredom, and noticeable quiet. She appreciated the attendants, who worked 12 hours a day for a small amount of money, yet were caring enough to take great pains to decorate Christmas trees for the patients.

Helen later attended Wellesley College and received her undergraduate degree from The University of Tennessee in psychology and sociology in 1936. Shortly after graduation, she married Richard McNabb, a co-worker at Associated Charities. By 1941 they had three children, and she had earned a master's degree in psychology. While her husband was off to the war, she returned to UT as an instructor and began doing a little social work for the Home Service Department.

With the memories of her youth still vivid and being reinforced daily through her social work and the experiences of GI's returning from the war with emotional problems, she set out to change all that she could.

Sixty five years ago, a determined Helen Ross McNabb made an appeal to the Knoxville City Council for funds to help open a mental health agency for children. At this time, there was a great need, but little attention given to those suffering with mental illnesses. Due to her persuasive efforts, one of the first community mental health clinics was established in the state of Tennessee. The agency was first created for children but quickly grew to also serve adults in 1955. The clinic opened in a house near the University of Tennessee campus in 1948. There were three employees. The staff included a full-time psychologist, a secretary with a master's degree in psychology and a part-time psychiatrist.

Initially, the clinic's goal was to serve children but with an intent to provide services to all ages in the future. Patients were charged according to their ability to pay. Not surprisingly, the caseload grew rapidly and larger facilities were required. Knox County supplied additional funding in 1951 and a second psychologist was hired. In 1953 the small center took the opportunity to become independent of the City Health Department and became a non-profit corporation under its own board of directors. Adult services were officially added in 1955. Throughout the following decades, the Center provided comprehensive community mental health services. When necessary, the Center would operate neighborhood satellite clinics to provide onsite services to outlying areas. It has always been the history of the Center to find ways to serve those in the community who have no advocates and no means to serve themselves. To read more of the Center's history, visit www.mcnabbcenter.org.



Helen Ross McNabb, Knoxville City Council signing papers for first Knoxville Community Mental Health Center.

Executive Leadership

The management and direction of programs offered by the Helen Ross McNabb Center are the responsibilities of the Executive Team. The Center's strategies for treatment, business operation, along with its subsequent implementation are developed under the supervision of this team.



From Left to Right: Front Row; Yolanda Monfort, Andy Black, Stephanie Carter, David Manning; Back Row; Jerry Vagnier, Paula Hudson, Mona Blanton-Kitts, Clifton Tennison, Leann Human-Hilliard, Dovile Paulauskas.

Andy Black, MSSW
Chief Executive Officer

Jerry Vagnier, LCSW
President

Clifton R. Tennison, Jr., MD
Chief Clinical Officer

Mona Blanton-Kitts, LCSW
Vice President of Clinical Services

Leann Human-Hilliard, LCSW
Vice President of Clinical Services

David B. Manning, MD
Medical Director for Adult Services

Dovile Paulauskas, MD
Medical Director for Children's Services

Stephanie Carter, LCSW
Senior Director of Administrative Services

Paula Hudson
Senior Director of Compliance and Quality Assurance

Yolanda Monfort, MBA
Senior Director of Financial Services

2012-2013 Board of Directors



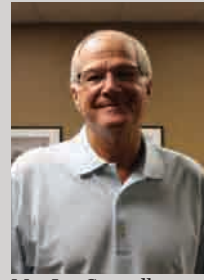
Dr. Harold Black
University of Tennessee



Ms. Linda Gay Blanc
Edwards Jones



Mrs. Susan Conway
Chair Elect
Retired



Mr. Joe Connell
Chair
Connell Properties



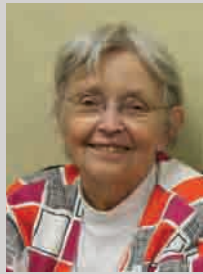
Mr. Wade Davies
Secretary
Ritchie, Dillard & Davies



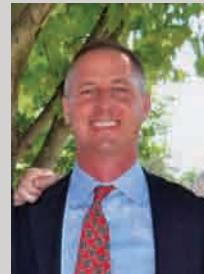
Mr. Joe Fielden
JA Fielden



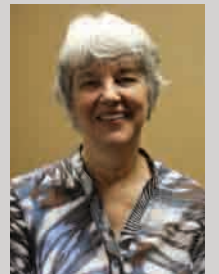
Mr. Ted Flickinger
Past Chair
Martin & Company



Ms. Mai Bell Hurley
Community Volunteer



Mr. Butch Johnson
Duo-Fast of Knoxville



Mrs. Ellie Kassem
Community Volunteer



Mr. Chris Kittrell
Rather & Kittrell



Mr. Chris Leonard
Merchant & Gould



Mr. Ford Little
Treasurer
*Woolf, McClane, Bright,
Allen & Carpenter*



Mr. Richard Maples
*Spanish Fork Properties,
Century 21, Smoky Mountain Realty*



Mrs. Della Morrow
Conry, Taylor & Company



Mr. Ross Schram, III
Baker Donelson, et al



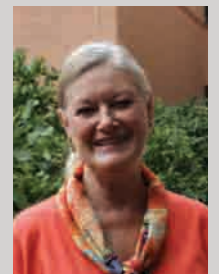
Mrs. Liz Stowers
Past Chair
Community Volunteer



Ms. Nikitia Thompson
Realty Executives Associates



Mrs. Traci Topham
Scripps Networks



Mrs. Linda Vaughn
Vaughn Lumber Co.



Mrs. Dedra Whitaker
Morristown-Hamblen Hospital

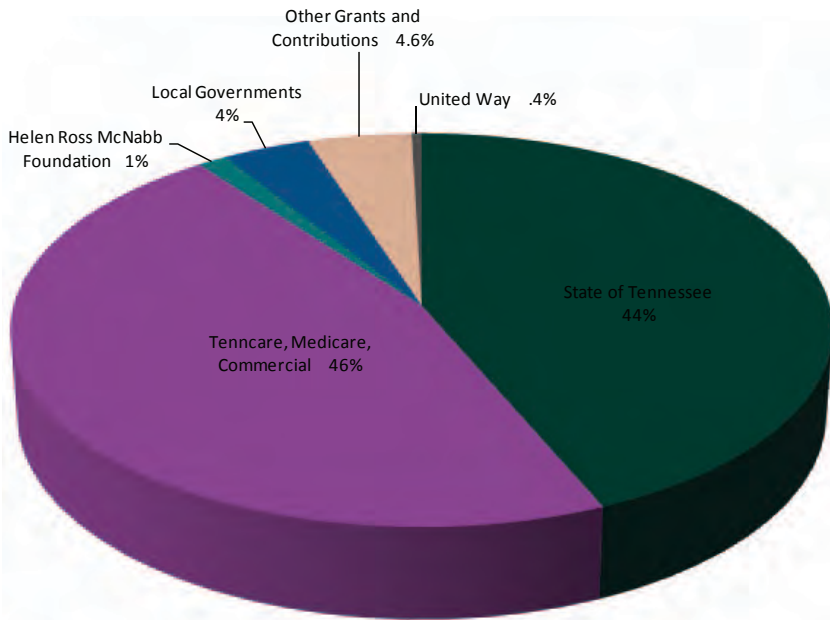
In order to encourage and maintain credibility, the Center is governed by a 21-member volunteer Board of Directors. Board members have the responsibility to create and evaluate policy and organizational goals regarding the Center's finances and services. Board members are elected to serve a three-year term and may serve two terms consecutively.

Financial Numbers

The following information displays the Center's unaudited revenue and expenses for the fiscal year 2013.

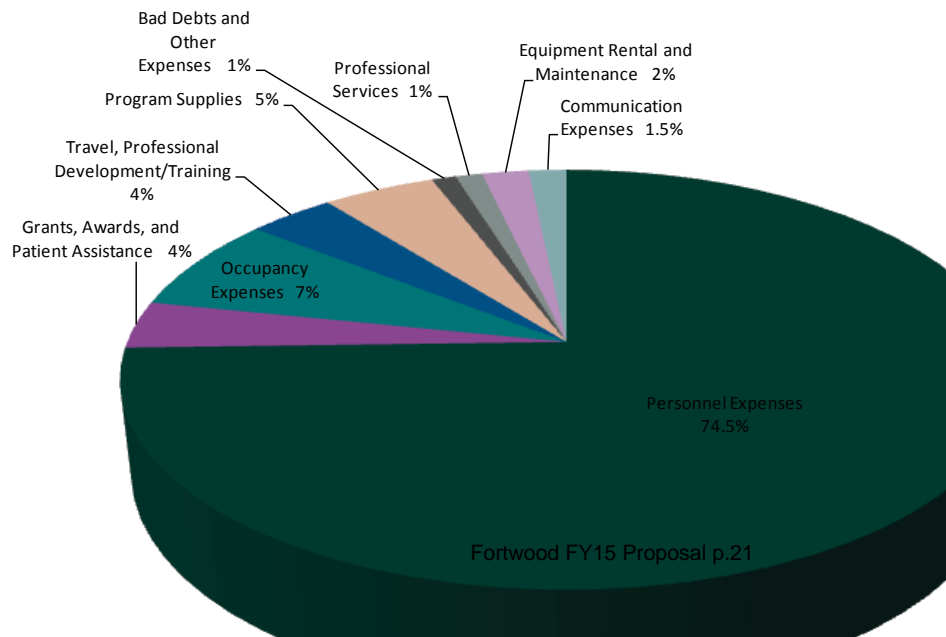
Revenue By Sources - Fiscal Year 2013

- State of Tennessee 44%
- TennCare, Medicare, Commercial 46%
- Helen Ross McNabb Foundation 1%
- Local Governments 4%
- Other Grants and Contributions 4.6%
- United Way .4%



Operating Expenses - Fiscal Year 2013

- Personnel Expenses 74.5%
- Grants, Awards, and Patient Assistance 4%
- Occupancy Expenses 7%
- Travel, Professional Development/Training 4%
- Program Supplies 5%
- Bad Debts and Other Expenses 1%
- Professional Services 1%
- Equipment Rental and Maintenance 2%
- Communication Expenses 1.5%



As a 501c3 not-for-profit corporation, the Center is dedicated to serving our community through delivering high quality behavioral health care. Generally, the Center serves those with the fewest resources and some of the most impairing conditions. As part of our treatment philosophy and community commitment, the Center provides a significant amount of uncompensated care to the communities it serves.

\$4.7 million

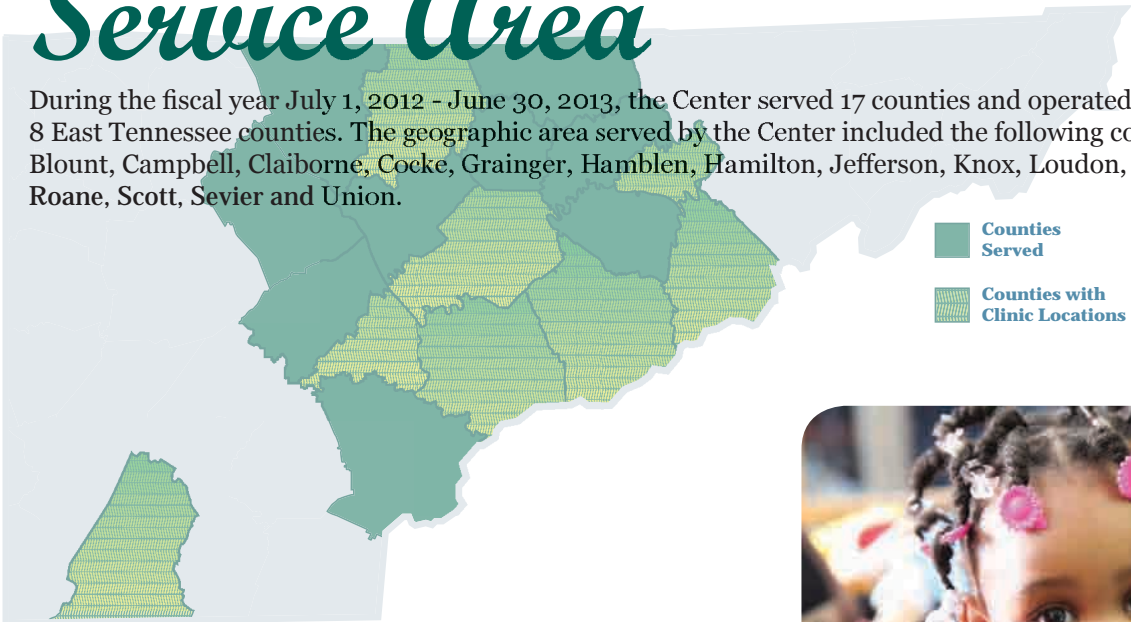
Value of uncompensated services provided by the Center

\$500,554

Contributions provided by the Helen Ross McNabb Foundation for program services and capital

Service Area

During the fiscal year July 1, 2012 - June 30, 2013, the Center served 17 counties and operated out of facilities in 8 East Tennessee counties. The geographic area served by the Center included the following counties; Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Hamilton, Jefferson, Knox, Loudon, Monroe, Morgan, Roane, Scott, Sevier and Union.



Service Demographics

The following table provides information about the individuals served through the Center's larger programs. The numbers exclude some of the Center's grant-based programs.



CHARACTERISTIC CASELOAD

AGE (Years)

| | |
|--------------|---------------|
| 0-17 | 7,219 |
| 18-24 | 2,205 |
| 25-44 | 6,220 |
| 45-64 | 5,149 |
| 65 + | 856 |
| TOTAL | 21,649 |

RACE

| | |
|---------------------------|---------------|
| African American/Black | 3,302 |
| Alaskan Native | 0 |
| American Indian | 53 |
| Asian or Pacific Islander | 51 |
| Hispanic/Latino | 316 |
| White | 16,592 |
| Biracial | 183 |
| Other | 257 |
| Unknown | 895 |
| TOTAL | 21,649 |

GENDER

| | |
|--------------|---------------|
| Male | 11,222 |
| Female | 10,427 |
| TOTAL | 21,649 |



Children, Youth & Family Services

The Helen Ross McNabb Center has provided quality and compassionate care to help children overcome behavioral health challenges since 1948. Our team of trained professionals creates individualized treatment plans to address the unique needs of each child. By partnering with families, schools and community agencies we build a system of care that supports and encourages healing for each child.

Early Childhood Intervention & Prevention Services

Knox County Head Start Consultation, is a partnership with Head Start programs in Knox County and provides mental health consultations through classroom observations and individual evaluations.

Conducted **49** classroom observations last year.

Mother Goose is a community outreach program that focuses on the brain development of infants and serves families with infants ages 0-30 months old.

Served **36** families.

Healthy Families East Tennessee is an in-home visitation program that serves first-time mothers. The program starts during pregnancy, if possible, and continues to serve the family until the child is 5 years old. As a home visitation program, support and education is provided through individual, group and case management services.

Served **315** families and provided **7,844** home visits.

Therapeutic Preschool is a 10 week intensive outpatient program for children ages 4-5 who have experienced a traumatic event, such as abuse or neglect. The preschool also provides case management and therapy services for children, ages 2-8.

The Therapeutic Preschool served 196 children; 274 children received case management services

Regional Intervention Program (RIP) is a 12-24 week behavior modification program for children ages 2-6. The program is designed to simultaneously decrease the child's unwanted behaviors while strengthening social skills and empowering parents to set developmentally appropriate limits and consequences for their child.

Served **59** children.

Outpatient Mental Health Services

Integrated Services Team (IST) provides psychosocial assessments, case management, therapy, and medication services to children ages 2 to 21 who have significant impairment in functioning related to a mental health diagnosis. These services are provided at various outpatient centers located in East Tennessee.

| County | Number Served |
|---------------|---------------|
| Blount..... | 1,188 |
| Campbell..... | 278 |
| Cocke..... | 307 |
| Hamblen..... | 911 |
| Hamilton..... | 1,129 |
| Knox..... | 4,146 |
| Loudon..... | 202 |
| Sevier..... | 830 |

Continuous Treatment Team (CTT) provides intensive services to children and youth who are diagnosed with serious emotional disorders, and identified as at imminent risk of potential hospitalization or other therapeutic out-of-home placement. Program components include case management, individual and family therapy, group therapy, and psychiatric services.

Served **314** children.

ChildNet East Tennessee is funded through private donations and allows the Center to provide mental health services to uninsured or underinsured children. ChildNet East Tennessee served 713 children last year.





Substance Abuse & Co-Occurring Services

Life Skills Training is a 14 week prevention program that provides substance abuse and violence prevention counseling to high-risk children in grades six to nine.

Served 338 adolescents

Adolescent Community Reinforcement Approach (A-CRA) is an outpatient community-based case management and counseling program designed to serve adolescents experiencing both mental health and substance abuse issues, also known as co-occurring issues.

Served 105 adolescents

Comprehensive Child and Family Treatment (CCFT) is a high-intensity, time-limited service designed to: provide stabilization; deter the “imminent” risk of state custody for the child; and assist the child in state custody to maintain his/her status in the current placement and the least restrictive level of care.

Served 135 children

Intensive Case Management is a level of case management that provides intensive support services for children who have behavior or emotional issues.

Served 452 children

K-Town Youth Empowerment Network is a system of care designed to help youth currently accessing several community services transition successfully into adulthood. This program is a collaboration between Tennessee Voices for Children, Centerstone Research Institute, and Tennessee Department of Mental Health and is funded by the Substance Abuse Mental Health Services Administration.

Served 101 transitional youth

Intellectual Developmental Disabilities Services provides case management to children dually diagnosed with a behavioral/emotional disorder and an intellectual or developmental disability.

Served 67 children

Redirections is an intensive outpatient program for adolescents who have substance abuse and mental health issues, also referred to as co-occurring issues.

Served 144 adolescents

Residential Services provide substance abuse, mental health and co-occurring treatment for adolescent males. The residential facilities also administer accredited schools onsite.

Residential Center

Number Served

| | |
|---------------------------------|-----|
| Gateway Center..... | 109 |
| Hamblen County Residential..... | 48 |

Strengthening Families Program is a 14 week parenting and family strengthening program for high-risk families with children ages 12-16 years old. The families will learn effective communication and parenting skills, how to cope with anger and conflict, and dangers of substance use.

Served 74 families

“HRMC is helping our family heal and is giving us both our future back! Thank you to all!!”

Family served by Integrated Services Team

“We have seen improvement with our child almost weekly since he’s been here.”

Parent of child served in the Therapeutic Preschool Program

Social Services

Therapeutic Foster Care and Adoption Program serves children up to 21 years of age, in custody of the Department of Children’s Services who have been removed from their families due to abuse, neglect, unruliness or delinquency. Staff recruit, screen, train and certify foster parents and adoptive parents for foster children to ensure healthy, safe, nurturing homes.

Served 154 children

Youth Emergency Shelter (YES) provides a temporary home and place of stability for children in crisis situations who need immediate care. Children receive everything necessary for daily life including a bed, food, clothing, hygiene care, safety education, counseling, and love. YES also provides mentoring and therapeutic art programs for children.

Served 49 children

Homeless Outreach Services provide support to homeless families who have a child or children under 18 years of age with severe emotional disturbance.

Served 37 children

School-Based Services

Bridges is a school-based program that serves Blount County and Knox County. The program provides case management and counseling to reduce mental health symptoms that may interfere with education and daily living. The Knox County program is a part of Knox County Schools’ community partnership through community schools.

Served 242 children

BASIC is a school-based program in Chattanooga that provides early intervention services for children with behavioral problems.

Served 50 children

School Climate is a program that provides counselors in Knox County schools to help students make positive behavioral changes that support a healthy emotional environment at school.

Counselors provided 27 group observations

Juvenile Justice

Innerchange is a cooperative program with Knox County Juvenile Court that serves youth ages 12-18 who are on probation. The program provides case management, counseling, and crisis intervention services.

Served 432 adolescents

Home Base is an intensive probation program for juvenile offenders ages 12 - 18 who are on “suspended commitment” (commitment to the state is suspended in lieu of participation in this program) to the Department of Children’s Services. The program’s goal is to improve and strengthen the family unit, which assists the youth to remain at home and in their community and avoid placement in state custody.

Served 88 adolescents

EXIT is an intensive aftercare program for juvenile offenders committed to custody of the Department of Children’s Services. The focus of EXIT is to help prevent a return to jail and to help ensure a successful reintegration into the community.

Served 87 adolescents

Mountainview Correctional Services provides mental health services to youth residing at Mountain View Youth Developmental Center in Dandridge, Tennessee. This developmental center serves youth who have been committed to the custody of the Department of Children’s Services following conviction of felony crimes.

Served 277 adolescents



Adult Services

The Helen Ross McNabb Center offers a full array of programs for mental health care, addiction and co-occurring treatment, recovery and social services to meet the needs of adults in our community. Our staff of qualified mental health and addictions/recovery professionals interacts daily with our community partners such as psychiatric hospitals, physicians, social service agencies, the courts and of course, family and friends to ensure the best care for the persons we serve.

Mental Health Services

Integrated Services Team uses a multi-disciplinary team approach to provide care for individuals diagnosed with a severe and persistent mental illness. Clients are provided comprehensive psychiatric evaluations, illness education and management, crisis intervention, psychosocial assessments, individual and family therapy and case management services.

| County | Number Served |
|---------------|---------------|
| Blount..... | 1,011 |
| Campbell..... | 696 |
| Cocke..... | 620 |
| Hamblen..... | 1,327 |
| Hamilton..... | 2,772 |
| Knox..... | 4,582 |
| Loudon..... | 192 |
| Sevier..... | 1,293 |

Behavioral Health Safety Net is a program created by the State of Tennessee and the Department of Mental Health to provide outpatient mental health treatment to adults, ages 18-65, who have no access to other health insurance.

Served 1,260 adults

Adult Indigent Care Program is designed to provide outpatient mental health services to uninsured adults residing in Knox County and is primarily funded through the Helen Ross McNabb Foundation. The program's goal is to reduce barriers to needed treatment within the community and increase access to mental health care for the uninsured.

Served 657 adults

Continuous Treatment Team (CTT) is an intensive, comprehensive, outpatient treatment program designed for adults who have a severe and persistent mental illness.

Served 183 adults

Program for Assertive Community Treatment (PACT) is designed to help adults with severe mental illnesses reduce or eliminate their symptoms, function in the community, live independently, and reduce hospitalization. Teams of mental health professionals including psychiatrists, nurses, social workers, vocational rehabilitation specialists, alcohol and drug treatment specialists, and peer specialists provide intensive direct care and are available 24 hours a day, 7 days a week to their clients. Services are provided in the community, which enhances accessibility and the comfort level of clients.

Served 113 adults

Assisted Outpatient Treatment (AOT) delivers community-based mental health services under court order to individuals with severe mental illness who have demonstrated difficulty adhering to prescribed treatment on a voluntary basis. AOT is the combination of a court order and community-based psychiatric services.

Intensive Long-Term Support Services is a mental health residential program that provides 24/7 clinical care to adults with a mental illness and fragile medical conditions. Coordinated and structured services are provided and include personal care services, community living skills, vocational skills, and socialization. Access to medical, social, and mental health services are facilitated as necessary.

Served 15 adults

“HRMC has been a life-saver for me. I’ve been able to get the medication and advice I need to live a more productive life especially in recovery.”

Integrated Services Team Client

Substance Abuse & Co-Occurring Services

E-Therapy provides alcohol and drug and/or co-occurring assessments, referrals and brief, low-intensity interventions for adults, ages 18-35, who reside in 13 East Tennessee counties.

Served 202 adults

Hi-Tech Grant, the Expanded Care Coordination through the Use of Health Information Technology in Rural Tennessee, is funded by the Substance Abuse and Mental Health Services Administration (SAMHSA) and is a partnership with the University of Tennessee. The program facilitates engagement with substance abuse and mental health services for individuals living in rural, underserved counties through technology such as email, text messaging, online platforms and chat rooms. The utilization of the indicated technology helps deliver interventions, treatment, and support services.

Served 149 adults

Team EXCEL, a partnership with The University of Tennessee Sports Medicine Department, provides behavioral health services for student athletes at The University of Tennessee. On site assessment, prevention, intervention and treatment for substance abuse and dependence is provided by the Center.

Served 61 adults

Intensive Outpatient Programs (IOP) offer gender specific counseling sessions for both co-occurring diagnosed and chemically dependent adult men and women. Each program provides 12 hours of structured programming per week that includes group therapy, HIV, and substance abuse education.

| Program | Number Served |
|---|----------------------|
| Knox County Men's IOP..... | 77 |
| Knox County Women's IOP..... | 66 |
| SISTERS IOP (Knox County)..... | 36 |
| Campbell County IOP..... | 46 |
| New Hope Recovery IOP (Hamblen County)..... | 132 |

Women's Liaison Program serves Knox County women, age 18 and older, who need addiction/recovery services. The liaison provides intensive case management and comprehensive wrap-around services to enhance addiction/recovery treatment and help ensure a return to productive, drug-free living.

Served 89 women

Residential Service is a 21-28 day residential program designed to educate, inform and provide substance abuse treatment in a group format with some individual sessions. Overseen by the medical director, the program provides a team of clinicians (program counselors), milieu counselors and nurses to interact with those who are seeking assistance with substance abuse issues.

Served 717 adults

Medical Detoxification is a short-term program designed to safely manage the withdrawal signs and symptoms of someone who has been using one or more substances. The protocol for medical detoxification typically lasts 6-12 days.

Served 389 adults



"This place saved my life!"
Friendship House Member

Crisis Services

Mobile Crisis Unit (MCU) provides a 24 hour crisis response system for individuals experiencing a behavioral health crisis. The MCU provides services for a five county area, including Blount, Knox, Loudon, Monroe, and Sevier. The program provides assessments, triage, and access to appropriate levels of care.

Received 6,644 calls to the mobile crisis hotline
Provided 4,235 face-to-face assessments

Crisis Stabilization Unit (CSU) provides non-hospital facility-based services that render short-term treatment to facilitate access to services and stabilization to prevent acute psychiatric hospitalization. The CSU will provide these services on a voluntary status to adults (18 years and older) who have been diagnosed with a mental illness and/or co-occurring disorders that are experiencing a behavioral health crisis.

Served 1,418 adults

Medically Monitored Crisis

Detoxification (MMCD) is a short-term program designed to meet the stabilization needs of someone who is experiencing a psychiatric crisis who is likely to go into withdrawal in the next 72 hours. The protocol for medical detoxification typically lasts 6-12 days.

Served 525 adults

Peer Wellness Coach is a Certified Peer Specialist that implements the State of Tennessee’s My Health, My Choice, My Life program. The program utilizes the state-wide infrastructure of Peer Support Centers and Certified Peer Specialists to integrate a peer-led health promotion, wellness, and self-management program for individuals with mental illness, substance abuse disorders, and co-occurring disorders.

Served 122 adults



“I’m glad and very happy to finally get here. They helped me change my life when I had nowhere else to turn.”
Client of Medically Monitored Crisis Detoxification Program

Mental Health Rehabilitation & Recovery Services

Psychiatric Rehabilitation assists adults that are TennCare participants and who have a mental health diagnosis, by providing support and skills to help them function independently and successfully in the environment of their choice.

Served 101 adults

Peer Support Center is a day program designed for current mental health consumers to receive peer support services and to be active within the mental health community.

“I want to thank all of the staff at CSU for helping me ‘re-start’ my life!” *Crisis Stabilization Unit Client*

| Peer Support Center | Number Served |
|-----------------------------------|----------------------|
| Friendship House (Knoxville)..... | 252 |
| Lighthouse (Chattanooga) | 135 |

Criminal Justice Services

Jail-Based Mental Health Services provides mental health assessments, crises interventions, medical assessments, and prescriptions in Knox County and Blount County Sheriff's Detention Facilities.

Served 2,396 adults

Women's Justice and Mental Health

Collaboration is a grant funded through the Bureau of Justice Administration. The program serves women in the community who have mental health and co-occurring disorders and are significantly involved in the judicial system. The overall goal is to divert arrests and reduce incarcerations and to assist the women in accessing the appropriate services to maintain tenure in the community.

Served 39 adults

Criminal Justice/Mental Health Liaison is a statewide community-level project that focuses on issues affecting adults who have serious mental illness and are involved in the criminal justice system. The goals of the project are to reduce the number of adults with mental illness in the jails and to facilitate communication and the coordination of activities between the community, the criminal justice and mental health systems.

Served 1,205 adults

Forensic Services provide court-ordered evaluations for competency and insanity defense for defendants in Knox County Criminal, Juvenile and General Sessions Courts. A team of state-certified forensic examiners conducts evaluations to determine the defendant's competency to stand trial and/or the mental condition of the accused at the time of the alleged offense.

Served 62 adults



Social Services

HIV/AIDS Prevention & Outreach provides education and prevention services which include individual and group education, assessment, referral and Comprehensive Risk Counseling services, and Oraquick HIV testing.

Tested 4,141 individuals for HIV

Educated 7,526 individuals

Targeted Transitional Support is a grant based program that assists persons awaiting discharge from a Regional Mental Health Institution (RMHI) by enabling them to move into a community setting with temporary transitional support.

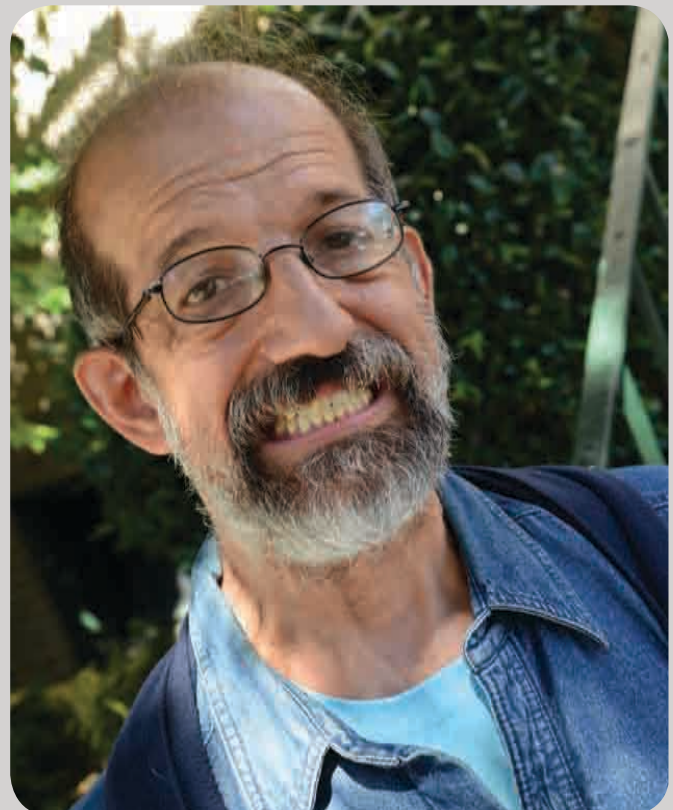
Served 102 adults

Project for Assistance in Transition from Homelessness (PATH) provides services to homeless individuals who have severe and persistent mental illnesses. Individuals are assisted in securing mental health treatment, affordable housing, supportive income, and other basic necessities.

Served 151 adults

Housing Services provides permanent, safe, affordable housing to individuals who are homeless and experiencing symptoms of a mental illness.

Served 150 adults



Community Involvement

Professional Training

The Helen Ross McNabb Center maintains close ties with health care training programs in several disciplines. Working with students and their academic institutions provides enrichment opportunities for both Center staff and students. During the past fiscal year, the Center served as a practicum training site for undergraduate, graduate and doctoral students from The University of Tennessee, Carson Newman College, East Tennessee State University, Lincoln Memorial University, South College, Maryville College, Johnson University, Tennessee Wesleyan and Walter's State Community College.

Consultation & Education

One of the greatest assets of the Helen Ross McNabb Center is its staff which is composed of compassionate, dedicated professionals who go above and beyond every day to advance their respective fields. The Center has several experts with years of experience that are recognized on a regional, state and national level. These experts share their knowledge and experience at conferences and seminars by discussing topics relevant to behavioral health and social services. Members of the Center's staff also provide consultation and educational services to the community through a variety of community agencies, including law enforcement agencies, health care agencies, human services agencies, educational institutions, civic organizations, philanthropic organizations and individuals.

Community Relations

The Center strives to be a premier behavioral health and social services organization in East Tennessee. Positive relationships with our neighboring communities and businesses are an important component to the success of the Center's programs. The Center is involved in local neighborhood and business associations, coalitions and interagency organizations. The Center makes it a priority to be present and visible at community festivals, workshops, events and fairs. It is through this involvement that neighbors gain a deeper understanding about the Center's services and the need for them.

Volunteer Services

In addition to its professional staff, the Center relies on a core group of volunteers to help support the Center's mission and daily operations. There are ample opportunities for people to volunteer that vary in commitment level and interest. Through our children and youth services, volunteers can serve as a "safe" adult for children who have experienced abuse or trauma or mentor an adolescent dealing with substance abuse issues. Community members also volunteer in our adult services and programs by providing support to clients. Other volunteer opportunities include providing administrative support for our programs or volunteering at special events and community functions throughout the year. This past fiscal year 803 volunteers provided 18,256 hours of service.



803
volunteers

18,256
service hours

Foundation

Since its founding in 1972, the Helen Ross McNabb Foundation has worked diligently to support the work of the Helen Ross McNabb Center. In addition to providing leadership and direction, the Foundation's staff and 30-member volunteer board actively raises, holds and invests funds on behalf of the Center. Funds raised by the Foundation over the past 41 years have contributed greatly toward the stability and growth of the Center. The Foundation raises funds through several avenues.

Annual Fund

Traditionally, the Foundation's annual fund campaign allows the Foundation to raise funds for projects and programs which meet the most pressing needs of our clients and community. The tradition continued with this year's annual fund campaign which raised funds to build a facility in Hamblen County that will centralize and expand services. Since opening its doors in Morristown in 2008, the Center has identified an urgent and growing need to expand our facilities. Currently, services are offered at two separate locations due to space limitations. In response to this need, the Center and its Foundation have made plans to develop a permanent, stand alone mental health treatment facility in Hamblen County. These plans took an enormous leap forward when Morristown City Council donated a 2.5 acre site to the Center in 2011. This generous gift demonstrates the value of the Helen Ross McNabb Center as a resource to the community and our history as a true community partner. The completion of the new clinic will increase the facility's service capacity, ultimately increasing access to care for individuals living in rural communities who frequently fall through the cracks of the health care system.

Planned Giving

Through the Foundation's planned giving options, individuals have the opportunity to leave a legacy starting today. There are many ways to donate through planned giving; including charitable remainder trusts, bequests, life insurance and retirement plans. These options help donors determine the best way to give based on their financial situation and desire to make a meaningful impact in the lives of others.

Endowment

An endowment creates a fund which stays in existence for a lengthy period of time, and continues to provide charitable benefits to the Center for many years to come. Once an endowment is established, the Helen Ross McNabb Foundation sets up a fund to pay a fixed percentage of its annual value to the designated program each year. Earnings over the fixed amount are reinvested, building the fund over time. Because use of the fund is restricted to a small portion each year, the fund can be a legacy to the Center for many years.

Memorial and Honorary Gifts

Memorial and honorary gifts allow donors to remember or honor a loved one through a gift that provides vulnerable children and adults in East Tennessee the opportunity to receive quality, compassionate mental health care. Upon receipt of the gift, the Foundation sends a note to acknowledge the gift to the family of the individual being remembered or to the honoree.

Special Events

The Foundation organizes special events each year to raise financial support and awareness for the Center. These events are embraced and supported by local media and businesses and provide public outreach which attracts people who may never come in contact with the Center's work at any other time. The annual events include:



2012-2013 Foundation Board of Directors

The Foundation is governed by a 30-member volunteer board. Board members are volunteers from all walks of life who give of their time and talent to direct and serve the Foundation. Members are elected and serve a three-year term and may serve two consecutive terms.



Fay Bailey
Hop Bailey Co.

Sandy Bertelkamp
Community Volunteer

Patrick Birmingham
Knoxville News Sentinel

Andy Black
Ex-Officio
Helen Ross McNabb Center

Christi Branscom
Past-Chair
City of Knoxville

Jenny Brock
Community Volunteer

Debbie Brown
Raymond James

Elizabeth Campbell
Community Volunteer

Nick Chase
Chair
Egerton, McAfee, Armistead & Davies, P.C.

Jeannie Dulaney
Lattimore, Black, Morgan & Cain

David Fiser
Fiser, Inc.

Mike Fishman
Citizen Tribune

Greg Gilbert
Latimore, Black, Morgan & Cain

Daniel Head
Head Wealth Management

Joe E. Johnson, Ph.D.
University of Tennessee

Debbie Jones
Treasurer
Lattimore, Black, Morgan & Cain

Chris Kahn
Community Volunteer

Dale Keasling
Home Federal Bank

George Kershaw
Chair-elect
D&K Management

Chris Liposky
Rogers Petroleum, Inc.

Virginia Love
Baker Donelson

Joe Mont McAfee
Egerton, McAfee, Armistead & Davis, P.C.

Linda Ogle
Riverside Towers

Davis Overton
White Realty

Bob Petrone
Secretary
B&T Distributing

Avice Reid
City of Knoxville

Keith Sanford
First Tennessee

James Schaad
Schaad Company

Andy Shafer
Shafer Insurance

Carl Van Hoozier
Vulcan Materials



Community Partner



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facebook.com/mcnabbcenter • twitter.com/mcnabbcenter

HELEN ROSS McNABB CENTER, INC.

Knoxville, Tennessee

FINANCIAL STATEMENTS

June 30, 2012 and 2011

HELEN ROSS McNABB CENTER, INC.

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TELEPHONE 865-483-5634
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KNOXVILLE, TENNESSEE 37930-1409
TOLL FREE 800-332-7021

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Helen Ross McNabb Center, Inc.
Knoxville, Tennessee

We have audited the accompanying statements of financial position of Helen Ross McNabb Center, Inc. as of June 30, 2012 and 2011, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the management of Helen Ross McNabb Center, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Helen Ross McNabb Center, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2012, on our consideration of Helen Ross McNabb Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.



Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133)* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

We have also audited the affiliate financial statements of Helen Ross McNabb Mental Health Foundation, Inc. and issued an unqualified opinion dated October 22, 2012.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 22, 2012

HELEN ROSS McNABB CENTER, INC.
STATEMENTS OF FINANCIAL POSITION

| | As of June 30, | <u>2012</u> | <u>2011</u> |
|--|----------------|--------------------------|-----------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | \$ | 4,402,895 | \$ 4,141,607 |
| Investments | | 477,328 | 719,783 |
| Receivables, Net | | 5,372,748 | 3,500,418 |
| Due from McNabb Foundation | | 695,795 | 914,886 |
| Prepaid Expenses | | <u>180,994</u> | <u>192,056</u> |
| Total Current Assets | | 11,129,760 | 9,468,750 |
| PROPERTY AND EQUIPMENT - NET | | 16,903,114 | 15,444,112 |
| OTHER ASSETS | | | |
| Investments for Deferred Compensation Plan | | <u>242,747</u> | <u>301,166</u> |
| TOTAL ASSETS | \$ | <u>28,275,621</u> | \$ <u>25,214,028</u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | \$ | 889,758 | \$ 983,337 |
| Accrued Annual Leave | | 707,860 | 601,899 |
| Accrued Salaries Payable | | 716,537 | 538,329 |
| Other Accrued Liabilities | | 365,982 | 362,384 |
| Current Portion of Notes Payable | | 364,884 | 89,884 |
| Deferred Revenue | | <u>281,910</u> | <u>6,800</u> |
| Total Current Liabilities | | <u>3,326,931</u> | <u>2,582,633</u> |
| LONG-TERM LIABILITIES | | | |
| Notes Payable | | 205,718 | 249,769 |
| Deferred Compensation Plans Payable | | <u>242,747</u> | <u>301,166</u> |
| Total Long-Term Liabilities | | <u>448,465</u> | <u>550,935</u> |
| Total Liabilities | | <u>3,775,396</u> | <u>3,133,568</u> |
| NET ASSETS | | | |
| Unrestricted: | | | |
| Undesignated | | 21,782,046 | 19,348,356 |
| Designated by the Board for Property and Equipment | | 2,119,790 | 2,119,790 |
| Temporarily Restricted | | 98,389 | 112,314 |
| Permanently Restricted | | <u>500,000</u> | <u>500,000</u> |
| Total Net Assets | | <u>24,500,225</u> | <u>22,080,460</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ | <u>28,275,621</u> | \$ <u>25,214,028</u> |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.

STATEMENTS OF ACTIVITIES

| For the Years Ended June 30, | <u>2012</u> | <u>2011</u> |
|--|--------------------|--------------------|
| UNRESTRICTED REVENUES AND OTHER SUPPORT | | |
| PATIENT SERVICES REVENUE | | |
| TennCare | \$ 17,585,284 | \$ 14,584,326 |
| MediCare | 506,099 | 236,082 |
| Commercial Insurance | 391,385 | 314,262 |
| Private Pay | 240,366 | 105,028 |
| Less: Contractual Adjustments | <u>(3,149,917)</u> | <u>(3,825,534)</u> |
| | 15,573,217 | 11,414,164 |
| Federal Assistance: | | |
| Department of Housing and Urban Development | 52,479 | 58,693 |
| Department of Health and Human Services | 0 | 37,226 |
| Department of Agriculture | 55,432 | 50,650 |
| Board of Parole and Probation | 7,149 | 6,995 |
| State of Tennessee: | | |
| Dept. of Health | 794,795 | 763,000 |
| Dept. of Children's Services | 6,241,660 | 6,091,590 |
| Dept. of Mental Health and Developmental Disabilities | 6,381,605 | 5,889,076 |
| Tennessee Housing Development Agency | 89,884 | 89,884 |
| Other Grants | 1,182,897 | 692,072 |
| Local Governments: | | |
| Knox County | 965,245 | 978,943 |
| Other Local Governments | <u>167,198</u> | <u>131,502</u> |
| | 31,511,561 | 26,203,795 |
| NET PATIENT SERVICES REVENUE | | |
| CONTRIBUTIONS AND OTHER: | | |
| Helen Ross McNabb Foundation | 668,258 | 2,431,113 |
| United Way | 61,743 | 87,967 |
| Other Contributions | 212,100 | 7,520 |
| Investment Income | 20,994 | 28,010 |
| Gain (Loss) on Asset Disposal | 4,700 | 40,811 |
| Other Income | <u>187,092</u> | <u>130,955</u> |
| | 1,154,887 | 2,726,376 |
| TOTAL CONTRIBUTIONS AND OTHER | | |
| NET ASSETS RELEASED FROM RESTRICTION - UNITED WAY | <u>112,314</u> | <u>88,156</u> |
| TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT | <u>32,778,762</u> | <u>29,018,327</u> |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
STATEMENTS OF ACTIVITIES (Continued)

| | For the Years Ended June 30, | 2012 | 2011 |
|--|------------------------------|---------------|---------------|
| TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT | | 32,778,762 | 29,018,327 |
| EXPENSES | | | |
| Program Services: | | | |
| Adult Services | | 12,529,570 | 10,972,314 |
| Children Services | | 14,405,381 | 13,201,487 |
| Total Program Services | | 26,934,951 | 24,173,801 |
| Supporting Services: | | | |
| Fund Raising | | 342,329 | 302,148 |
| Administrative and General | | 2,567,792 | 2,140,236 |
| Total Supporting Services | | 2,910,121 | 2,442,384 |
| TOTAL EXPENSES | | 29,845,072 | 26,616,185 |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS BEFORE EQUITY TRANSFER | | 2,933,690 | 2,402,142 |
| Transfer to Foundation | | (500,000) | 0 |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS | | 2,433,690 | 2,402,142 |
| TEMPORARILY RESTRICTED SUPPORT | | | |
| United Way | | 98,389 | 112,314 |
| Net Assets Released from Restriction | | (112,314) | (88,156) |
| INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS | | (13,925) | 24,158 |
| INCREASE (DECREASE) IN NET ASSETS | | 2,419,765 | 2,426,300 |
| NET ASSETS, BEGINNING OF YEAR | | 22,080,460 | 19,654,160 |
| NET ASSETS, END OF YEAR | | \$ 24,500,225 | \$ 22,080,460 |

HELEN ROSS McNABB CENTER, INC.

STATEMENTS OF CASH FLOWS

| For the Years Ended June 30, | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase (Decrease) in Net Assets | \$ 2,419,765 | \$ 2,426,300 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| (Gain) Loss on Asset Disposal | (4,700) | (40,811) |
| Depreciation and Amortization | 748,733 | 661,923 |
| Net Changes in: | | |
| Receivables, Net | (1,872,330) | 642,969 |
| Due from McNabb Foundation | 219,091 | (614,530) |
| Prepaid Expenses | 11,062 | (46,987) |
| Accounts Payable | (93,579) | 62,923 |
| Deferred Revenue | 275,110 | (39,920) |
| Deferred Compensation | (58,419) | 134,337 |
| Accrued Salaries Payable | 178,208 | 120,973 |
| Other Accrued Liabilities | <u>109,559</u> | <u>125,925</u> |
| Cash Flows Provided by (Used in) Operating Activities | <u>1,932,500</u> | <u>3,433,102</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Property and Equipment | 4,700 | 0 |
| Purchase of Property and Equipment | (2,207,735) | (2,230,683) |
| Proceeds from Sales of Investments | 497,729 | 910,819 |
| Purchase of Investments | <u>(196,855)</u> | <u>(599,638)</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>(1,902,161)</u> | <u>(1,919,502)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of Note Payable | 550,000 | 0 |
| Principal Payments on Notes Payable | <u>(319,051)</u> | <u>(89,884)</u> |
| Net Cash Provided by (Used in) by Financing Activities | <u>230,949</u> | <u>(89,884)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 261,288 | 1,423,716 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>4,141,607</u> | <u>2,717,891</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 4,402,895</u> | <u>\$ 4,141,607</u> |
| Supplementary Disclosure of Cash Flow Information: | | |
| Cash Paid During the Year for: | | |
| Interest | \$ 0 | \$ 0 |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2012

| | Program Services | | | Clinical | | | Supporting Services | | | | Total |
|----------------------------------|----------------------|----------------------|------------------------|------------------------------------|------------------------|------------------|---------------------|----------------------------|----------------------|------------------------------------|-------|
| | Adult Services | Children Services | Total Program Services | Administrative and Medical Records | Building and Equipment | Sub Total | Fund Raising | Administrative and General | Total | | |
| | | | | | | | | | | Administrative and Medical Records | |
| Wages and Salaries | \$ 7,574,275 | \$ 7,909,671 | \$ 15,483,946 | \$ 858,056 | \$ 137,235 | \$ 995,291 | \$ 223,177 | \$ 1,714,293 | \$ 18,416,707 | | |
| Employee Benefits | 1,708,169 | 1,779,545 | 3,487,714 | 208,485 | 30,883 | 239,368 | 50,552 | 417,143 | 4,194,777 | | |
| Professional Fees | 99,237 | 188,758 | 287,995 | 11,850 | 2,982 | 14,832 | 2,212 | 52,383 | 357,422 | | |
| Supplies | 446,903 | 476,980 | 923,883 | 37,912 | 3,190 | 41,102 | 5,408 | 44,943 | 1,015,336 | | |
| Telephone | 177,772 | 197,895 | 375,667 | 12,451 | 3,059 | 15,510 | 2,980 | 14,612 | 408,769 | | |
| Postage | 520 | 855 | 1,375 | 17,155 | 13 | 17,168 | 235 | 1,085 | 19,863 | | |
| Occupancy | 559,650 | 457,270 | 1,016,920 | 43,878 | 25,411 | 69,289 | 12,317 | 64,551 | 1,163,077 | | |
| Equipment Rental and Maintenance | 169,337 | 206,880 | 376,217 | 101,446 | 4,426 | 105,872 | 14,165 | 35,941 | 532,195 | | |
| Printing and Publications | 12,701 | 11,431 | 24,132 | 4,341 | 269 | 4,610 | 301 | 2,781 | 31,824 | | |
| Travel | 386,993 | 666,740 | 1,053,733 | 22,814 | 27,738 | 50,552 | 10,335 | 16,024 | 1,130,644 | | |
| Conferences and Meetings | 16,319 | 32,097 | 48,416 | 4,197 | 177 | 4,374 | 1,409 | 7,406 | 61,605 | | |
| Insurance Expense | 89,411 | 80,425 | 169,836 | 7,778 | 6,630 | 14,408 | 1,833 | 10,609 | 196,686 | | |
| Grants and Awards | 16,121 | 1,092,911 | 1,109,032 | 762 | 796 | 1,558 | 0 | 4,065 | 1,114,655 | | |
| Specific Assistance | 99,597 | 11,592 | 111,189 | 0 | 0 | 0 | 0 | 0 | 111,189 | | |
| Depreciation and Amortization | 338,503 | 270,656 | 609,159 | 48,859 | 26,493 | 75,352 | 10,608 | 53,614 | 748,733 | | |
| Other Non-personnel | 57,434 | 128,777 | 186,211 | 18,495 | 1,745 | 20,240 | 6,797 | 15,089 | 228,337 | | |
| Receivable Allowance Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 113,253 | 113,253 | | |
| Total | 11,752,942 | 13,512,483 | 25,265,425 | 1,398,479 | 271,047 | 1,669,526 | 342,329 | 2,567,792 | 29,845,072 | | |
| Allocation of Overhead | 776,628 | 892,898 | 1,669,526 | (1,398,479) | (271,047) | (1,669,526) | 0 | 0 | 0 | | |
| TOTAL | \$ 12,529,570 | \$ 14,405,381 | \$ 26,934,951 | \$ 0 | \$ 0 | \$ 0 | \$ 342,329 | \$ 2,567,792 | \$ 29,845,072 | | |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2011

| | Program Services | | | Clinical | | | Supporting Services | | | Total |
|----------------------------------|----------------------|----------------------|------------------------|------------------------------------|------------------------|------------------|---------------------|----------------------------|----------------------|-------|
| | Adult Services | Children Services | Total Program Services | Administrative and Medical Records | Building and Equipment | Sub Total | Fund Raising | Administrative and General | | |
| Wages and Salaries | \$ 6,467,938 | \$ 6,990,342 | \$ 13,458,280 | \$ 687,697 | \$ 111,822 | \$ 799,519 | \$ 198,619 | \$ 1,590,507 | \$ 16,046,925 | |
| Employee Benefits | 1,614,402 | 1,690,552 | 3,304,954 | 181,447 | 27,750 | 209,197 | 49,991 | 423,301 | 3,987,443 | |
| Professional Fees | 113,758 | 231,557 | 345,315 | 13,841 | 2,100 | 15,941 | 3,410 | 60,684 | 425,350 | |
| Supplies | 361,418 | 432,914 | 794,332 | 47,512 | 1,593 | 49,105 | 2,843 | 47,660 | 893,940 | |
| Telephone | 147,738 | 171,364 | 319,102 | 20,744 | 3,118 | 23,862 | 3,026 | 16,062 | 362,052 | |
| Postage | 1,015 | 3,902 | 4,917 | 14,238 | 23 | 14,261 | 337 | 1,089 | 20,604 | |
| Occupancy | 531,268 | 490,881 | 1,022,149 | 43,203 | 62,554 | 105,757 | 10,409 | 61,190 | 1,199,505 | |
| Equipment Rental and Maintenance | 122,840 | 169,495 | 292,335 | 111,157 | 3,007 | 114,164 | 17,660 | 30,232 | 454,391 | |
| Printing and Publications | 12,196 | 15,350 | 27,546 | 7,211 | 242 | 7,453 | 329 | 3,529 | 38,857 | |
| Travel | 356,289 | 587,954 | 944,243 | 21,585 | 21,694 | 43,279 | 3,109 | 16,368 | 1,006,999 | |
| Conferences and Meetings | 16,419 | 40,967 | 57,386 | 3,357 | 17 | 3,374 | 21 | 18,282 | 79,063 | |
| Insurance Expense | 81,280 | 75,348 | 156,628 | 6,809 | 5,717 | 12,526 | 1,808 | 10,802 | 181,764 | |
| Grants and Awards | 18,537 | 1,170,056 | 1,188,593 | 10,977 | 0 | 10,977 | 0 | 1,211 | 1,200,781 | |
| Specific Assistance | 123,970 | 17,937 | 141,907 | 0 | 0 | 0 | 0 | 0 | 141,907 | |
| Depreciation and Amortization | 299,984 | 230,951 | 530,935 | 52,173 | 16,722 | 68,895 | 9,566 | 52,527 | 661,923 | |
| Other Non-personnel | 28,302 | 69,829 | 98,131 | 8,018 | 720 | 8,738 | 1,020 | 18,980 | 126,869 | |
| Receivable Allowance Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (212,188) | (212,188) | |
| Total | 10,297,354 | 12,389,399 | 22,686,753 | 1,229,969 | 257,079 | 1,487,048 | 302,148 | 2,140,236 | 26,616,185 | |
| Allocation of Overhead | 674,960 | 812,088 | 1,487,048 | (1,229,969) | (257,079) | (1,487,048) | 0 | 0 | 0 | |
| TOTAL | \$ 10,972,314 | \$ 13,201,487 | \$ 24,173,801 | \$ 0 | \$ 0 | \$ 0 | \$ 302,148 | \$ 2,140,236 | \$ 26,616,185 | |

The accompanying notes are an integral part of these financial statements.

HELEN ROSS McNABB CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012 and 2011

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Helen Ross McNabb Center (the Center) is a private, not-for-profit community mental health center devoted to the diagnosis, treatment, prevention and rehabilitation of mental illness and is a health and welfare organization providing room, board, counseling and rehabilitation assistance to individuals involved in alcohol and drug detoxification programs in Knox County and various counties in the surrounding East Tennessee area. Its primary sources of funding are state and federal public health programs and grants, local government programs, and private support from individuals, business and community organizations. These financial statements include the accounts of the Center and its subsidiary, McNabb Center, LLC (see Note 10).

These financial statements do not include the financial position or results of operations of the Helen Ross McNabb Mental Health Foundation, Inc. (the Foundation), the Center's affiliate. The Foundation solicits, receives, holds, administers, invests and disburses funds to be used for and on behalf of the Helen Ross McNabb Center, Inc., its facilities and programs.

Nonprofit organizations may hold ownership interests in other nonprofit entities. Consolidated statements are permitted but not required where control exists through a form other than majority ownership or majority voting interest in the board of the related entity. Consolidated financial statements may be prepared when not required if such consolidation would be meaningful.

Separate consolidated financial statements for the Helen Ross McNabb Center, Inc. and its affiliate, the Helen Ross McNabb Mental Health Foundation, Inc. have been issued with all significant inter-entity transactions and balances eliminated in the consolidation. Consolidated statements are based on the assumption that they present the financial position and the change in net assets of a single entity. See Note 11 for summarized financial data of the Foundation.

Basis of Accounting - The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and, accordingly, reflect all significant receivables, payables and other liabilities.

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Although these estimates are based on management's knowledge of current events and actions they may undertake in the future, actual results could vary from those estimates. Estimates are used when accounting for receivables, allocation of expenses, and contingencies, among others.

Basis of Presentation - The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - not subject to donor-imposed stipulations or the donor imposed restrictions have expired. All contributions are considered unrestricted unless specifically restricted by the donor.

Temporarily Restricted Net Assets - includes resources whose use is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the board of directors pursuant to those stipulations. When a donor-imposed restriction is fulfilled or when a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as restrictions satisfied.

Permanently Restricted Net Assets - includes resources whose use is limited by donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the board of directors.

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status - The Center is exempt from federal income taxes under certain provisions of the Internal Revenue Code, Section 501(c)(3). The Center files annual returns of organizations exempt from income taxes with the IRS. The Center is no longer subject to examinations by federal tax authorities for years before 2009.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Center considers all unrestricted highly-liquid investments with an initial maturity of ninety days or less to be cash equivalents.

Investments - The Center's investments are carried at their estimated fair values in the statement of financial position. Fair value of the Center's investments is based on quoted market prices. Investment transactions are recorded on trade date. Any realized and/or unrealized gain or loss is reported in the statement of activity. Dividend and interest income is accrued when earned.

Premium Revenue - The Center has agreements with United HealthCare Community Plan and Value Options/Volunteer State Health Plan (VSHP) to provide TennCare mental health services to enrolled members. Under this agreement, the Center receives monthly case rate payments based on the number of clinical events performed by the Center. In addition, the BHO made fee-for-service payments to the Center for certain covered services based upon discounted fee schedules.

Net Patient Service Revenue - The Center has agreements with third-party payers that provide for payments to the Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including contractual adjustments under reimbursement agreements with third-party payers. Contractual adjustments are recorded in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Patient services rendered to Medicare program beneficiaries are paid at fee for service rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Contributions - Contributions are recognized as revenue by the Center when the donor makes a promise to give that is in substance, unconditional. Pledges of contributions are recorded at their estimated net realizable value which includes adjusting receivables for uncollectible amounts and reducing the carrying amount of long-term pledges to their present value. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and nature of any donor restrictions.

Donated Assets and Services - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Functional Expenses -The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are charged to program services, management and general, and fund raising functions based on direct expenses incurred. Indirect expenses are allocated among the program and supporting services benefited.

Receivables - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management does not recognize late fee income on receivables. Receivables are considered past due or delinquent after 90 days. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance. The provision is based on estimated collection percentages applied to aging category balances for insurance, Medicare, TennCare, and private pay. For grants and contracts, the valuation allowance is based on its assessment of the current status of its individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Center capitalizes property and equipment with a cost or donated fair market value in excess of \$1,000. Depreciation is computed using primarily the straight-line method.

Annual Leave - Vacation benefits accumulate and vest with the employee. An accrued annual leave liability has been reported in the financial statements for the estimated value of unpaid compensated absences.

Advertising Costs - Advertising costs are expensed as incurred. Advertising costs for marketing and public relations for the years ended June 30, 2012 and 2011, were \$24,973 and \$25,051, respectively.

Reclassifications - Certain amounts in the prior year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current year statements.

Evaluation of Subsequent Events - The Center's management has evaluated subsequent events through October 22, 2012, which is the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2012 and 2011, the Center's cash and cash equivalents consisted of the following:

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| Petty Cash | \$ 1,200 | \$ 1,200 |
| Checking - Operations | (37,705) | (46,119) |
| U.S. Government and Federal Agency Obligations Under Repurchases Agreement | 4,381,731 | 4,128,444 |
| Savings | 912 | 908 |
| Money Market Funds | 2,800 | 675 |
| Other | <u>53,957</u> | <u>56,499</u> |
| Total | <u>\$ 4,402,895</u> | <u>\$ 4,141,607</u> |

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Center has a diversified portfolio in a variety of asset classes managed by independent investment managers. The Center regularly evaluates its investments including performance thereof. Due to inherent risk and potential volatility in investment valuations, the amounts reported in these financial statements can vary substantially from year to year.

The Center maintains substantially all of its cash and cash equivalents deposits in one local financial institution. Balances of cash and cash equivalents that exceeded the federally insured limits were \$4,255,736 and \$3,966,806 for the years ended June 30, 2012 and 2011, respectively. However, beginning in 2011, the Center enters into repurchase agreements with the financial institution nightly with its excess cash. These repurchase agreements provide that the financial institution will invest the Foundation's excess deposits in government-backed securities.

The Center's receivable balance at June 30, 2012 and 2011, consisted of fees for patient services through contractual agreements, private pay insurance providers and grantor agencies. Accordingly, these fees are subject to adjustment or denial by the providers.

Because of the nature of the Center, a significant percentage of its revenue is derived from State of Tennessee (including TennCare) and the federal government. As a result, a reduction in state and federal funding could have a profound effect on the Center's operations. State and federal funding represented 89% and 86% of total revenue for the years ended June 30, 2012 and 2011, respectively.

NOTE 4 - INVESTMENTS

At June 30, 2012 and 2011, all of the Center's investments are recorded at fair value on a recurring basis. The fair value of these investments is adjusted based on fair value measurements provided to the Center from third party investment account servicers utilizing fair value inputs in accordance with GAAP. GAAP defines fair value, establishes a framework for using fair value to measure certain assets and liabilities, and expands disclosures about fair value. Level 1 inputs, as defined in the standard, are quoted prices in active markets for identical assets as of the measurement date.

| <u>Fair Value Measurements Using Level 1</u> | <u>2012</u> | <u>2011</u> |
|--|-------------------|---------------------|
| Short-Term (1 Year or Less) | | |
| Certificates of Deposit | \$ 477,328 | \$ 719,783 |
| Long-Term (1 to 5 Years) | | |
| Mutual Funds | | |
| Fixed Income | 29,651 | 28,217 |
| Equity | <u>213,096</u> | <u>272,949</u> |
| Total | <u>\$ 720,075</u> | <u>\$ 1,020,949</u> |

The Center's investments in certificates of deposit are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000. The interest rates on investments range from 0.5% to 1%. The average rate of return on investments which includes unrealized gains and losses was 2.9% and 2.7% for 2012 and 2011, respectively.

NOTE 5 - RECEIVABLES, NET

Net patient service receivable is reported at the estimated net realizable amount from patients, third-party payers, and others for services rendered. As of June 30, 2012 and 2011, the amount of accounts receivable greater than 90 days was \$1,018,898 and \$258,614, respectively. A summary of the accounts receivable is as follows:

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| TennCare | \$ 2,636,072 | \$ 1,597,924 |
| State and Federal Grants | 2,213,069 | 1,790,019 |
| Other Grants and Subsidies Receivable | 200,417 | 222,156 |
| Medicare, Commercial Insurance, and Private Pay | 785,478 | 230,843 |
| Interest | 621 | 3,932 |
| Allowance for Doubtful Accounts | <u>(462,909)</u> | <u>(344,456)</u> |
| Total | <u>\$ 5,372,748</u> | <u>\$ 3,500,418</u> |

The change in the valuation allowance is as follows:

| | <u>2012</u> | <u>2011</u> |
|----------------------|-------------------|-------------------|
| Beginning Balance | \$ 344,456 | \$ 593,045 |
| Provision (Recovery) | 113,253 | (212,188) |
| Charge Offs | <u>5,200</u> | <u>(36,401)</u> |
| Ending Balance | <u>\$ 462,909</u> | <u>\$ 344,456</u> |

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation follows:

| | 2012 | 2011 | Asset Lives |
|------------------------------------|-----------------------------|-----------------------------|-------------|
| Land and Buildings | \$ 20,622,183 | \$ 17,697,543 | 5-40 Years |
| Furniture and Equipment | 3,596,830 | 3,009,965 | 3-10 Years |
| Construction in Progress | 1,800 | 1,305,571 | N/A |
| Total | <u>24,220,813</u> | <u>22,013,079</u> | |
| Less: Accumulated Depreciation | <u>(7,317,699)</u> | <u>(6,568,967)</u> | |
| Property and Equipment, Net | <u>\$ 16,903,114</u> | <u>\$ 15,444,112</u> | |

The depreciation expense for the years ended June 30, 2012 and 2011, was \$748,733 and \$661,923, respectively.

NOTE 7 - NOTES PAYABLE

The Center's notes payable at June 30, 2012 and 2011 total \$570,602 and \$339,653, respectively. Notes payable consist of the following:

The Center maintains an unsecured line of credit with a local financial institution in the amount of \$1,000,000 with variable interest rate. The line is available until February 20, 2014. Advances on the line are payable upon demand. If there is no demand, the balance is not payable until termination of the line on February 20, 2014. Interest is to be paid monthly at the current index rate. This rate at June 30, 2012 and 2011 was 4.00%. No funds were borrowed from this line of credit during the years ended June 30, 2012 and 2011.

A grant note payable of \$70,000 with the State of Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) dated August 10, 2005 consists of a promissory note with a fifteen year term and 0% stated interest rate. According to the terms of the note payable agreement, TDMHDD will forgive the note payable at the end of the note term if all conditions are fulfilled in association with the operation of the Supportive Housing Program (SHP) apartments (New Hope Apartments) located at 204 E. Fourth Avenue. All funds advanced are to be used for the purchase and rehabilitation of the property. The property is to be maintained as a residence for Tennessee low-income adult mental health consumers who have received treatment for psychiatric illness. In the event of default, TDMHDD shall be entitled to immediate demand payment of all amounts due under the grant note payable.

On March 27, 2009, the Center was approved for a Tennessee Housing Development Agency loan of \$449,422. Proceeds from the loan are being used to pay for part of the costs to construct rental apartments; \$89,884 was forgiven in 2012 and 2011. The loan is interest free and will be forgiven at the rate of 20% per year after occupancy, as long as the property continues to provide housing to very low income, special needs persons.

The Center purchased property in Morristown, Tennessee in August 2011 with \$550,000 of the purchase price financed through an interest-free note payable to the seller. Principal payments of \$22,917 will be due monthly until the maturity date of August 18, 2013.

Annual principal maturities of long-term debt for the year ending June 30, 2012:

| | |
|---------------------|--------------------------|
| 2013 | \$ 364,884 |
| 2014 | 135,718 |
| 2015 and thereafter | <u>70,000</u> |
| Total | <u>\$ 570,602</u> |

NOTE 8 - RETIREMENT PLAN

The Center has a defined contribution retirement plan (the Plan), made available by Internal Revenue Code Section 403(b). The trustee and investment custodian of the Plan is the Trust Company of Knoxville. The Plan is open to all employees who are employed at least 1,000 hours per calendar year. An employee may elect to contribute up to the IRS maximum allowable of their annual salary. After one year of service, the Center contributes 1.25% of compensation in the second year of service which increases up to a maximum of 10%. During the year ended June 30, 2012 and 2011, the Center contributed \$702,716 and \$622,847, respectively to the Plan on behalf of eligible participants. Employees are 100% vested upon entry into the Plan.

NOTE 9 - DEFERRED COMPENSATION PLANS

The Center has a nonqualified deferred compensation plan under Internal Revenue Code Section 457 for certain key employees. The Plan will set aside an amount equal to 7% of the employees' annual salary. The participating employees are 100% vested after 10 years. Upon vesting, the participant will receive a lump sum payment net of taxes. During the years ended June 30, 2012 and 2011, the Center contributed approximately \$75,101 and \$70,879, respectively to the Plan on behalf of eligible participants.

NOTE 10 - RELATED PARTY TRANSACTIONS

The Helen Ross McNabb Mental Health Foundation is a private foundation organized to support the activities, facilities and programs of the Helen Ross McNabb Center. The Foundation has agreed to reimburse the Center for certain capital projects and for its administrative and other operational costs incurred, which have been paid on behalf of the Foundation by the Center. The balance due the Center from the Foundation at June 30, 2012 and 2011 was \$695,795 and \$914,886, respectively. Amounts paid to the Center from the Foundation during the years ended June 30, 2012 and 2011, were \$668,258 and \$2,431,113, respectively. See Note 11 for summarized financial data of the Foundation.

The development office of the Helen Ross McNabb Center provides services to the Foundation for management, facilities and equipment and certain supplies. The Foundation has paid the Center for these services in the amounts of \$320,782 for 2012 and \$307,413 for 2011.

In 2012, the Helen Ross McNabb Center completed an equity transfer to the Foundation in the amount of \$500,000 (\$0 in 2011). The equity transfer has been recorded in the Statement of Activities.

Prior to the current period, the Center formed and is the sole member of McNabb Center, LLC. McNabb Center, LLC is an active entity but has had no financial activities in 2012 or 2011.

NOTE 11 – HELEN ROSS MCNABB MENTAL HEALTH FOUNDATION – SUMMARIZED FINANCIAL DATA

The Center holds an interest in a closely related affiliate nonprofit entity, Helen Ross McNabb Mental Health Foundation, Inc. (see Note 1). The financial position of the Foundation as of June 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|----------------------------------|---------------|---------------|
| Assets: | | |
| Cash and Cash Equivalents | \$ 1,308,888 | \$ 1,977,182 |
| Investments | 10,625,481 | 8,581,739 |
| Pledges Receivable, Net | 1,110,715 | 1,276,652 |
| Total Assets | \$ 13,045,084 | \$ 11,835,573 |
| Liabilities and Net Assets: | | |
| Current Liabilities | \$ 28,072 | \$ 27,535 |
| Payable to Center | 695,795 | 914,886 |
| Total Liabilities | 723,867 | 942,421 |
| Net Assets | 12,321,217 | 10,893,152 |
| Total Liabilities and Net Assets | \$ 13,045,084 | \$ 11,835,573 |

**NOTE 11 - HELEN ROSS MCNABB MENTAL HEALTH FOUNDATION – SUMMARIZED FINANCIAL DATA
(Continued)**

The results of operations for the years ended June 30, 2012 and 2011 of the Foundation were as follows:

| | <u>2012</u> | <u>2011</u> |
|---------------------------------------|----------------------|----------------------|
| Revenues: | | |
| Contributions, Net | \$ 957,302 | \$ 2,233,063 |
| Investment Income (Loss) | 513,459 | 258,405 |
| Unrealized Gain (Loss) on Investments | (165,507) | 672,725 |
| Other Income | <u>734,939</u> | <u>504,455</u> |
| Total Revenues | <u>2,040,193</u> | <u>3,668,648</u> |
| Expenses: | | |
| Program Services | 371,994 | 2,154,671 |
| Administrative and General | 59,817 | 41,578 |
| Fund Raising | <u>680,317</u> | <u>625,120</u> |
| Total Expenses | <u>1,112,128</u> | <u>2,821,369</u> |
| Change in Net Assets | 928,065 | 847,279 |
| Net Assets, Beginning of Year | 10,893,152 | 10,045,873 |
| Equity Transfer from Center | <u>500,000</u> | <u>0</u> |
| Net Assets, End of Year | <u>\$ 12,321,217</u> | <u>\$ 10,893,152</u> |

NOTE 12 - SUBSEQUENT EVENTS

The Center entered into an agreement with the State of Tennessee to lease a facility at the former Lakeshore Mental Health Institute for the cost of \$1 per year with the purpose of housing twelve clients. Renovations required to upgrade the leased facility will be reimbursed by the State at a cost not to exceed approximately \$500,000. The rental agreement will commence on the earlier of the date that the facility is delivered to the Center for occupancy or December 31, 2012, and will expire on June 30, 2016 with additional one year renewal terms.

SUPPLEMENTARY SECTION

**HELEN ROSS MCNABB CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Period Ended June 30, 2012**

| Grantor or Pass-Through Grantor | Program Name/ Contract # | CFDA # | Grant # | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|--|-------------------------------------|--------|--------------------|-------------------------------|---------------|--------------|------------------------|-------------------------------|
| INDIRECT FEDERAL ASSISTANCE U.S. Department of Agriculture Through TN Department of Agriculture | Food Stamps | 10.551 | N/A | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | Food Stamps | 10.551 | N/A | 0 | 27,517 | 27,517 | 0 | 0 |
| Through TN Department of Education | School Breakfast Program | 10.553 | N/A | 1,366 | 1,366 | 0 | 0 | 0 |
| | School Breakfast Program | 10.553 | N/A | 0 | 8,455 | 8,961 | 0 | 1,507 |
| | School Lunch Program | 10.555 | N/A | 2,170 | 2,170 | 0 | 0 | 0 |
| | School Lunch Program | 10.555 | N/A | 0 | 12,703 | 14,980 | 0 | 2,277 |
| Through TN Department of Education | School Lunch Program | 10.555 | N/A | 2,170 | 14,873 | 14,980 | 0 | 2,277 |
| | School Lunch Program | 10.555 | N/A | 0 | 2,353 | 2,974 | 0 | 621 |
| DIRECT FEDERAL ASSISTANCE U.S. Dept. of Housing & Urban Development | Supportive Housing Program | 14.181 | TN 36B4J020602 | 27,892 | 27,892 | 0 | 0 | 0 |
| | Supportive Housing Program | 14.181 | TN 36B4J021003 | 0 | 52,479 | 52,479 | 0 | 0 |
| INDIRECT FEDERAL ASSISTANCE U.S. Department of Education Through the TN Alliance for Children & Families | Title 1 | 84.010 | N/A | 3,798 | 5,770 | 0 | 1,972 | 0 |
| | Title 1 | 84.010 | N/A | 0 | 15,350 | 32,712 | 0 | 17,362 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | K-Town | 93.104 | GR 10 30617 | 41,071 | 41,071 | 0 | 0 | 0 |
| | K-Town | 93.104 | GR 12 36414 | 0 | 278,863 | 389,029 | 0 | 90,166 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | P.A.T.H. Program | 93.150 | GR 11 32315 | 8,053 | 8,053 | 0 | 0 | 0 |
| | P.A.T.H. Program | 93.150 | GR 12 35988 | 0 | 99,690 | 99,690 | 0 | 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | My Health My Choice My Life | 93.243 | GR 12 37676 | 8,053 | 107,713 | 99,690 | 0 | 0 |
| | Peer Support | 93.243 | GR 12 36098 | 0 | 19,279 | 30,684 | 0 | 11,405 |
| U.S. Department of Health and Human Services Through East TN Human Resource Agency | SAMHSA | 93.243 | OR13717 001.01 | 79,380 | 79,380 | 0 | 0 | 0 |
| | SAMHSA | 93.243 | OR13717 001.01 | 0 | 175,376 | 243,230 | 0 | 67,854 |
| U.S. Department of Health and Human Services Through the University of Tennessee | SAMHSA - E-Therapy | 93.243 | OR A10 0143 001.01 | 45,284 | 45,284 | 0 | 0 | 0 |
| | SAMHSA - E-Therapy | 93.243 | OR A10 0143 001.01 | 0 | 99,827 | 149,252 | 0 | 49,425 |
| U.S. Department of Health and Human Services Through East TN Human Resource Agency | SAMHSA - Health IT | 93.243 | A12-03568 S001 | 0 | 39,409 | 78,709 | 0 | 39,300 |
| | Ryan White Minority AIDS Initiative | 93.917 | N/A | 187 | 187 | 0 | 0 | 0 |
| U.S. Department of Health and Human Services Through East TN Human Resource Agency | HIV / AIDS Prevention | 93.940 | N/A | 20,378 | 20,378 | 0 | 0 | 0 |
| | HIV / AIDS Prevention | 93.940 | N/A | 0 | 74,241 | 91,761 | 0 | 17,520 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Independent Living | 93.958 | GR 11 32051 | 823 | 823 | 0 | 0 | 0 |
| | Independent Living | 93.958 | GR 12 35987 | 0 | 10,500 | 10,500 | 0 | 0 |

See Independent Auditor's Report.

**HELEN ROSS MCNABB CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Period Ended June 30, 2012**

| Grantor or Pass-Through Grantor | Program Name/ Contract # | CFDA # | Grant # | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|---|--|--------|----------------|-------------------------------|---------------|--------------|------------------------|-------------------------------|
| INDIRECT FEDERAL ASSISTANCE (Continued) U.S. Department of Health and Human Services Through TN Department of Mental Health | Targeted Transitional Support | 96.958 | GR 11 33030 | 3,474 | 3,474 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Sisters Daycare | 93.959 | GR 11 33390 | 35,205 | 35,205 | 0 | 0 | 0 |
| | Sisters Daycare | 93.959 | GR 12 35910 | 0 | 187,385 | 220,000 | 0 | 32,615 |
| | | | | 35,205 | 222,590 | 220,000 | 0 | 32,615 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Women's IOP | 93.959 | GR 11 33390 | 8,712 | 8,712 | 0 | 0 | 0 |
| | Women's IOP | 93.959 | GR 12 35910 | 0 | 62,922 | 69,818 | 0 | 6,896 |
| | | | | 8,712 | 71,634 | 69,818 | 0 | 6,896 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Adol. Residential | 93.959 | GR 11 32809 | 0 | 0 | 0 | 0 | 0 |
| | Adol. Residential | 93.959 | GR 12 35975 | 0 | 472,500 | 472,500 | 0 | 0 |
| | | | | 0 | 472,500 | 472,500 | 0 | 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Adol. Day Treatment | 93.959 | GR 11 32909 | 0 | 0 | 0 | 0 | 0 |
| | Adol. Day Treatment | 93.959 | GR 12 35975 | 0 | 128,260 | 128,260 | 0 | 0 |
| | | | | 0 | 128,260 | 128,260 | 0 | 0 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Aids Outreach | 93.959 | GR 11 32773 | 41,489 | 41,489 | 0 | 0 | 0 |
| | Aids Outreach | 93.959 | GR 12 35917 | 0 | 148,441 | 205,766 | 0 | 57,325 |
| | | | | 41,489 | 189,930 | 205,766 | 0 | 57,325 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Women's Wraparound | 93.959 | GR 11 33390 | 9,516 | 9,252 | 0 | (264) | 0 |
| | Women's Wraparound | 93.959 | GR 12 35910 | 0 | 77,084 | 82,449 | 0 | 5,365 |
| | | | | 9,516 | 86,336 | 82,449 | (264) | 5,365 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | A&D Continuum | 93.959 | GR 11 33260/91 | 55,244 | 55,244 | 0 | 0 | 0 |
| | A&D Continuum | 93.959 | GR 12 35732 | 0 | 792,368 | 840,482 | 0 | 48,114 |
| | | | | 55,244 | 847,612 | 840,482 | 0 | 48,114 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Medically Monitored Crisis Detox | 93.959 | GR 11 32914 | 0 | 0 | 0 | 0 | 0 |
| | Medically Monitored Crisis Detox | 93.959 | GR 12 35733 | 0 | 391,570 | 447,310 | 0 | 55,740 |
| | | | | 0 | 391,570 | 447,310 | 0 | 55,740 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | TN Prevention - Indicated Serv (TRACS) | 93.959 | GR 11 32994 | 26,835 | 26,835 | 0 | 0 | 0 |
| | TN Prevention - Indicated Serv (TRACS) | 93.959 | GR 12 36170 | 0 | 162,473 | 188,407 | 0 | 25,934 |
| | | | | 26,835 | 189,308 | 188,407 | 0 | 25,934 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | TN Prevention - Selective Serv (Life Skills) | 93.959 | GR 11 32993 | 48,280 | 48,280 | 0 | 0 | 0 |
| | TN Prevention - Selective Serv (Life Skills) | 93.959 | GR 12 36169 | 0 | 146,319 | 186,407 | 0 | 40,088 |
| | | | | 48,280 | 197,599 | 186,407 | 0 | 40,088 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Criminal Justice | 93.959 | GR 11 33218 | 0 | 0 | 0 | 0 | 0 |
| | Criminal Justice | 93.959 | GR 12 36586 | 0 | 48,880 | 79,308 | 0 | 30,428 |
| | | | | 0 | 48,880 | 79,308 | 0 | 30,428 |
| U.S. Department of Health and Human Services Through TN Department of Mental Health | Family Support Services (Healthy Families) | 93.994 | GR 11 33000 | 0 | 0 | 0 | 0 | 0 |
| | Family Support Services (Healthy Families) | 93.994 | GR 12 35941 | 0 | 80,900 | 80,900 | 0 | 0 |
| | | | | 0 | 80,900 | 80,900 | 0 | 0 |
| U.S. Board of Probation & Parole U.S. Board of Probation & Parole | BOPP | N/A | 64920110121 | 960 | 960 | 0 | 0 | 0 |
| | BOPP | N/A | 64920110121 | 0 | 6,597 | 7,149 | 0 | 552 |
| | | | | 960 | 7,558 | 7,149 | 0 | 552 |
| Total | | | | \$ 458,097 | \$ 4,084,499 | \$ 4,225,187 | \$ 1,708 | \$ 600,493 |

See Independent Auditor's Report.

HELEN ROSS MCNABB CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Year Ended June 30, 2012

| Grantor or Pass-Through Grantor | Program Name / Contract Number | CFDA Number | Contract/Program Number | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures | Adjustments/Transfers | Receivable (Deferral) 6/30/12 |
|--|--------------------------------|-------------|-------------------------|-------------------------------|------------------|------------------|-----------------------|-------------------------------|
| STATE ASSISTANCE PROGRAMS TN Dept. of Children's Services | Innerechange (Knox Co.) | N/A | GG 11 33090 | \$ 85,179 | \$ 85,179 | \$ 0 | \$ 0 | \$ 0 |
| | Innerechange (Knox Co.) | N/A | GG 12 35392 | 0 | 132,379 | 182,948 | 0 | 50,569 |
| | | | | <u>85,179</u> | <u>217,558</u> | <u>182,948</u> | <u>0</u> | <u>50,569</u> |
| TN Dept. of Children's Services | Juvenile Court Blount Co. | N/A | GG 11 33092 | 35,996 | 35,996 | 0 | 0 | 0 |
| | Juvenile Court Blount Co. | N/A | GG 12 35261 | 0 | 82,816 | 98,668 | 0 | 15,852 |
| | | | | <u>35,996</u> | <u>118,812</u> | <u>98,668</u> | <u>0</u> | <u>15,852</u> |
| TN Dept. of Children's Services | Mountainview - Health | N/A | FA 11 32402 | 82,522 | 82,522 | 0 | 0 | 0 |
| | Mountainview - Health | NA | | 363,626 | 483,178 | 483,178 | 0 | 119,551 |
| | | | | <u>82,522</u> | <u>446,148</u> | <u>483,178</u> | <u>0</u> | <u>119,551</u> |
| TN Dept. of Children's Services | CIS Homebase | N/A | GR 11 32253 | 76,133 | 76,133 | 0 | 0 | 0 |
| | CIS Homebase | N/A | GR 12 35393 | 0 | 218,158 | 266,782 | 0 | 48,624 |
| | | | | <u>76,133</u> | <u>294,291</u> | <u>266,782</u> | <u>0</u> | <u>48,624</u> |
| TN Dept. of Children's Services | EXIT | N/A | GR 09 25647 02 | 34,310 | 34,310 | 0 | 0 | 0 |
| | EXIT | N/A | GR 09 25647 03 | 0 | 240,468 | 294,779 | 0 | 54,311 |
| | | | | <u>34,310</u> | <u>274,778</u> | <u>294,779</u> | <u>0</u> | <u>54,311</u> |
| TN Dept. of Children's Services | Adolescent Residential | N/A | SPED11008 | 4,400 | 4,400 | 0 | 0 | 0 |
| | Adolescent Residential | N/A | SPED12008 | 0 | 3,600 | 3,600 | 0 | 0 |
| | | | | <u>4,400</u> | <u>2,000</u> | <u>2,000</u> | <u>0</u> | <u>0</u> |
| TN Dept. of Children's Services | Traces Level I | N/A | PFC000054 | 81,378 | 78,456 | 0 | 0 | 2,922 |
| | Traces Level I | N/A | PBC000014 | 0 | 815,433 | 884,636 | 0 | 69,202 |
| | Traces Level II | N/A | P2C000047 | 98,880 | 98,784 | 0 | 0 | 96 |
| | Traces Level III | N/A | PBC000014 | 0 | 890,592 | 989,472 | 0 | 98,880 |
| | A&D Level 3 Residential | N/A | P3N000016 | 337,800 | 300,200 | 0 | 0 | 37,600 |
| | A&D Level 3 Residential | N/A | PBC000014 | 0 | 2,521,400 | 2,965,800 | 0 | 444,400 |
| | Local Education Funding | N/A | PBC000014 | 0 | 0 | 69,798 | 0 | 69,798 |
| | | | | <u>518,058</u> | <u>4,704,865</u> | <u>4,909,706</u> | <u>0</u> | <u>722,898</u> |
| | | | | <u>1,260</u> | <u>1,260</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| | | | | <u>1,260</u> | <u>160,991</u> | <u>177,585</u> | <u>0</u> | <u>16,594</u> |
| | | | <u>1,260</u> | <u>162,251</u> | <u>177,585</u> | <u>0</u> | <u>16,594</u> | |
| TN Dept. of Mental Health | Alcohol and Drug Treatment | N/A | DP 11 31047 | 0 | 1,260 | 0 | 0 | 0 |
| | Alcohol and Drug Treatment | N/A | Edison ID: 25728 | 0 | 160,991 | 177,585 | 0 | 16,594 |
| | | | | <u>1,260</u> | <u>162,251</u> | <u>177,585</u> | <u>0</u> | <u>16,594</u> |
| TN Dept. of Mental Health | SPOT | N/A | Edison ID: 26099 | 0 | 0 | 0 | 0 | 0 |

HELEN ROSS McNABB CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Year Ended June 30, 2012

| Grantor Agency | Program Name | CFDA Number | Contract/ Program Number | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures/ Amounts Earned | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|---------------------------|--|-------------|--------------------------|-------------------------------|---------------|------------------------------|------------------------|-------------------------------|
| TN Dept. of Mental Health | Board of Probation and Parole | N/A | DP 11 33018 | 2,155 | 2,155 | 0 | 0 | 0 |
| | | N/A | Edison ID: 26098 | 0 | 39,689 | 42,373 | 0 | 2,684 |
| | | | | 2,155 | 41,844 | 42,373 | 0 | 2,684 |
| TN Dept. of Mental Health | Forensics & Juvenile Evaluations P.A.T.H. Drop In Center (Peer Support) C&Y Homeless Regional Intervention (RIP/PACT) Criminal Justice A & D Continuum | N/A | GR 11 31829 | 4,800 | 3,900 | 0 | (900) | 0 |
| | | N/A | GR 11 32315 | 19,589 | 19,589 | 0 | 0 | 0 |
| | | N/A | GR 11 32372 | 0 | 0 | 0 | 0 | 0 |
| | | N/A | GR 11 32303 | 5,865 | 5,865 | 0 | 0 | 0 |
| | | N/A | GR 11 31927 | 8,570 | 8,570 | 0 | 0 | 0 |
| | | N/A | GR 11 33218 | 4,094 | 4,094 | 0 | 0 | 0 |
| | | N/A | GR11 33260/61 | 0 | 0 | 0 | 0 | 0 |
| TN Dept. of Mental Health | Forensics & Juvenile Evaluations P.A.T.H. Drop In Center (Peer Support) C&Y Homeless Regional Intervention (RIP/PACT) Criminal Justice A & D Continuum | N/A | GR 12 34538 | 0 | 35,150 | 43,200 | 0 | 8,050 |
| | | N/A | GR 12 35988 | 0 | 2,074 | 35,241 | 0 | 33,167 |
| | | N/A | GR 12 36088 | 0 | 108,420 | 109,420 | 0 | 0 |
| | | N/A | GR 12 36059 | 0 | 26,055 | 37,006 | 0 | 10,951 |
| | | N/A | GR 12 35730 | 0 | 92,971 | 109,947 | 0 | 16,976 |
| | | N/A | GR 12 36586 | 0 | 20,000 | 20,000 | 0 | 0 |
| | | N/A | GR 12 35732 | 0 | 362,069 | 362,069 | 0 | 0 |
| | | | 42,918 | 709,757 | 736,883 | (900) | 69,144 | |

HELEN ROSS McNABB CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Year Ended June 30, 2012

| Grantor Agency | Program Name | CFDA Number | Contract/ Program Number | Receivable (Deferral) 6/30/11 | Cash Receipts | Expenditures/ Amounts Earned | Adjustments/ Transfers | Receivable (Deferral) 6/30/12 |
|---|---|-------------|-----------------------------|-------------------------------|---------------|------------------------------|------------------------|-------------------------------|
| TN Dept. of Mental Health | Adult Mobile Crisis Services | N/A | GR 12 37769 | 0 | 95,918 | 125,918 | 0 | 30,000 |
| TN Dept. of Mental Health | Inpatient Targeted Transitional Support | N/A | GR 12 35989 | 0 | 38,037 | 38,500 | 0 | 463 |
| TN Dept. of Mental Health | Intensive Long-Term Support | N/A | N/A | 0 | 0 | 30,091 | 0 | 30,091 |
| TN Dept. of Mental Health | Gambling Addiction | N/A | GR 11 31816 | 9,000 | 9,000 | 0 | 0 | 0 |
| | Gambling Addiction | N/A | GR 12 36177 | 0 | 50,650 | 60,000 | 0 | 9,350 |
| | | | | 9,000 | 59,650 | 60,000 | 0 | 9,350 |
| TN Dept. of Intellectual and Developmental Disabilities | MR Dual Diagnosis - Psychopharmacology | N/A | N/A | 10,947 | 10,947 | 0 | 0 | 0 |
| | MR Dual Diagnosis - Psychopharmacology | N/A | GR 12 37709 | 0 | 138,065 | 138,800 | 0 | 735 |
| | | | | 10,947 | 149,012 | 138,800 | 0 | 735 |
| TN Dept. of Mental Health | Safety Net | N/A | GR 11 31326 | 40,577 | 40,577 | 0 | 0 | 0 |
| | Safety Net | N/A | GR 12 35795 | 0 | 381,141 | 482,034 | 0 | 100,893 |
| | Crisis Stabilization Unit | N/A | GR 11 32735 | 217,837 | 217,837 | 0 | 0 | 0 |
| | Crisis Stabilization Unit | N/A | GR 12 35371 | 0 | 929,862 | 1,115,658 | 0 | 185,976 |
| | | | | 258,415 | 1,569,437 | 1,597,892 | 0 | 286,869 |
| TN Dept. of Health | Healthy Start Program | N/A | GR 11 33000 | 170,630 | 170,630 | 0 | 0 | 0 |
| | | | GR 12 35941 | 0 | 534,361 | 680,189 | 0 | 145,828 |
| | | | | 170,630 | 704,991 | 680,189 | 0 | 145,828 |
| TN Dept. of Health | Morgan County HIV Testing | N/A | GR 12 37419 | 0 | 24,860 | 33,706 | 0 | 8,826 |
| TOTAL STATE ASSISTANCE PROGRAMS | | | | 1,331,923 | 9,622,232 | 9,903,598 | (900) | 1,612,389 |
| TOTAL FEDERAL AND STATE ASSISTANCE PROGRAMS | | | | \$ 1,790,019 | \$ 13,706,730 | \$ 14,128,785 | \$ 808 | \$ 2,212,882 |

INTERNAL CONTROL AND COMPLIANCE SECTION

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TOLL FREE 800-332-7021

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

Board of Directors
Helen Ross McNabb Center, Inc.
Knoxville, Tennessee

We have audited the financial statements of Helen Ross McNabb Center, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2012 and have issued our report thereon dated October 22, 2012. 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.

Internal Control Over Financial Reporting

Management of Helen Ross McNabb Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Helen Ross McNabb Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Helen Ross McNabb Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 22, 2012

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Helen Ross McNabb Center, Inc.
Knoxville, Tennessee

Compliance

We have audited Helen Ross McNabb Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2012. Helen Ross McNabb Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Helen Ross McNabb Center, Inc.'s management. Our responsibility is to express an opinion on Helen Ross McNabb Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Helen Ross McNabb Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Helen Ross McNabb Center, Inc.'s compliance with those requirements.

In our opinion, Helen Ross McNabb Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.



Internal Control Over Compliance

Management of Helen Ross McNabb Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Helen Ross McNabb Center, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Helen Ross McNabb Center, Inc.'s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Helen Ross McNabb Center, Inc.'s internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 22, 2012

HELEN ROSS McNABB CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X None
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major programs:

| | |
|-----------------------|---|
| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 93.959 | Block Grant for Prevention and Treatment of Substance Abuse |

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Findings

No matters are being reported.

Section III - Federal Award Findings and Questioned Costs

No matters are being reported.

HELEN ROSS MCNABB CENTER, INC.
Board of Directors
2013-2014

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2008-2011-2014



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|---|
| Offer Name: | Children and Youth Integrated Services Treatment (IST) |
| Lead Agency: | Fortwood, a service provider of Helen Ross McNabb Center, Inc. |
| Collaborating City Department(s): | none |
| Contact Name: | Gayle Lodato |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$38,000 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Fortwood offers outpatient mental health services for children and adolescents through our Children and Youth Integrated Service Team (IST), which uses a multi-disciplinary approach to serve and treat individuals diagnosed with severe mental illness. Our program works to ensure the safety, health, and well-being of Chattanooga residents by making comprehensive mental health treatment available to anyone seeking mental health treatment, including those who are underinsured or uninsured, through the following services offered to clients:

- Comprehensive psychiatric evaluations, psychosocial assessments, illness education and management, anger management classes, crisis intervention, and case management services.
- Outpatient therapy based on individualized treatment plans.
- Referrals/linkage with other service providers based upon their treatment progression and needs.
- Access to professional staff ready to advocate on their behalf as needed based on individual cases.

This innovative model of treatment provides wraparound services in order to address all facets of each client's situation and provide appropriate case management and referrals to facilitate mental health recovery and encourage positive outcomes for children and youth.



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Children and adolescents who suffer from mental illness are at-risk for other serious, co-occurring problems, including substance abuse, physical illness, truancy, juvenile delinquency and homelessness. One in four persons will need mental health treatment in any single year; unfortunately, there are significant barriers to mental health treatment for those without insurance or financial resources, and in 2012, 58.2% of Tennesseans with severe mental illness went untreated (SAMHSA Behavioral Health Barometer). With 9.2% of Tennesseans uninsured (University of Tennessee, 2012), and 18.4% of families in Chattanooga living below the poverty level (U.S. Census), many are unable to access the mental health care they need. Fortwood's IST services help bridge this gap by making high-quality mental health services available and accessible to Chattanooga residents who would otherwise be unable to pay for much-needed mental health treatment.

Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the City
 - Through the treatment of mental illness and co-occurring disorders, there will be a reduction in crimes related to mental health decompensation, substance abuse, truancy, and juvenile delinquency
2. Reduce incidents of juvenile crime
 - Through the treatment of youth & adolescents with mental illness and co-occurring disorders, there will be a reduction in incidents of juvenile crime related to mental health decompensation, substance abuse, truancy, and juvenile delinquency

BUDGET REQUEST

Summary: **(Please complete based on information contained in Attachment F)**

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---|---|-----------------|---------------|------------------|
| Children and Adolescent Outpatient Services | \$931,803 | \$349,994 | \$38,000 | 16.14 |

Capital Budget Impact? **Yes** **X No** **\$Amount**

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|-----------------------------------|-------------|
| TennCare billing | \$1,191,833 |
| United Way of Greater Chattanooga | \$34,264 |
| Fee for Services | \$17,500 |

PERFORMANCE DATA

Measurement 1:

90% of clients have access to begin therapy services within 10 business days of their request.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.



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Measurement 2:

90% of clients will show improved functioning in their daily activities by maintaining or improving their score on the DLA-20 measure.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Measurement 3:

90% of clients will show progress towards goals and improvement in their diagnosed symptoms/functioning as indicated by improved scores on the Beck Inventories measure.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Return on Investment:

The **Children and Youth IST** program currently serves the citizens of Chattanooga by offering a strong program to combat mental illness through holistic care. Untreated mental illness places a strain on individuals, their families, and the community at large. Children and adolescents affected by untreated mental illness are at a higher risk for criminal activity, substance abuse, and homelessness. By delivering this crucial service to children and adolescents in Chattanooga, IST programming creates a safer, more productive city by providing effective treatment options.

- In addition to City of Chattanooga funding, the IST program is leveraged with billing to TennCare and also receives funding from the United Way of Greater Chattanooga.
- Providing access to IST services for Chattanooga's mentally ill children and youth relieves the burden on several domains of city expenses. Community costs related to untreated mental health issues in children and adolescents include costly placements in residential facilities, psychiatric hospitals, juvenile detention centers and State custody. Cost estimates range from \$30,000 annually for a child in DCS custody to \$1,900 per day in inpatient care. ***By providing IST treatment services, specifically to those without insurance, our program facilitates recovery from mental illness and co-occurring disorders to prevent placement in these costly settings, alleviating costs to our community.***
- Funding for the IST is partially sustained by TennCare billing for services provided; however, without City funding, the program will have difficulty serving Chattanooga children and adolescents who are uninsured or underinsured and otherwise unable to access treatment services. We constantly seek out new grants and funding opportunities to address unmet needs related to early childhood intervention and treatment for mental and behavioral health issues.



City of Chattanooga

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OFFER SUMMARY

| | |
|-----------------------------------|---|
| Offer Name: | Project BASIC |
| Lead Agency: | Fortwood, a service provider of Helen Ross McNabb Center, Inc. |
| Collaborating City Department(s): | None; program partners with Hamilton County Schools at Calvin Donaldson Elementary School in Chattanooga |
| Contact Name: | Gayle Lodato |
| Primary Results Area: | Smarter Students, Stronger Families |
| Offer Cost (Funding Request): | \$15,000 |

RESULTS AREAS

- Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
- Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
- Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

As an in-school, early intervention service, Project BASIC provides mental and behavioral health screening and treatment to children grades K-3 at Calvin Donaldson Elementary School. Our program works closely with teachers, parents, and school officials to efficiently coordinate services to address mental and behavioral health needs. By funding Project BASIC, the City will support its Smarter Students, Stronger Families result area so that Chattanooga’s students have a greater chance at school achievement and receive the treatment that they require.

- Students will receive mental health education, early identification, intervention, teacher consultation, and school climate enhancement.
- Students will be linked with primary mental health service providers, have access to advocates, crisis intervention and case management.

Project BASIC program services identify problematic issues in children in order to prevent negative outcomes later in life. Studies conducted in 2009 indicated that only 50% of young people with serious mental health challenges ages 18-25 were employed, compared to 66% of their peers without mental illness; in addition, only 53% of young adults with serious mental health challenges were enrolled in post-secondary education, compared to 67% of otherwise healthy young adults (SAMHSA, Data on Children’s Mental Health and



City of Chattanooga

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Trauma). This disparity highlights the critical importance of diagnosing and treating mental illness early on to avoid setbacks and further stressors in the child’s future. By providing this valuable service to Chattanooga’s students, we make a difference early in the lives of these children to encourage their success in the future.

Identify Which Desired Outcomes This Offer Impacts:

1. More kids graduating high school college and career ready
 - By identifying, diagnosing, and treating mental and behavioral health issues early on, students will have a greater rate of educational success
2. Fewer kids dropping out of school
 - By identifying, diagnosing, and treating mental and behavioral health issues early on, students will have a greater rate of educational success
3. More parental involvement
 - By working closely with parents and caregivers during the screening and treatment process, parents will be more involved and engaged in their children’s school achievement and mental/behavioral health.

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---------------|---|-----------------|---------------|------------------|
| Project BASIC | \$44,200 | \$56,090 | \$15,000 | 1 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: (Please list other revenues associated with the specific program for which funding is requested)

| Name | Amount |
|-----------------------------------|----------|
| Tennessee Department of Education | \$40,016 |
| | |
| | |

PERFORMANCE DATA

Measurement 1:

90% of clients are seen within 2 school days.

Historical Comparison Data? Helen Ross McNabb Center (HRMC) operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.



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FY15 Offers

Measurement 2:

90% of participants will increase coping skills as evidenced by decrease in discipline reports.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Measurement 3:

Project BASIC will provide 3 mental health curriculum presentations per quarter.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Return on Investment:

Providing comprehensive screening, education, and treatment for mental illness and behavioral problems in children is vital to the well-being of the Chattanooga community. Without this service, both educators and parents will encounter further strains and stressors that may prevent them from efficiently and effectively engaging their children who go undiagnosed or untreated for mental and behavioral issues. By removing this burden and providing diagnosis, treatment, crisis intervention, and referrals to community resources, Project BASIC will empower students to function normally, learn at an appropriate rate, and prepare for a productive adult life.

- Project BASIC funding from the City of Chattanooga is leveraged with funding from the Tennessee Department of Education.
- By engaging in a critical community partnership with the school system, Project BASIC will aim to remove the costly and inefficient use of resources placed upon teachers by children with undiagnosed mental or behavioral health disorders. Should children go without treatment early in their school careers, they become more at-risk for truancy and juvenile delinquency later on in life. ***By providing early intervention and treatment through Project BASIC, many of the community costs to the law enforcement and court system due to juvenile delinquency and truancy can be averted.***
- The program has an existing partnership with Calvin Donaldson Elementary School, and receives funds from the Tennessee Department of Education; however, funding from the City of Chattanooga will demonstrate the importance that such a service holds for the community. Our agency constantly seeks out new grants and funding opportunities to address unmet needs related to early childhood intervention and treatment for mental and behavioral illness.



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FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|--|
| Offer Name: | Mitchell Home |
| Lead Agency: | Fortwood, a service provider of Helen Ross McNabb Center, Inc. |
| Collaborating City Department(s): | Chattanooga Housing Authority; Chattanooga Department of Human Services |
| Contact Name: | Gayle Lodato |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$52,000 |

RESULTS AREAS

- Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
- Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
- Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Mitchell Home provides supportive housing to adults with a mental health diagnosis who are homeless. Mitchell Home meets a critical community need by providing permanent housing with on-site supportive services so that residents return into productivity and self-sufficiency in the community. These services include 24/7 staff supervision, medication supervision, assistance with scheduling appointments and arranging transportation, assistance with daily living skills, daily group sessions, and weekly outings with other residents. Residents are also encouraged to participate in Vocational Rehabilitation, Psychosocial Rehabilitation, and explore employment options in order to improve their financial situation and increase their self-sufficiency.

Approximately 25% of homeless persons suffer from severe mental illness; unfortunately, many homeless individuals who are suffering from mental illness cannot acquire housing due to a lack of treatment, history of evictions, unpaid utility bills, a criminal record, or lack of income. Mitchell Home makes an impact in the community by targeting this specific population and providing them with the housing and supportive services needed to end homelessness, further mental health recovery, and contribute positively to the community.



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Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the City
 - Mitchell Home’s supportive housing reduces the number of homeless persons living on the streets
 - Supportive services are provided to prevent further homelessness and criminal activity related to mental health and co-occurring disorders including substance abuse.
2. Reduce violent crimes
 - Through supportive services which promote treatment for mental health and co-occurring disorders (such as substance abuse), there will be a reduction in crimes that often occur when mental illness and substance abuser are left untreated and basic needs are not met.

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|---------------|---|-----------------|---------------|------------------|
| Mitchell Home | \$183,643 | \$94,898 | \$52,000 | 4.08 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|----------------------|-----------|
| Vouchers | \$192,301 |
| Fee for Services | \$30,240 |
| Other Program Income | \$4,000 |

PERFORMANCE DATA

Measurement 1:

100% of empty beds in Mitchell Home will be filled within 5 days of vacancy.

Historical Comparison Data? Helen Ross McNabb Center (HRMC) operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Measurement 2:

35 clients will be provided with residential housing and treatment annually.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to



City of Chattanooga

FY15 Offers

provide this data to the City of Chattanooga once it has been collected.

Measurement 3:

90% of Mitchell Home clients will remain free of major mental illness events after they leave supportive housing services, as indicated by decreased need for hospitalization.

Historical Comparison Data? HRMC operates a thorough Quality Assurance/Quality Improvement process to measure outcome results for each of its programs; as Fortwood programming recently merged into the HRMC system, we do not have comparison data to provide at this time. We began data collection for this measure on January 1, 2014 and will have data available at the end of the first quarter of the year. We are happy to provide this data to the City of Chattanooga once it has been collected.

Return on Investment:

The Mitchell Home offer is vital to the city's budget strategy to provide community outreach to at-risk constituencies, specifically homeless, mentally ill adults. Homelessness continues to be a problem in Chattanooga; nearly 400 people are classified as homeless in the City at any point in the year, according to the 2012 Blueprint Analysis report. Citizens of Chattanooga will benefit from providing these individuals with the tools to engage in treatment in a supportive, safe environment to return to self-sufficiency and stability.

Persons struggling with homelessness and mental health issues experience many barriers to self-sufficiency and recovery. However, by providing safe housing with supportive services and advocacy, the program eliminates those barriers by stabilizing residents, facilitating mental health recovery, linking them with needed resources, and preparing them to contribute again to the City of Chattanooga.

- The program is leveraged with Tennessee Care and Section 8 Housing Vouchers to provide the full range of services to Mitchell Home residents.
- Providing Supportive Housing services for Chattanooga residents experiencing homelessness and mental health issues relieves the burden on several domains of city expenses. Community costs related to homelessness and mental illness include costly inpatient hospitalization, emergency services and shelter costs, and costs to the law enforcement and court systems. By providing Supportive Housing services to this population, many of these costs to the City of Chattanooga can be averted, allowing city resources to be administered more efficiently and effectively.
- Fortwood's Mitchell Home depends heavily upon city funding to complement TennCare billing for clients to receive wrap-around treatment; the city's continued investment in the program will highlight its value in providing safe, therapeutic, residential options to mentally ill, homeless individuals. However, our agency constantly seeks out new grants and funding opportunities to address unmet needs related to intervention and treatment for mental and behavioral health issues.

Attachment B: Comparative Financial Information

Agency Name: Fortwood

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|--|---|----------------------------------|
| Chattanooga | 100%** | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |
| | | |
| Percent of Services rendered to residents of: | Estimate, if you do not now track this data. | |
| Chattanooga | 74% | 49.83% |
| Unincorporated Hamilton County | 9% | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | 2% | 2.46% |
| East Ridge | 4% | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | 3% | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | 3% | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | 5% | |
| | Above percentages should total 100% | |

*Population numbers are from 2010 U.S. Census.

** Local government funding provided is for Fortwood services only. HRMC receives local government funding from a variety of sources and will provide further information if required.

Attachment C: Program Beneficiary Statistics

Agency Name: Fortwood Program: Children & Youth Outpatient Services; Project BASIC; Mitchell Home

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|-------------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 267* | 1144** | 1550*** |
| a) Total Continuing From Previous Fiscal Year | 6 | | 1450 |
| b) Total New for the Year | 261 | | 1450 |
| c) Total Terminated During the Year | 261 | | |
| 2. Age Group TOTAL | 267 | 1144 | 1550 |
| a) Infants – Under 5 | | 24 | 30 |
| b) Between 5 and 12 | 91 | 570 | 720 |
| c) Between 13 and 17 | 132 | 216 | 320 |
| d) Between 18 and 29 | 21 | 116 | 170 |
| e) Between 30 and 64 | 23 | 211 | 285 |
| f) 65 and over | | 9 | 25 |
| g) Not Known | | | |
| 3. Sex TOTAL | 267 | 1144 | 1550 |
| a) Male | 168 | 568 | 760 |
| b) Female | 99 | 573 | 790 |
| c) Not Known | | | |
| 4. Ethnic Background TOTAL | 267 | 1144 | 1550 |
| a) White | 81 | 801 | 1100 |
| b) Black | 148 | 282 | 370 |
| c) Hispanic | 15 | 35 | 50 |
| d) Asian | | 1 | 10 |
| e) Other – Ethnic Minority | 23 | 19 | 20 |
| f) Not Known | | 6 | |
| 5. % Income Level TOTAL | 267 | 1144 | 1550 |
| a) Below 9,999 | 138 | 342 | 450 |
| b) 10,000 –19,999 | 81 | 384 | 500 |
| c) 20,000 – 29,999 | 28 | 272 | 350 |
| d) 30,000 and Over | 20 | 146 | 200 |
| e) Not Known | | | |
| 6. Location of Residence TOTAL | 267 | 1144 | 1550 |
| a) Chattanooga | 141 | 909 | 1200 |
| b) Outside of Chattanooga | 36 | 235 | 350 |
| c) Not Known | | | |

*Includes programs not previously funded by the City of Chattanooga but requested this year.

**The total number is higher than was originally projected, due to a higher volume of IST clients, the addition of 3 residential facilities, and growth in Project BASIC.

***The projected number served for FY15 has been updated to reflect the volume of clients treated at Fortwood.

Attachment D: Schedule of Positions, Salaries & Wages

Agency Name: Fortwood

Note: List all employees in order of responsibility.

ALL EMPLOYEES, COPY THIS FORM AS NEEDED.

| Title of Position | Last Name, Initial | Full Time or Part Time | Number of Years Employed | Current – FY 2014 | | | Projected – FY 2015 | | |
|---|---------------------|------------------------|--------------------------|-------------------|--------------|--------------|---------------------|--------------|--------------|
| | | | | Weeks Employed | Annual Rate | Budgeted | Weeks Employed | Annual Rate | Budgeted |
| Vice President of Children & Youth Services | Blanton-Kitts, M. | Full | 28 | 33 | \$118,227.00 | \$11,822.00 | 52 | \$118,227.00 | \$11,822.00 |
| Nurse Practitioner | Khairunnisa, J. | Full | | | \$ 99,424.00 | \$ 16,902.08 | 52 | \$ 99,424.00 | \$ 16,902.08 |
| Nurse Practitioner | Norman, R | Full | 1 | 33 | \$ 97,614.00 | \$ 43,926.30 | 52 | \$ 97,614.00 | \$ 43,926.30 |
| Nurse Practitioner | Shenandoah, Chenoah | Full | 0.5 | 29 | \$ 97,614.00 | \$ 31,317.83 | 52 | \$ 97,614.00 | \$ 31,317.83 |
| Senior Director | Lodato, G. | Full | 0.5 | 33 | \$ 82,909.00 | \$ 33,163.60 | 52 | \$ 82,909.00 | \$ 33,163.60 |
| RN | Nunnaley, J. | Full | 0.5 | 23 | \$ 43,514.00 | \$ 43,514.00 | 52 | \$ 43,514.00 | \$ 43,514.00 |
| Masters Clinical Counselor | Horner, P. | Full | 0.75 | 33 | \$ 34,362.00 | \$ 34,362.00 | 52 | \$ 34,362.00 | \$ 34,362.00 |
| Masters Level Counselor | Bolwari-Montez, T. | Full | 1 | 33 | \$ 32,843.00 | \$ 32,843.00 | 52 | \$ 32,843.00 | \$ 32,843.00 |
| Case Manager | Ericson, H. | Full | 17 | 33 | \$ 32,157.00 | \$ 32,157.00 | 52 | \$ 32,157.00 | \$ 32,157.00 |
| Masters Level Counselor | Rosario, N. | Full | 1 | 33 | \$ 32,843.00 | \$ 27,916.55 | 52 | \$ 32,843.00 | \$ 27,916.55 |

| | | | | | | | | | |
|---|---------------|------|-----|----|--------------|--------------|----|--------------|--------------|
| Client Benefits Supervisor | Cain, N. | Full | 5 | 33 | \$ 31,824.00 | \$ 15,912.00 | 52 | \$ 31,824.00 | \$ 15,912.00 |
| BA Level – Housing Coordinator | Hollis, M. | Full | 10 | 33 | \$ 36,629.00 | \$ 12,087.57 | 52 | \$ 36,629.00 | \$ 12,087.57 |
| Property Management, Supportive Housing Manager | Wade, R. | Full | 10 | 33 | \$ 31,554.00 | \$ 31,554.00 | 52 | \$ 31,554.00 | \$ 31,554.00 |
| Supportive Housing Team Leader | Taylor, M. | Full | 13 | 33 | \$ 29,952.00 | \$ 29,952.00 | 52 | \$ 29,952.00 | \$ 29,952.00 |
| Supportive Housing Team Leader | Walker, J. | Full | 2 | 33 | \$ 29,848.00 | \$ 22,386.00 | 52 | \$ 29,848.00 | \$ 22,386.00 |
| Mental Health Tech | Collins, C. | Full | 6 | 33 | \$ 25,667.00 | \$ 25,667.00 | 52 | \$ 25,667.00 | \$ 25,667.00 |
| Mental Health Tech | Leftwich, L | Full | 7 | 33 | \$ 21,611.00 | \$ 21,611.00 | 52 | \$ 21,611.00 | \$ 21,611.00 |
| Mental Health Tech | Deere, D. | Full | 6 | 33 | \$ 15,522.00 | \$ 20,696.00 | 52 | \$ 15,522.00 | \$ 20,696.00 |
| Team Leader | Bryant, M. | Full | | | \$ 31,158.00 | \$ 15,579.00 | 52 | \$ 31,158.00 | \$ 15,579.00 |
| Case Manager | McClendon, W. | Full | 2 | 33 | \$ 27,976.00 | \$ 27,976.00 | 52 | \$ 27,976.00 | \$ 27,976.00 |
| Case Manager | Thomas, S. | Full | 3 | 33 | \$ 27,976.00 | \$ 14,687.40 | 52 | \$ 27,976.00 | \$ 14,687.40 |
| Case Manager | Bergman, K. | Full | 0.5 | 27 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Branch, G. | Full | 2 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Rogers, S. | Full | 1 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Sims, J. | Full | 0.5 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
| Case Manager | Trasher, J. | Full | 0.5 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |

| | | | | | | | | | |
|--------------|------------|------|---|----|--------------|--------------|----|--------------|--------------|
| Case Manager | Kepper, V. | Full | 1 | 33 | \$ 27,394.00 | \$ 27,394.00 | 52 | \$ 27,394.00 | \$ 27,394.00 |
|--------------|------------|------|---|----|--------------|--------------|----|--------------|--------------|

Note: List all employees in order of responsibility.

Attachment E: Major Sources of Funding for the Past Five Years

Agency Name: Fortwood

| Program/Project Title | Name of Funding Source | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 (Projected) |
|---|------------------------|---------|---------|--------------|--------------|----------------|---------------------|
| Children & Adolescent Outpatient Services | United Way | | | \$36,235.00 | \$36,235.00 | \$36,235.00 | \$34,624.00 |
| | City of Chattanooga | | | \$10,500.00 | \$30,000.00 | \$80,000.00 | \$38,000.00 |
| | TennCare | | | \$609,043.00 | \$620,000.00 | \$692,120.00 | \$1,191,833.00 |
| | Private Insurance | | | \$11,079.00 | \$12,000.00 | \$27,840.00 | |
| | Other | | | \$6,070.00 | \$8,040.00 | \$15,630.00 | \$17,500.00 |
| Project BASIC | State of Tennessee | | | | \$40,016.00 | \$40,016.00 | \$40,016.00 |
| | City of Chattanooga | | | | \$8,000.00 | \$8,000.00 | \$15,000.00 |
| Mitchell Home | HUD | | | \$138,649.00 | | | |
| | City of Chattanooga | | | | \$17,000.00 | \$17,000.00 | \$17,000.00 |
| | Program Income | | | \$155,005 | \$208,641.00 | \$211,937.00 | \$192,301.00 |
| | Fee for Services | | | | | | \$30,240.00 |
| | Other Program Income | | | | | | \$4,000.00 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Subtotal, Major Funding Sources | | | | \$966,581.00 | \$979,932.00 | \$1,128,778.00 | \$1,580,514.00 |
| Total, All Revenue Sources | | | | \$966,581.00 | \$979,932.00 | \$1,128,778.00 | \$1,580,514.00 |

*Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012. Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013.

| Attachment F: Budget Format | | Agency Name: | | Fortwood | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency Funding Financial Form | | | | | | | | |
| Mental Health Treatment - Integrated Services Team | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | | | | | \$ - | N/A | |
| State | | | | | | \$ - | N/A | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | \$ 10,500 | \$ 30,000 | \$ 80,000 | \$ 38,000 | \$ (42,000) | -52.5% | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | \$ 36,235 | \$ 36,235 | \$ 36,235 | \$ 34,264 | \$ (1,971) | -5.4% | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | | \$ 610,755 | \$ 640,040 | \$ 692,120 | \$ 1,191,833 | \$ 499,713 | 72.2% | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | \$ 9,367 | | \$ 27,840 | | \$ (27,840) | -100.0% | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | \$ 3,562 | | \$ 12,000 | \$ 17,500 | \$ 5,500 | 45.8% | |
| Other Program Income | | | | | | \$ - | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | \$ 2,508 | | \$ 3,360 | | \$ (3,360) | -100.0% | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | | \$ 672,927 | \$ 706,275 | \$ 851,555 | \$ 1,281,597 | \$ 430,042 | 50.5% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | | \$ 448,545 | \$ 365,200 | \$ 510,304 | \$ 766,138 | \$ 255,834 | 50.1% | |

Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012.
 Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013. Therefore
 no budget info/raamtion is available for FY2011.

| Attachment F: Budget Format | Agency Name: | Fortwood | | | | | | |
|--|---------------------|--------------|--------------|-------------|--------------|-------------|--------|--|
| Fringe Benefits | | | | | | \$ - | N/A | |
| Employee Health | | \$ 25,311 | \$ 23,777 | \$ 25,311 | \$ 85,261 | \$ 59,950 | 236.9% | |
| Pension/Retirement | | \$ 17,942 | \$ 14,610 | \$ 18,932 | \$ 25,756 | \$ 6,824 | 36.0% | |
| Payroll Taxes, etc. | | \$ 39,009 | \$ 27,938 | \$ 39,039 | \$ 51,350 | \$ 12,311 | 31.5% | |
| Other (unemployment, life insurance, etc) | | | | | \$ 3,298 | \$ 3,298 | N/A | |
| Total Personnel Expenses | \$ - | \$ 530,807 | \$ 431,525 | \$ 593,586 | \$ 931,803 | \$ 338,217 | 57.0% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | \$ 21,608 | \$ 25,000 | | \$ 9,893 | \$ 9,893 | N/A | |
| Utilities | | | | | \$ 9,821 | \$ 9,821 | N/A | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | | | | \$ - | N/A | |
| Travel/Transportation | | \$ 16,638 | \$ 10,000 | \$ 11,000 | \$ 45,000 | \$ 34,000 | 309.1% | |
| Insurance (not employee health) | | | | | \$ 11,175 | \$ 11,175 | N/A | |
| Materials & Supplies | | \$ 14,641 | \$ 18,000 | \$ 16,234 | \$ 15,621 | \$ (613) | -3.8% | |
| Telephone, Fax, ISP | | \$ 11,433 | \$ 11,000 | \$ 11,200 | \$ 13,262 | \$ 2,062 | 18.4% | |
| Postage and Shipping | | \$ 829 | | | | \$ - | N/A | |
| Occupancy/Building/Utilities | | \$ 27,174 | \$ 26,750 | \$ 28,000 | \$ 37,841 | \$ 9,841 | 35.1% | |
| Equipment Rental and Maintenance (including contracts) | | \$ 5,197 | \$ 4,000 | \$ 5,200 | \$ 19,999 | \$ 14,799 | 284.6% | |
| Outside Printing, Art Work, etc. | | \$ 1,974 | | | \$ 2,052 | \$ 2,052 | N/A | |
| Conferences, Conventions, etc. | | \$ 379 | | | \$ 2,308 | \$ 2,308 | N/A | |
| Special Assistance to Individuals | | \$ 94 | | | \$ 2,500 | \$ 2,500 | N/A | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities | | | | | | \$ - | N/A | |
| Miscellaneous | | \$ 1,000 | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | | | | \$ - | N/A | |
| Depreciation | | \$ 22,048 | \$ 20,000 | \$ 20,000 | \$ 21,769 | \$ 1,769 | 8.8% | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| Management & General | | \$ 208,792 | \$ 274,750 | \$ 255,535 | \$ 158,753 | \$ (96,782) | -37.9% | |
| Operating Expenses Total | \$ - | \$ 331,807 | \$ 389,500 | \$ 347,169 | \$ 349,994 | \$ 2,825 | 0.8% | |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ - | \$ 862,614 | \$ 821,025 | \$ 940,755 | \$ 1,281,797 | \$ 341,042 | 36.3% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ - | \$ (189,687) | \$ (114,750) | \$ (89,200) | \$ (200) | \$ 89,000 | -99.8% | |

| Attachment F: Budget Format | | Agency Name: | | Fortwood | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency Funding Financial Form | | | | | | | | |
| Project BASIC | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | | | | | \$ - | N/A | |
| State | | \$ 40,016 | \$ 40,016 | \$ 40,016 | \$ 40,016 | \$ - | 0.0% | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | | \$ 8,000 | \$ 8,000 | \$ 15,000 | \$ 7,000 | 87.5% | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | | | | | \$ - | N/A | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | | | | | | \$ - | N/A | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | | | | | \$ - | N/A | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | | | | | \$ - | N/A | |
| Other Program Income | | | | | | \$ - | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | | \$ 40,016 | \$ 48,016 | \$ 48,016 | \$ 55,016 | \$ 7,000 | 14.6% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | | \$ 28,968 | \$ 29,925 | \$ 31,000 | \$ 34,718 | \$ 3,718 | 12.0% | |

Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012.
 Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013. Therefore
 no budget info is available for FY2011.

| Attachment F: Budget Format | Agency Name: | Fortwood | | | | | | |
|--|---------------------|------------|-----------|-----------|------------|------------|--------|--|
| Fringe Benefits | | | | | | \$ - | N/A | |
| Employee Health | | \$ 3,639 | \$ 3,128 | \$ 3,100 | \$ 5,282 | \$ 2,182 | 70.4% | |
| Pension/Retirement | | \$ 1,159 | \$ 1,000 | \$ 2,664 | \$ 1,596 | \$ (1,068) | -40.1% | |
| Payroll Taxes, etc. | | \$ 2,198 | \$ 2,230 | \$ 2,300 | \$ 2,604 | \$ 304 | 13.2% | |
| Other (unemployment, life insurance, etc) | | | | | | \$ - | N/A | |
| Total Personnel Expenses | \$ - | \$ 35,964 | \$ 36,283 | \$ 39,064 | \$ 44,200 | \$ 5,136 | 13.1% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | | | | \$ 613 | \$ 613 | N/A | |
| Utilities | | | | | | \$ - | N/A | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | | | | \$ - | N/A | |
| Travel/Transportation | | \$ 888 | \$ 1,100 | \$ 900 | \$ 250 | \$ (650) | -72.2% | |
| Insurance (not employee health) | | | | | \$ 721 | \$ 721 | N/A | |
| Materials & Supplies | | \$ 707 | \$ 800 | \$ 500 | \$ 658 | \$ 158 | 31.6% | |
| Telephone, Fax, ISP | | \$ 195 | \$ 180 | \$ 200 | \$ 272 | \$ 72 | 36.0% | |
| Postage and Shipping | | | | | \$ 46 | \$ 46 | N/A | |
| Occupancy/Building/Utilities | | | | | | \$ - | N/A | |
| Equipment Rental and Maintenance (including contracts) | | | \$ 1,000 | \$ 1,000 | \$ 1,239 | \$ 239 | 23.9% | |
| Outside Printing, Art Work, etc. | | | | | \$ 127 | \$ 127 | N/A | |
| Conferences, Conventions, etc. | | | | | \$ 582 | \$ 582 | N/A | |
| Special Assistance to Individuals | | | | | | \$ - | N/A | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | | | | \$ - | N/A | |
| Depreciation | | | | | | \$ - | N/A | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| Management & General | | \$ 12,057 | \$ 8,652 | \$ 6,352 | \$ 7,382 | \$ 1,030 | 16.2% | |
| Operating Expenses Total | \$ - | \$ 13,847 | \$ 11,732 | \$ 8,952 | \$ 11,890 | \$ 2,938 | 32.8% | |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ - | \$ 49,811 | \$ 48,015 | \$ 48,016 | \$ 56,090 | \$ 8,074 | 16.8% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ - | \$ (9,795) | \$ 1 | \$ - | \$ (1,074) | \$ (1,074) | N/A | |

| Attachment F: Budget Format | | Agency Name: | | Fortwood | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency Funding Financial Form | | | | | | | | |
| Mitchell Home Supportive Housing Services | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | \$ 138,649 | | | | \$ - | N/A | |
| State | | | | | | \$ - | N/A | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | | \$ 17,000 | \$ 17,000 | \$ 52,000 | \$ 35,000 | 205.9% | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | | | | | \$ - | N/A | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | \$ 155,005 | \$ 208,641 | \$ 211,937 | \$ 211,937 | \$ 192,301 | \$ (19,636) | -9.3% | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | | | | | \$ - | N/A | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | | | | \$ 30,240 | \$ 30,240 | N/A | |
| Other Program Income | | | | | \$ 4,000 | \$ 4,000 | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | \$ 293,654 | \$ 225,641 | \$ 228,937 | \$ 228,937 | \$ 278,541 | \$ 49,604 | 21.7% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | \$ 145,845 | \$ 114,000 | \$ 118,000 | \$ 118,000 | \$ 144,727 | \$ 26,727 | 22.6% | |

Children & Adolescent Youth Services did not receive City of Chattanooga funding prior to FY 2012.
 Project BASIC and Mitchell Home did not receive City of Chattanooga funding prior to FY 2013. Therefore
 no budget information is available for FY2011.

| Attachment F: Budget Format | Agency Name: | Fortwood | | | | | | |
|--|---------------------|------------|------------|------------|------------|-------------|---------|--|
| Fringe Benefits | | | | | | \$ - | N/A | |
| Employee Health | | \$ 4,030 | \$ 1,500 | \$ 1,484 | \$ 21,552 | \$ 20,068 | 1352.3% | |
| Pension/Retirement | | \$ 2,917 | \$ 3,420 | \$ 2,426 | \$ 6,510 | \$ 4,084 | 168.3% | |
| Payroll Taxes, etc. | | \$ 11,874 | \$ 8,721 | \$ 9,027 | \$ 10,854 | \$ 1,827 | 20.2% | |
| Other (unemployment, life insurance, etc) | | | | | | \$ - | N/A | |
| Total Personnel Expenses | \$ - | \$ 164,666 | \$ 127,641 | \$ 130,937 | \$ 183,643 | \$ 52,706 | 40.3% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | \$ 250 | | | \$ 2,501 | \$ 2,501 | N/A | |
| Utilities | | | | | \$ 8,200 | \$ 8,200 | N/A | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | | | | \$ - | N/A | |
| Travel/Transportation | | \$ 4,983 | \$ 8,000 | \$ 8,000 | \$ 2,800 | \$ (5,200) | -65.0% | |
| Insurance (not employee health) | | | | | \$ 3,388 | \$ 3,388 | N/A | |
| Materials & Supplies | | \$ 743 | \$ 2,000 | \$ 2,000 | \$ 12,864 | \$ 10,864 | 543.2% | |
| Telephone, Fax, ISP | | \$ 1,772 | \$ 3,000 | \$ 3,000 | \$ 3,352 | \$ 352 | 11.7% | |
| Postage and Shipping | | \$ 32 | | | \$ 186 | \$ 186 | N/A | |
| Occupancy/Building/Utilities | | \$ 14,618 | \$ 16,500 | \$ 16,500 | \$ 14,985 | \$ (1,515) | -9.2% | |
| Equipment Rental and Maintenance (including contracts) | | \$ 741 | \$ 3,000 | \$ 3,000 | | \$ (3,000) | -100.0% | |
| Outside Printing, Art Work, etc. | | \$ 235 | | | \$ 519 | \$ 519 | N/A | |
| Conferences, Conventions, etc. | | \$ 48 | | | \$ 833 | \$ 833 | N/A | |
| Special Assistance to Individuals | | \$ 12,220 | \$ 10,000 | \$ 10,000 | \$ 4,500 | \$ (5,500) | -55.0% | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | | | | \$ - | N/A | |
| Depreciation | | \$ 7,714 | \$ 7,500 | \$ 7,500 | \$ 7,400 | \$ (100) | -1.3% | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| Management & General | | \$ 66,430 | \$ 48,000 | \$ 48,000 | \$ 33,370 | \$ (14,630) | -30.5% | |
| Operating Expenses Total | \$ - | \$ 109,786 | \$ 98,000 | \$ 98,000 | \$ 94,898 | \$ (3,102) | -3.2% | |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ - | \$ 274,452 | \$ 225,641 | \$ 228,937 | \$ 278,541 | \$ 49,604 | 21.7% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ - | \$ 19,202 | \$ - | \$ - | \$ 0 | \$ 0 | N/A | |

Johnson Mental Health Center

City of Chattanooga Request

Part 2 of 2

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

FINANCIAL STATEMENTS

June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Volunteer Behavioral Health Care System
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Volunteer Behavioral Health Care System (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteer Behavioral Health Care System as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mann & Miller, P.C.

December 29, 2013

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF FINANCIAL POSITION

June 30, 2013

| ASSETS | |
|---|-----------------------------|
| CURRENT ASSETS | |
| Cash - operating | \$ 1,559,109 |
| Investments | 702,356 |
| Accounts receivable: | |
| Grants and contracts | 1,247,494 |
| Other receivables (net of allowance for uncollectibles of \$67,839) | <u>2,786,895</u> |
| Total Current Assets | <u>6,295,854</u> |
| | |
| PROPERTY AND EQUIPMENT (net of accumulated depreciation) | |
| Assets restricted to investment in property and equipment | 1,298,290 |
| Property and equipment - unrestricted | <u>5,275,180</u> |
| Total Property and Equipment | <u>6,573,470</u> |
| | |
| OTHER ASSETS | |
| Cash - client trust funds | 146,357 |
| Cash value of life insurance | <u>356,973</u> |
| Total Other Assets | <u>503,330</u> |
| | |
| Total Assets | <u>\$ 13,372,654</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF FINANCIAL POSITION - CONTINUED

June 30, 2013

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|--|-------------------------|
| Accounts payable | \$ 564,994 |
| Line of credit | 190,000 |
| Current maturities of notes payable and capital leases | 372,553 |
| Accrued expenses | 1,523,602 |
| Deferred compensation | 35,000 |
| Total Current Liabilities | <u>2,686,149</u> |

TRUST LIABILITY

146,357

LONG-TERM LIABILITIES (current maturities above)

| | |
|------------------------------------|-------------------------|
| Notes payable and capital leases | 975,812 |
| Deferred compensation | 319,883 |
| Derivative financial instrument | 18,379 |
| Total Long-Term Liabilities | <u>1,314,074</u> |

NET ASSETS

Unrestricted:

| | |
|--------------------------------------|------------------|
| Investment in property and equipment | 5,275,180 |
| Designated for unemployment claims | 72,132 |
| Undesignated | <u>2,580,472</u> |
| Total Unrestricted | 7,927,784 |

Temporarily restricted:

| | |
|--------------------------------------|-------------------------|
| Investment in property and equipment | <u>1,298,290</u> |
| Total Net Assets | <u>9,226,074</u> |

Total Liabilities and Net Assets

\$ 13,372,654

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

| | Unrestricted | Temporarily Restricted | Total |
|---|-------------------|---------------------------|-------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | |
| Federal and State of Tennessee grants and contracts | \$ 13,776,167 | \$ - | \$ 13,776,167 |
| TennCare | 19,442,763 | - | 19,442,763 |
| Local government and United Way contributions | 246,411 | - | 246,411 |
| Client fees | 3,759,830 | - | 3,759,830 |
| Investment income | 8,770 | - | 8,770 |
| Management, contract fees and other | 1,747,131 | - | 1,747,131 |
| Loss on sale of assets | (227) | - | (227) |
| Gain on change in fair market value of derivative | 12,901 | - | 12,901 |
| In-kind revenue | 50,577 | - | 50,577 |
| Net assets released from restrictions: | | | |
| Satisfaction of time restrictions | 97,765 | (97,765) | - |
| | <u>39,142,088</u> | <u>(97,765)</u> | <u>39,044,323</u> |
| EXPENSES | | | |
| Program services: | | | |
| Adolescent alcohol and drug treatment | 110,504 | - | 110,504 |
| Adult case management | 6,972,172 | - | 6,972,172 |
| Affirm | 208,021 | - | 208,021 |
| Alcohol and drug continuum of care | 713,944 | - | 713,944 |
| Alcohol and drug halfway house | 146,599 | - | 146,599 |
| Byrne JAG | 145,547 | - | 145,547 |
| C&A case management and treatment | 36,389 | - | 36,389 |
| Cedarwood Meadows group home | 39,373 | - | 39,373 |
| Criminal justice | 71,892 | - | 71,892 |
| Crime prevention | 72,635 | - | 72,635 |
| Crisis | 2,545,140 | - | 2,545,140 |
| Crisis stabilization | 2,194,212 | - | 2,194,212 |
| Drop-in center | 852,770 | - | 852,770 |
| Forensics | 282,911 | - | 282,911 |
| Foster care | 181,356 | - | 181,356 |
| Housing development | 102,269 | - | 102,269 |
| HUD residential and support services | 1,587,105 | - | 1,587,105 |
| Intensive focus alcohol and drug prevention | 394,747 | - | 394,747 |
| Intensive long-term support | 319,584 | - | 319,584 |
| Medical services | 6,931,926 | - | 6,931,926 |
| My recovery | 484,023 | - | 484,023 |
| Outpatient services | 4,012,854 | - | 4,012,854 |
| PATH | 264,791 | - | 264,791 |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2013

| | Unrestricted | Temporarily Restricted | Total |
|---|----------------------------|----------------------------|----------------------------|
| EXPENSES - CONTINUED | | | |
| Project BASIC | 235,013 | - | 235,013 |
| Reentry and recovery | 199,040 | - | 199,040 |
| Rental assistance | 87,384 | - | 87,384 |
| RIP | 374,622 | - | 374,622 |
| School based MH liaison | 70,823 | - | 70,823 |
| Specialized housing | 824,581 | - | 824,581 |
| Supported housing | 135,678 | - | 135,678 |
| Targeted transitional support | 359,954 | - | 359,954 |
| Tennessee recovery flood relief | 85,626 | - | 85,626 |
| Walk-in center | 674,962 | - | 674,962 |
| Women's alcohol and drug prevention | 179,797 | - | 179,797 |
| Other mental health service programs | <u>406,021</u> | <u>-</u> | <u>406,021</u> |
| Total Program Services | 32,304,265 | - | 32,304,265 |
| Support Services - General and Administrative | <u>8,581,398</u> | <u>-</u> | <u>8,581,398</u> |
| Total Expenses | <u>40,885,663</u> | <u>-</u> | <u>40,885,663</u> |
| Change in Net Assets | <u>(1,743,575)</u> | <u>(97,765)</u> | <u>(1,841,340)</u> |
| Net assets at beginning of year | <u>9,671,359</u> | <u>1,396,055</u> | <u>11,067,414</u> |
| Net Assets at End of Year | <u>\$ 7,927,784</u> | <u>\$ 1,298,290</u> | <u>\$ 9,226,074</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF CASH FLOWS

For the year ended June 30, 2013

| | |
|--|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Change in net assets | \$(1,841,340) |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | |
| Depreciation and amortization | 660,873 |
| Unrealized gain on derivative financial instrument | (12,901) |
| Loss on sale of property and equipment | 227 |
| Cash value of life insurance | 123,281 |
| Changes in assets and liabilities: | |
| Accounts receivable | 1,167,908 |
| Accounts payable | (503,685) |
| Accrued expenses | 40,209 |
| Trust liability | (49,908) |
| Deferred compensation | (15,130) |
| Net Cash Used by Operating Activities | <u>(430,466)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest income reinvested | (8,197) |
| Property and equipment additions | (166,188) |
| Net Cash Used by Investing Activities | <u>(174,385)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Borrowings on lines of credit | 190,000 |
| Payments on notes and capital leases payable | (458,474) |
| Net Cash Used by Financing Activities | <u>(268,474)</u> |
| Net Decrease in Cash | (873,325) |
| Cash at beginning of year | <u>2,578,791</u> |
| Cash at End of Year | <u><u>\$ 1,705,466</u></u> |
| SUPPLEMENTAL DATA | |
| Cash paid for interest | <u>\$ 71,804</u> |
| Cash is presented in the accompanying financial statements under the following captions: | |
| Cash - operating | \$ 1,559,109 |
| Cash - client trust funds | <u>146,357</u> |
| Total Cash | <u><u>\$ 1,705,466</u></u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--|--------------------------------------|
| | <u>Adolescent Alcohol and Drug Treatment</u> | <u>Adult Case Management</u> |
| Personnel services | \$ 61,973 | \$ 4,717,618 |
| Employee benefits | 15,761 | 1,169,734 |
| Client activities | 306 | 74 |
| Communications | 1,518 | 236,865 |
| Depreciation and amortization | 1,123 | 20,760 |
| Drugs | - | 182 |
| Food | 13,884 | - |
| Insurance | 856 | 67,434 |
| Interest | - | 1,406 |
| Maintenance | 950 | 11,647 |
| Miscellaneous | 943 | 1,348 |
| Postage | - | - |
| Printing and publications | 131 | 1,274 |
| Professional services and fees | 1,143 | 68,151 |
| Rent | 553 | 15,662 |
| Specific assistance | - | - |
| Supplies | 2,061 | 8,311 |
| Travel and lodging | 939 | 616,145 |
| Training | - | 215 |
| Utilities | 3,117 | 29,171 |
| Vehicle expenses | 5,246 | 6,175 |
| In-kind | - | - |
| | <u>110,504</u> | <u>6,972,172</u> |
| Allocated general and administrative expenses | <u>29,355</u> | <u>1,852,108</u> |
| Total Expenses | <u>\$ 139,859</u> | <u>\$ 8,824,280</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------|--|
| | Affirm | Alcohol and Drug Continuum of Care |
| Personnel services | \$ 136,006 | \$ 391,685 |
| Employee benefits | 29,368 | 80,207 |
| Client activities | 3,517 | - |
| Communications | 5,880 | 9,224 |
| Depreciation and amortization | 1,267 | 10,135 |
| Drugs | - | 12,085 |
| Food | - | 69,432 |
| Insurance | 2,019 | 5,708 |
| Interest | 165 | - |
| Maintenance | 3,402 | 10,881 |
| Miscellaneous | 152 | 1,020 |
| Postage | - | - |
| Printing and publications | 707 | 468 |
| Professional services and fees | 3,935 | 59,102 |
| Rent | 1,108 | 328 |
| Specific assistance | 96 | - |
| Supplies | 4,314 | 48,215 |
| Travel and lodging | 11,187 | 701 |
| Training | 2,367 | 968 |
| Utilities | 699 | 13,502 |
| Vehicle expenses | 1,832 | 283 |
| In-kind | - | - |
| | <u>208,021</u> | <u>713,944</u> |
| Allocated general and administrative expenses | <u>55,259</u> | <u>189,654</u> |
| Total Expenses | <u>\$ 263,280</u> | <u>\$ 903,598</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------------------|--------------------------|
| | Alcohol and Drug Halfway House | Byrne JAG |
| Personnel services | \$ 103,293 | \$ 98,100 |
| Employee benefits | 17,763 | 14,236 |
| Client activities | - | - |
| Communications | 3,729 | 912 |
| Depreciation and amortization | - | 172 |
| Drugs | - | - |
| Food | 4,216 | - |
| Insurance | 1,470 | 1,796 |
| Interest | - | - |
| Maintenance | 1,084 | 332 |
| Miscellaneous | 79 | 4,465 |
| Postage | - | - |
| Printing and publications | 150 | - |
| Professional services and fees | 1,129 | 7,291 |
| Rent | 576 | - |
| Specific assistance | 28 | - |
| Supplies | 3,933 | 1,598 |
| Travel and lodging | - | 15,946 |
| Training | - | 222 |
| Utilities | 8,183 | 477 |
| Vehicle expenses | 966 | - |
| In-kind | - | - |
| | <u>146,599</u> | <u>145,547</u> |
| Allocated general and administrative expenses | <u>38,943</u> | <u>38,664</u> |
| Total Expenses | <u>\$ 185,542</u> | <u>\$ 184,211</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | Program Services | |
|---|---|------------------------------------|
| | C&A Case Management and Treatment | Cedarwood Meadows Group Home |
| Personnel services | \$ - | \$ 13,271 |
| Employee benefits | - | 3,350 |
| Client activities | - | - |
| Communications | 8,336 | - |
| Depreciation and amortization | 13,474 | - |
| Drugs | - | - |
| Food | - | - |
| Insurance | - | 509 |
| Interest | 1,250 | - |
| Maintenance | 4,350 | 7,506 |
| Miscellaneous | - | 580 |
| Postage | - | - |
| Printing and publications | - | - |
| Professional services and fees | 3,688 | 908 |
| Rent | 3,658 | - |
| Specific assistance | - | - |
| Supplies | 124 | 4,054 |
| Travel and lodging | - | - |
| Training | - | - |
| Utilities | 1,469 | 9,195 |
| Vehicle expenses | 40 | - |
| In-kind | - | - |
| | <u>36,389</u> | <u>39,373</u> |
| Allocated general and administrative expenses | <u>9,666</u> | <u>10,459</u> |
| Total Expenses | <u>\$ 46,055</u> | <u>\$ 49,832</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|-------------------------|-------------------------|
| | Criminal Justice | Crime Prevention |
| Personnel services | \$ 15,226 | \$ 54,670 |
| Employee benefits | 3,445 | 13,568 |
| Client activities | - | - |
| Communications | 385 | 775 |
| Depreciation and amortization | 160 | - |
| Drugs | - | - |
| Food | - | - |
| Insurance | 216 | 806 |
| Interest | - | - |
| Maintenance | - | - |
| Miscellaneous | - | - |
| Postage | - | - |
| Printing and publications | 43 | 36 |
| Professional services and fees | 527 | 194 |
| Rent | 162 | - |
| Specific assistance | 50,569 | - |
| Supplies | - | - |
| Travel and lodging | 659 | 2,586 |
| Training | 500 | - |
| Utilities | - | - |
| Vehicle expenses | - | - |
| In-kind | - | - |
| | <u>71,892</u> | <u>72,635</u> |
| Allocated general and administrative expenses | <u>19,098</u> | <u>19,295</u> |
| Total Expenses | <u>\$ 90,990</u> | <u>\$ 91,930</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|----------------------------|----------------------------|
| | Crisis | Crisis Stabilization |
| Personnel services | \$ 1,776,058 | \$ 1,410,231 |
| Employee benefits | 401,050 | 292,795 |
| Client activities | - | - |
| Communications | 71,590 | 14,145 |
| Depreciation and amortization | 34,046 | 65,202 |
| Drugs | - | 8,321 |
| Food | 283 | 107,301 |
| Insurance | 24,825 | 19,813 |
| Interest | 2,061 | 8,238 |
| Maintenance | 12,194 | 38,285 |
| Miscellaneous | 1,133 | 3,660 |
| Postage | 12 | - |
| Printing and publications | 1,068 | 419 |
| Professional services and fees | 69,267 | 121,126 |
| Rent | 10,075 | 4,311 |
| Specific assistance | 200 | 313 |
| Supplies | 7,744 | 69,539 |
| Travel and lodging | 111,443 | 2,561 |
| Training | 2,100 | 315 |
| Utilities | 8,880 | 25,201 |
| Vehicle expenses | 11,111 | 2,436 |
| In-kind | - | - |
| | <u>2,545,140</u> | <u>2,194,212</u> |
| Allocated general and administrative expenses | <u>676,098</u> | <u>582,877</u> |
| Total Expenses | <u>\$ 3,221,238</u> | <u>\$ 2,777,089</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|----------------------------|--------------------------|
| | Drop-in Center | Forensics |
| Personnel services | \$ 460,280 | \$ 166,150 |
| Employee benefits | 88,926 | 35,857 |
| Client activities | 4,179 | - |
| Communications | 24,975 | 16,035 |
| Depreciation and amortization | 27,987 | 3,852 |
| Drugs | - | - |
| Food | 11,007 | - |
| Insurance | 6,583 | 3,209 |
| Interest | 3,763 | 434 |
| Maintenance | 24,127 | 967 |
| Miscellaneous | 767 | - |
| Postage | 336 | - |
| Printing and publications | 1,511 | 99 |
| Professional services and fees | 6,292 | 49,090 |
| Rent | 54,533 | - |
| Specific assistance | - | - |
| Supplies | 38,094 | 1,612 |
| Travel and lodging | 5,332 | 4,128 |
| Training | 421 | 350 |
| Utilities | 38,739 | 1,128 |
| Vehicle expenses | 54,918 | - |
| In-kind | - | - |
| | <u>852,770</u> | <u>282,911</u> |
| Allocated general and administrative expenses | <u>226,532</u> | <u>75,153</u> |
| Total Expenses | <u>\$ 1,079,302</u> | <u>\$ 358,064</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------|--------------------------|
| | Foster Care | Housing Development |
| Personnel services | \$ 54,290 | \$ 76,904 |
| Employee benefits | 13,528 | 19,021 |
| Client activities | - | - |
| Communications | 2,972 | 771 |
| Depreciation and amortization | 7,703 | 2,433 |
| Drugs | - | - |
| Food | - | - |
| Insurance | 852 | 1,486 |
| Interest | - | 329 |
| Maintenance | 1,191 | 271 |
| Miscellaneous | 145 | - |
| Postage | - | - |
| Printing and publications | - | - |
| Professional services and fees | 95,039 | 1,054 |
| Rent | - | - |
| Specific assistance | - | - |
| Supplies | 40 | - |
| Travel and lodging | 3,906 | - |
| Training | - | - |
| Utilities | 1,690 | - |
| Vehicle expenses | - | - |
| In-kind | - | - |
| | <u>181,356</u> | <u>102,269</u> |
| Allocated general and administrative expenses | <u>48,176</u> | <u>27,167</u> |
| Total Expenses | <u>\$ 229,532</u> | <u>\$ 129,436</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--|---|
| | HUD Residential and Support Services | Intensive Focus Alcohol and Drug Prevention |
| Personnel services | \$ 1,116,072 | \$ 281,888 |
| Employee benefits | 244,895 | 61,347 |
| Client activities | 9,215 | - |
| Communications | 22,095 | 12,734 |
| Depreciation and amortization | - | 4,310 |
| Drugs | - | - |
| Food | 28,698 | - |
| Insurance | 16,779 | 4,161 |
| Interest | - | 253 |
| Maintenance | 2,083 | 2,918 |
| Miscellaneous | 5,453 | - |
| Postage | 236 | - |
| Printing and publications | 150 | 36 |
| Professional services and fees | 12,625 | 3,580 |
| Rent | 17,050 | 4,317 |
| Specific assistance | 100 | - |
| Supplies | 36,842 | 987 |
| Travel and lodging | 13,849 | 14,115 |
| Training | 352 | - |
| Utilities | 6,684 | 4,101 |
| Vehicle expenses | 23,927 | - |
| In-kind | <u>30,000</u> | <u>-</u> |
| | 1,587,105 | 394,747 |
| Allocated general and administrative expenses | <u>421,603</u> | <u>104,862</u> |
| Total Expenses | <u>\$ 2,008,708</u> | <u>\$ 499,609</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | Program Services | |
|---|-----------------------------------|----------------------------|
| | Intensive Long-Term Support | Medical Services |
| Personnel services | \$ 186,997 | \$ 4,870,734 |
| Employee benefits | 47,017 | 1,153,895 |
| Client activities | 968 | - |
| Communications | 6,893 | 101,993 |
| Depreciation and amortization | 21,029 | 25,467 |
| Drugs | - | - |
| Food | 10,351 | - |
| Insurance | 2,898 | 110,162 |
| Interest | - | 2,023 |
| Maintenance | 7,621 | 18,129 |
| Miscellaneous | 2,683 | 18,689 |
| Postage | - | 12,344 |
| Printing and publications | - | 11,655 |
| Professional services and fees | 3,991 | 539,977 |
| Rent | 576 | 23,438 |
| Specific assistance | 3,300 | - |
| Supplies | 11,694 | 9,935 |
| Travel and lodging | 793 | 8,962 |
| Training | - | 1,506 |
| Utilities | 6,461 | 23,017 |
| Vehicle expenses | 6,312 | - |
| In-kind | - | - |
| | <u>319,584</u> | <u>6,931,926</u> |
| Allocated general and administrative expenses | <u>84,895</u> | <u>1,841,417</u> |
| Total Expenses | <u>\$ 404,479</u> | <u>\$ 8,773,343</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------|----------------------------|
| | My Recovery | Outpatient Services |
| Personnel services | \$ 282,667 | \$ 2,798,306 |
| Employee benefits | 68,078 | 658,166 |
| Client activities | - | - |
| Communications | 43,456 | 125,525 |
| Depreciation and amortization | 730 | 40,454 |
| Drugs | - | 99 |
| Food | - | 52 |
| Insurance | 4,118 | 45,012 |
| Interest | - | 3,382 |
| Maintenance | 565 | 35,045 |
| Miscellaneous | 195 | 23,314 |
| Postage | - | 236 |
| Printing and publications | 501 | 5,224 |
| Professional services and fees | 53,648 | 105,702 |
| Rent | 650 | 66,727 |
| Specific assistance | - | - |
| Supplies | 8,728 | 41,554 |
| Travel and lodging | 17,573 | 18,335 |
| Training | 1,105 | 1,743 |
| Utilities | 2,009 | 43,574 |
| Vehicle expenses | - | 404 |
| In-kind | - | - |
| | <u>484,023</u> | <u>4,012,854</u> |
| Allocated general and administrative expenses | <u>128,577</u> | <u>1,065,986</u> |
| Total Expenses | <u><u>\$ 612,600</u></u> | <u><u>\$ 5,078,840</u></u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------|--------------------------|
| | PATH | Project BASIC |
| Personnel services | \$ 144,891 | \$ 172,061 |
| Employee benefits | 31,691 | 39,762 |
| Client activities | - | - |
| Communications | 6,258 | 6,128 |
| Depreciation and amortization | 1,825 | 288 |
| Drugs | - | - |
| Food | - | - |
| Insurance | 2,601 | 3,215 |
| Interest | 165 | - |
| Maintenance | 1,625 | 34 |
| Miscellaneous | 20 | - |
| Postage | - | 30 |
| Printing and publications | 965 | - |
| Professional services and fees | 3,398 | 3,846 |
| Rent | 650 | - |
| Specific assistance | 41,694 | - |
| Supplies | 763 | 3,000 |
| Travel and lodging | 3,884 | 6,103 |
| Training | - | 20 |
| Utilities | 691 | 526 |
| Vehicle expenses | 3,093 | - |
| In-kind | <u>20,577</u> | <u>-</u> |
| | 264,791 | 235,013 |
| Allocated general and administrative expenses | <u>70,340</u> | <u>62,430</u> |
| Total Expenses | <u>\$ 335,131</u> | <u>\$ 297,443</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------|--------------------------|
| | Reentry and Recovery | Rental Assistance |
| Personnel services | \$ 129,422 | \$ - |
| Employee benefits | 30,425 | - |
| Client activities | - | - |
| Communications | 5,987 | - |
| Depreciation and amortization | - | - |
| Drugs | - | - |
| Food | - | - |
| Insurance | 2,085 | - |
| Interest | - | - |
| Maintenance | 212 | - |
| Miscellaneous | 170 | - |
| Postage | - | - |
| Printing and publications | 38 | - |
| Professional services and fees | 22,754 | - |
| Rent | - | - |
| Specific assistance | 2 | 87,384 |
| Supplies | 751 | - |
| Travel and lodging | 6,810 | - |
| Training | 10 | - |
| Utilities | 374 | - |
| Vehicle expenses | - | - |
| In-kind | - | - |
| | <u>199,040</u> | <u>87,384</u> |
| Allocated general and administrative expenses | <u>52,874</u> | <u>23,213</u> |
| Total Expenses | <u>\$ 251,914</u> | <u>\$ 110,597</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--------------------------|----------------------------|
| | RIP | School Based MH Liaison |
| Personnel services | \$ 220,348 | \$ 53,172 |
| Employee benefits | 42,476 | 13,343 |
| Client activities | - | - |
| Communications | 13,281 | 1,442 |
| Depreciation and amortization | 15,326 | - |
| Drugs | - | - |
| Food | - | - |
| Insurance | 2,815 | 878 |
| Interest | - | - |
| Maintenance | 23,209 | - |
| Miscellaneous | 2,764 | - |
| Postage | 69 | - |
| Printing and publications | 1,573 | - |
| Professional services and fees | 8,726 | 212 |
| Rent | 1,580 | - |
| Specific assistance | - | - |
| Supplies | 24,716 | 89 |
| Travel and lodging | 7,803 | 1,512 |
| Training | 246 | 175 |
| Utilities | 9,690 | - |
| Vehicle expenses | - | - |
| In-kind | - | - |
| | <u>374,622</u> | <u>70,823</u> |
| Allocated general and administrative expenses | <u>99,516</u> | <u>18,814</u> |
| Total Expenses | <u>\$ 474,138</u> | <u>\$ 89,637</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|----------------------------|--------------------------|
| | Specialized Housing | Supported Housing |
| Personnel services | \$ 379,134 | \$ 4,505 |
| Employee benefits | 74,825 | 1,031 |
| Client activities | 3,206 | - |
| Communications | 4,991 | 39 |
| Depreciation and amortization | - | 222 |
| Drugs | - | - |
| Food | 3,167 | - |
| Insurance | 5,516 | 178 |
| Interest | - | - |
| Maintenance | 11,794 | 30,154 |
| Miscellaneous | 665 | 940 |
| Postage | - | - |
| Printing and publications | - | - |
| Professional services and fees | 307,102 | 134 |
| Rent | 3,969 | 65,662 |
| Specific assistance | 557 | - |
| Supplies | 10,723 | 953 |
| Travel and lodging | 5,368 | 82 |
| Training | - | - |
| Utilities | 13,209 | 31,778 |
| Vehicle expenses | 355 | - |
| In-kind | - | - |
| | <u>824,581</u> | <u>135,678</u> |
| Allocated general and administrative expenses | <u>219,044</u> | <u>36,042</u> |
| Total Expenses | <u>\$ 1,043,625</u> | <u>\$ 171,720</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|--|--|
| | <u>Targeted Transitional Support</u> | <u>Tennessee Recovery Flood Relief</u> |
| Personnel services | \$ - | \$ 63,921 |
| Employee benefits | - | 10,242 |
| Client activities | - | - |
| Communications | - | 927 |
| Depreciation and amortization | - | - |
| Drugs | - | - |
| Food | - | - |
| Insurance | - | - |
| Interest | - | - |
| Maintenance | - | - |
| Miscellaneous | - | - |
| Postage | - | - |
| Printing and publications | - | - |
| Professional services and fees | - | - |
| Rent | - | - |
| Specific assistance | 359,954 | - |
| Supplies | - | 717 |
| Travel and lodging | - | 9,819 |
| Training | - | - |
| Utilities | - | - |
| Vehicle expenses | - | - |
| In-kind | - | - |
| | <u>359,954</u> | <u>85,626</u> |
| Allocated general and administrative expenses | <u>95,619</u> | <u>22,746</u> |
| Total Expenses | <u>\$ 455,573</u> | <u>\$ 108,372</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|---------------------------|--|
| | <u>Walk-in Center</u> | <u>Women's Alcohol and Drug Prevention</u> |
| Personnel services | \$ 400,089 | \$ 98,659 |
| Employee benefits | 77,068 | 22,641 |
| Client activities | - | - |
| Communications | 12,276 | 5,786 |
| Depreciation and amortization | 5,447 | 1,097 |
| Drugs | - | 301 |
| Food | - | - |
| Insurance | 8,174 | 1,721 |
| Interest | 1,648 | - |
| Maintenance | 14,811 | 1,000 |
| Miscellaneous | 1,047 | - |
| Postage | - | - |
| Printing and publications | - | 592 |
| Professional services and fees | 137,985 | 34,136 |
| Rent | 38 | 162 |
| Specific assistance | - | 11,500 |
| Supplies | 6,053 | 1,054 |
| Travel and lodging | 5,884 | 114 |
| Training | 15 | - |
| Utilities | 4,202 | 1,034 |
| Vehicle expenses | 225 | - |
| In-kind | - | - |
| | <u>674,962</u> | <u>179,797</u> |
| Allocated general and administrative expenses | <u>179,299</u> | <u>47,764</u> |
| Total Expenses | <u>\$ 854,261</u> | <u>\$ 227,561</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Program Services</u> | |
|---|---|---------------------------------------|
| | <u>Other Mental Health Service Programs</u> | <u>Program Services Total</u> |
| Personnel services | \$ 282,320 | 21,020,941 |
| Employee benefits | 70,199 | 4,845,710 |
| Client activities | - | 21,465 |
| Communications | 5,980 | 773,903 |
| Depreciation and amortization | 1,481 | 305,990 |
| Drugs | - | 20,988 |
| Food | - | 248,391 |
| Insurance | 4,568 | 352,463 |
| Interest | - | 25,117 |
| Maintenance | 689 | 267,076 |
| Miscellaneous | 7,278 | 77,510 |
| Postage | - | 13,263 |
| Printing and publications | 65 | 26,705 |
| Professional services and fees | 3,041 | 1,728,793 |
| Rent | - | 275,785 |
| Specific assistance | 10,534 | 566,231 |
| Supplies | 4,255 | 352,453 |
| Travel and lodging | 13,150 | 909,689 |
| Training | 305 | 12,935 |
| Utilities | 2,156 | 290,957 |
| Vehicle expenses | - | 117,323 |
| In-kind | - | 50,577 |
| | <u>406,021</u> | <u>32,304,265</u> |
| Allocated general and administrative expenses | <u>107,853</u> | <u>8,581,398</u> |
| Total Expenses | <u>\$ 513,874</u> | <u>\$ 40,885,663</u> |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2013

| | <u>Support Services</u> General and Administrative | Total Program and Support Services |
|---|--|---|
| Personnel services | 4,194,724 | \$ 25,215,665 |
| Employee benefits | 1,107,363 | 5,953,073 |
| Client activities | - | 21,465 |
| Communications | 531,044 | 1,304,947 |
| Depreciation and amortization | 354,883 | 660,873 |
| Drugs | 911 | 21,899 |
| Equipment | 46,613 | 46,613 |
| Food | 44 | 248,435 |
| Insurance | 73,709 | 426,172 |
| Interest | 46,687 | 71,804 |
| Maintenance | 242,991 | 510,067 |
| Miscellaneous | 283,819 | 361,329 |
| Postage | 75,228 | 88,491 |
| Printing and publications | 9,024 | 35,729 |
| Professional services and fees | 673,816 | 2,402,609 |
| Rent | 239,013 | 514,798 |
| Specific assistance | 205 | 566,436 |
| Supplies | 249,353 | 601,806 |
| Travel and lodging | 99,664 | 1,009,353 |
| Training | 41,559 | 54,494 |
| Utilities | 217,156 | 508,113 |
| Vehicle expenses | 93,592 | 210,915 |
| Inkind | - | <u>50,577</u> |
| | 8,581,398 | 40,885,663 |
| Allocated general and administrative expenses | <u>(8,581,398)</u> | <u>-</u> |
| Total Expenses | \$ - | \$ 40,885,663 |

The accompanying notes are an integral part of these financial statements.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Volunteer Behavioral Health Care System ("Volunteer") is a Tennessee public benefit corporation organized pursuant to the Tennessee Nonprofit Corporation Act. Volunteer provides comprehensive behavioral health care services, education, and research encompassing 31 counties in Tennessee, doing business as Joseph W. Johnson, Jr. Mental Health Center, Hiwassee Mental Health Center, Plateau Mental Health Center, The Guidance Center, and Cumberland Mental Health Services. The policy making powers of Volunteer are vested in and exercised by its board of directors.

Basis of Presentation

The financial statements are presented in accordance with current professional standards as applicable for not-for-profit organizations. Under current professional standards, a not-for-profit organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The ultimate classification of Volunteer's net assets into the three classes of net assets is based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets

The part of Volunteer's net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets

The part of Volunteer's net assets resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the organization pursuant to those stipulations.

Permanently Restricted Net Assets

The part of Volunteer's net assets resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise be removed by actions of the organization, (b) from other assets enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized in the period incurred.

Cash and Cash Equivalents

Cash includes cash on hand and deposits in financial institutions.

Cash equivalents include purchases of short-term, highly liquid investments which are readily convertible into cash, and which have a scheduled maturity date of 90 days or less when purchased. Volunteer has no cash equivalents at June 30, 2013.

Investments

Investments in certificates of deposit are carried at cost, which approximates market value.

Property and Equipment

Property and equipment are recorded at cost and are considered to be owned by Volunteer. However, the State of Tennessee or federal funding sources may maintain a reversionary interest in property or equipment purchased with grant funds. Any property and equipment that is acquired by state or federal funds that include reversionary interest restrictions is recorded as either a temporarily restricted contribution or a permanently restricted contribution, depending upon the particular grant conditions.

Volunteer follows the practice of capitalizing all single article purchases of property and equipment in excess of \$5,000. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|----------------------------|---------------|
| Buildings and improvements | 20 - 40 years |
| Furniture and fixtures | 3 - 15 years |
| Vehicles | 3 - 5 years |

Contributed property and equipment is recorded at the estimated fair value at the date of donation. If donors stipulate how long or for what purpose the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues and Other Support

Volunteer receives grant and contract support from the U.S. Department of Health and Human Services, and the Tennessee Department of Mental Health and Developmental Disabilities. The grants and contracts generally require Volunteer to maintain certain levels of service, and may require Volunteer to provide specified percentages of local matching funds.

Support received from these grants and contracts is recognized as the requirements of the particular grants or contracts are satisfied. Volunteer records all donor-restricted support and contributions whose restrictions are met in the same reporting period as unrestricted support. Volunteer's grant and contract support is earned on a fee for service basis, or based upon expenses incurred during the current reporting period, and therefore, is recorded as unrestricted support. Any advances received on the grants or contracts that are not earned at year end are recorded as unearned grant funds payable to the grantor.

Any funds received that are specified for programs beginning during the current year that benefit future periods are recorded as deferred revenues.

A substantial portion of Volunteer's revenues are derived from TennCare. TennCare is the State of Tennessee's health coverage plan equivalent to the national Medicaid program. TennCare funds are administered by Behavioral Health Organizations ("BHOs") that contract directly with the State of Tennessee to administer those funds. The BHOs, in turn, contract with the provider organizations for client services, generally based upon fixed rates for a class of service. Revenues from billable client services covered by TennCare are recognized at their net realizable value.

Local revenues are recorded at the estimated net realizable amounts to be received from clients, third-party payers, and others for services rendered. Third-party payer contractual adjustments are accrued on an estimated basis in the period the related services are rendered.

Local support is also derived from United Way and local governmental agency contributions from the counties in which Volunteer operates. Local support is recognized in the period in which the funds are received.

Contributions and Promises to Give

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions and Promises to Give - Continued

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts are included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed Services and Facilities

A substantial number of unpaid volunteers have made significant contributions of their time to assist in the development and operation of Volunteer's programs. The value of these contributed services is not reflected in the accompanying financial statements since the services are not susceptible to objective measurement or valuation. Volunteer is required to provide local matching funds to earn some grant funds. Where applicable, in-kind professional services that are measurable and subject to valuation are used as local matching funds, and are reported in the accompanying financial statements as in-kind revenues and expenses.

Volunteer provides administrative and direct client services from some facilities owned by the State of Tennessee. The State of Tennessee rents these facilities for \$100 annually. The difference between the rent paid and the fair market rental value of the rent free facilities is recorded as in-kind revenue and expense in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various program services and other activities have been summarized on a functional basis in the statement of activities and by their natural classification, by function, in the statement of functional expenses. Volunteer is permitted to allocate supporting service expenses to each program in order to earn state and federal grant and contract revenues, generally based upon each program's percentage of direct cost to total direct costs.

Advertising

All advertising costs are expensed in the period incurred.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

The expense for employees' leave time, subject to a maximum accumulation of forty days, is accrued as earned and included in accrued expenses on the Statement of Financial Position.

Income Taxes

Volunteer is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Volunteer qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Volunteer recognizes a tax position as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

As of June 30, 2013, Volunteer has accrued no interest or penalties related to uncertain tax positions. It is Volunteer's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

Volunteer's Form 990, Return of Organization Exempt From Income Tax, for the years ended June 30, 2012, 2011 and 2010 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Subsequent Events

Subsequent events have been evaluated through December 29, 2013, which is the date the financial statements were available to be issued.

NOTE 2. CASH AND INVESTMENTS

Cash

Volunteer maintains deposits with multiple financial institutions located in the various client service areas. At year end, and throughout the year, those deposits were not entirely covered by federal deposit insurance.

Investments

Investments consist of certificates of deposits with maturity dates from one hundred days to five years with varying interest rates of less than 1.00%. At June 30, 2013, investments totaled \$702,356.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 3. FAIR VALUE MEASUREMENTS

Current professional standards establish a framework of measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under current professional standards are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Volunteer has the ability to access.

Level 2

Inputs to valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Certificates of deposit: Valued at cost which approximates fair value.

Cash value of life insurance: Valued at the net realizable value as stated in the contracts.

Derivative financial instrument: Valued at the mark-to-market estimate from the counterparty's estimate of the mid-market value of the referenced transaction.

Deferred compensation: Valued at the net present value of the discounted cash flows based upon stated contract interest rates.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 3. FAIR VALUE MEASUREMENTS - CONTINUED

The following table sets forth on a recurring basis by level within the fair value hierarchy Volunteer's assets and liabilities at fair value as of June 30, 2013:

| | Assets and Liabilities at Fair Value as of June 30, 2013 | | | |
|---------------------------------|--|---------------------|-------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Certificates of deposit | \$ - | \$ 702,356 | \$ - | \$ 702,356 |
| Cash value of life insurance | - | <u>356,973</u> | - | <u>356,973</u> |
| | <u>\$ -</u> | <u>\$ 1,110,182</u> | <u>\$ -</u> | <u>\$ 1,110,182</u> |
| Liabilities | | | | |
| Derivative financial instrument | \$ - | \$ 18,379 | \$ - | \$ 18,379 |
| Deferred compensation | - | - | <u>354,883</u> | <u>354,883</u> |
| | <u>\$ -</u> | <u>\$ 18,379</u> | <u>\$ 354,883</u> | <u>\$ 373,262</u> |

The table below sets forth a summary of changes in the fair value of level 3 liabilities measured on a recurring basis for the year ended June 30, 2013:

| | Level 3 |
|---|------------------------------|
| Deferred compensation: | |
| Balance, beginning of year | \$ 390,573 |
| Change in present value of accumulated benefits | <u>(20,560)</u> |
| Balance, End of Year | <u>\$ 370,013</u> |

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable - Grants and contracts, consists of amounts earned in accordance with the grant or contract terms, but not received as of June 30, 2013. At June 30, 2013, \$41,829 is due direct from the U.S. Department of Health and Human Services and \$1,205,665 is due from State of Tennessee grant and contract awarding agencies.

Accounts receivable - other, includes the amounts due from TennCare, clients, insurance companies or Medicare and other miscellaneous sources, net of the amounts estimated to be uncollectible. The net amounts estimated to be collectible from TennCare, clients, insurance companies, Medicare, and others at June 30, 2013 totaled \$2,786,895.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 4. ACCOUNTS RECEIVABLE - CONTINUED

Accounts receivable - related organizations represents the amounts due from related parties at June 30, 2013. A schedule of accounts receivable - related organizations follows:

| | |
|---|--------------------|
| K. C. Home of Cowan, Inc. | \$ 14,576 |
| Hamilton County Mental Health Housing Corporation | 27,610 |
| Hamilton County Mental Health Housing Corporation II | 4,186 |
| Hamilton County Mental Health Housing Corporation III | 14,231 |
| Dawson Properties | <u>5,590</u> |
| | 66,193 |
| Less: Allowance for uncollectibles | <u>(66,193)</u> |
| Accounts Receivable - Related Organizations | <u>\$ -</u> |

NOTE 5. CASH VALUE OF LIFE INSURANCE

Volunteer is the owner and beneficiary of ten different life insurance policies covering six current and former key employees. The total cash value of the ten policies at June 30, 2013 is \$356,973.

NOTE 6. ACCRUED EXPENSES

Accrued expenses at June 30, 2013 consists of the following:

| | |
|--|----------------------------|
| Insurance claims incurred, but not yet paid, net of reimbursements | \$ 221,802 |
| Accrued leave | 1,197,337 |
| Payroll liabilities | <u>104,463</u> |
| Accrued Expenses | <u>\$ 1,523,602</u> |

NOTE 7. LINES OF CREDIT

Volunteer has established a \$750,000 line of credit with a local financial institution. Interest is due monthly at the institution's prime rate, as defined, plus 1.00% per annum with a 3.00% per annum floor. The line of credit matures on March 31, 2014. At June 30, 2013 the line of credit has an outstanding balance of \$190,000. The line of credit is collateralized by substantially all assets of Volunteer, including a security interest in all deposits and investments maintained at the financial institution.

Volunteer has a credit card account issued through a financial institution with a credit limit of \$250,000. As of June 30, 2013, the total amount due and included in accounts payable is \$12,297.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 8. NOTES PAYABLE

Notes payable at June 30, 2013 consists of the following:

Note payable to a local financial institution, originally due in eighty-one monthly installments of \$12,857 principal, plus accrued interest. The financing arrangement was amended on April 1, 2011 to reduce the monthly payment to \$12,616 principal, plus accrued interest, with a final installment and accrued interest due on September 1, 2016. As amended August 7, 2012, interest is variable based on the one month LIBOR index, as defined, plus 2.90%, but not less than 3.00%. At June 30, 2013, the interest rate is 3.09%. The note is collateralized by a Deed of Trust on real property located at Spring Street, Chattanooga, Tennessee, plus a security interest in all deposits and investments maintained at the financial institution.

\$ 507,327

Note payable to a local financial institution, originally due in eighty-four monthly installments of \$12,976 principal, plus accrued interest, with the final installment of principal and accrued interest due on July 1, 2017. As amended August 7, 2012, interest is variable based on the one month LIBOR index, as defined, plus 2.90%, but not less than 3.00%. At June 30, 2013, the interest rate is 3.09%. The note is collateralized by Deeds of Trust on real estate located at South Ocoee Street, Cleveland, Tennessee and Ingleside Avenue, Athens, Tennessee, plus a security interest in all deposits and investments maintained at the financial institution.

635,833

Note payable to a local financial institution, originally due in sixty monthly installments of \$5,316 principal plus accrued interest at 3.58% through December 8, 2013, collateralized by cash.

31,900

Note payable to local financial institution, due in eighty four monthly installments of \$2,795 principal, plus accrued interest at 4.83% through August 1, 2018, collateralized by Deed of Trust on real estate located in Gallatin, Tennessee, plus a security interest in all deposits and investments maintained at the financial institution.

173,305

Total Notes Payable

1,348,365

Less current maturities

372,553

Long-Term Notes Payable

\$ 975,812

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 8. NOTES PAYABLE - CONTINUED

Future maturities of long-term debt at June 30, 2013 are as follows:

| | |
|----------------------------|----------------------------|
| Year Ending June 30, | |
| 2014 | \$ 372,553 |
| 2015 | 340,653 |
| 2016 | 340,653 |
| 2017 | 242,396 |
| 2018 | <u>52,110</u> |
| Total Notes Payable | <u>\$ 1,348,365</u> |

Three of Volunteer's loan agreements require that Volunteer meet certain financial ratios during the periods that the loans are outstanding. At June 30, 2013, Volunteer was not in compliance with certain requirements required under the loan covenants. Management has requested a waiver of the requirements and does not believe the violation will impact the financial statements.

Volunteer makes limited use of derivative instruments for the purpose of managing interest rate risks. On February 25, 2010, Volunteer entered into an interest rate swap agreement to reduce the impact of changes in interest rates on one of its notes payable. At June 30, 2013, the swap agreement had a notional amount of \$507,327, which is the amortized balance of the note, and results in a capped interest rate payable of 5.30%. The interest rate swap contract requires payment of a fixed rate of interest (2.65%) and the receipt of a variable rate of interest (one-month LIBOR), which resets monthly, on the notional amount of indebtedness. This amount is charged or credited to interest expense in the Statement of Activities. The interest rate swap is reported in the Statement of Financial Position at fair value. The fair value of the interest rate swap at June 30, 2013 was a liability of \$18,379. The interest rate swap agreement matures at the time the related note matures on September 1, 2016. Volunteer is exposed to credit loss in the event of nonperformance by the other party to the interest rate swap agreement. However, management does not anticipate nonperformance by the counterparty.

NOTE 9. KEYMAN DEFERRED COMPENSATION PLAN

Certain key employees, including the former CEO, certain vice presidents and branch managers are covered by a deferred compensation benefit. This benefit is part of an employment agreement which stipulates that after a specified period of service in their position, generally 10 to 20 years, the benefit becomes vested. For those who become vested, the benefits are payable in ten equal installments commencing on January 1, the year after retirement. The benefits range from \$10,000 to \$20,000 annually.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 9. KEYMAN DEFERRED COMPENSATION PLAN - CONTINUED

A condition of the agreement is that the employee agrees, and is insurable, under a limited payment whole life insurance policy (Note 5), purchased and owned by Volunteer, with Volunteer designated as the beneficiary. The Plan is designed so that the cash values on the policies will fund the benefits. The cash value of the policies at June 30, 2013, is \$356,973. At June 30, 2013, five current or retired employees are 100% vested in the deferred compensation benefit. During the year ended June 30, 2013, deferred compensation of \$35,000 was paid to two retired participants. The present value, computed at 5%, of the future payments due on all contracts is \$354,883. The deferred compensation benefit is over funded by \$110,241 at June 30, 2013.

Deferred compensation benefits payable during the next five years and thereafter are as follows:

| | |
|--------------------------------------|--------------------------|
| Year Ending June 30, | |
| 2014 | \$ 35,000 |
| 2015 | 35,000 |
| 2016 | 45,000 |
| 2017 | 45,000 |
| 2018 | 55,000 |
| Thereafter | <u>310,000</u> |
| Total Future Minimum Benefits | <u>\$ 525,000</u> |

NOTE 10. PENSION PLAN

Volunteer has adopted a 401(k) salary reduction profit sharing plan covering substantially all employees. All full-time employees who have attained age 18 and who have completed one year of service are eligible for participation. In accordance with the Plan provisions, Volunteer contributes an amount equal to 100% of the first 4% of each eligible participant's contribution. Participants are 100% vested in both salary deferrals and employer contributions. The employer contribution for the year ended June 30, 2013, was \$405,409.

NOTE 11. RENT EXPENSE AND LEASE COMMITMENTS

Volunteer leases office and program services space under operating leases for varying terms. The current year rent expense relative to the operating leases charged to direct program services totaled \$275,785. The current year rent expense charged to supporting services totaled \$239,013. The total rent expense for the year ended June 30, 2013, totaled \$514,798.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 11. RENT EXPENSE AND LEASE COMMITMENTS - CONTINUED

The future minimum lease payments required under the terms of the operating leases are as follows:

| | |
|----------------------|-------------------|
| Year Ending June 30, | |
| 2014 | \$ 345,906 |
| 2015 | 306,872 |
| Thereafter | <u>-</u> |
| Total | <u>\$ 652,778</u> |

NOTE 12. IN-KIND REVENUE AND EXPENSES

A residential treatment home located in Chattanooga, Tennessee, is provided to Volunteer on a rent free basis by the State of Tennessee. The fair market rental value of this facility is recorded as in-kind revenue and expense in the accompanying financial statements. In-kind free rent applicable to the residential treatment home is \$30,000, based upon 3,000 square feet at \$10 per square foot.

The PATH Program claimed \$20,577 in-kind match, comprised of donated occupancy, telephone, and other costs provided by two unrelated entities.

NOTE 13. COMMITMENTS, CONTINGENCIES, CONCENTRATIONS AND RISK

Volunteer receives grants from the State of Tennessee and federal agencies that require the Organization to maintain certain services and activities as specified within the grants and contracts. Failure to fulfill the conditions as set forth within the grants could result in the return of the funds to the grantor agency. Management deems this contingency remote since it feels the objectives of each grant and contract have been accomplished.

Volunteer's facilities are located in the State of Tennessee. Volunteer grants credit without collateral to its clients, most of whom are local residents insured under third-party payer agreements. Significant sources of revenue for the year ended June 30, 2013 are as follows:

| | <u>Percent of Total Revenues</u> |
|---|----------------------------------|
| TennCare | 50% |
| Federal and State of Tennessee Grants and Contracts | 35% |

During the course of normal business operations, Volunteer is exposed to various litigation matters. Volunteer has purchased third-party insurance to reduce its risk of loss associated with any litigation, claims or assessments. Neither management nor legal counsel are aware of any pending matters that would result in a judgment exceeding the Organization's insurance coverage and which would materially affect the financial statements at June 30, 2013.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 13. COMMITMENTS, CONTINGENCIES, CONCENTRATIONS AND RISK - CONTINUED

Volunteer has elected to become self-insured for health insurance claims, with reinsurance provided for claims exceeding \$90,000, per employee, per year. At June 30, 2013 an accrued liability of \$221,802 is included in accrued expenses representing Volunteer's estimated liability for claims reported, and claims incurred but not reported, net of reinsurance reimbursements.

Volunteer maintains deposits in multiple financial institutions that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Management continually monitors the credit ratings of the financial institutions and believes there is no significant risk with respect to such deposits.

Three of Volunteer's loan agreements require that Volunteer meet certain financial ratios during the periods that the loans are outstanding. At June 30, 2013, Volunteer was not in compliance with certain requirements required under the loan covenants. Management has requested a waiver of the requirements and does not believe the violation will impact the financial statements.

NOTE 14. RESTRICTIONS ON CASH AND NET ASSETS

One of the services Volunteer offers its clients is a program whereby it will serve as trustee and administer the day-to-day financial affairs of clients. Volunteer maintains the participating clients' funds in a separate pooled checking account. The clients' funds are not available for the general operations of Volunteer. At June 30, 2013, the client trust cash account balance and the related trust liability balance is \$146,357.

Volunteer has elected to pay unemployment benefits on a claims paid basis. As a result, the Board of Directors has designated \$72,132 of unrestricted net assets to provide for payment of future unemployment claims.

Net Assets

At June 30, 2013, net assets are comprised of the following:

Unrestricted Net Assets

| | |
|--------------------------------------|----------------------------|
| Investment in property and equipment | \$ 5,275,180 |
| Designated for unemployment claims | 72,132 |
| Undesignated | <u>2,580,472</u> |
| Total | <u>\$ 7,927,784</u> |

Temporarily Restricted Net Assets

| | |
|---|----------------------------|
| Grant awards restricted to investment in property and equipment | <u>\$ 1,298,290</u> |
|---|----------------------------|

Permanently Restricted Net Assets

Volunteer has no permanently restricted net assets as of June 30, 2013.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 15. RELATED PARTIES

Hamilton County Mental Health Housing Corporation, Hamilton County Mental Health Housing Corporation II and III, K.C. Home of Cowan, Inc., and Dawson Properties (the "Corporations") are considered related organizations. Volunteer manages all operations of the Corporations, and the Chairman of the Board of Directors of Volunteer serves on the Board of Directors of each Corporation. During the course of normal operations, Volunteer advances funds to the Corporations. Volunteer has recognized management fees of \$60,092 which is included in management, contract fees and other income on the Statement of Activities.

VOLUNTEER BEHAVIORAL HEALTH CARE SYSTEM

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 12. PROPERTY AND EQUIPMENT

A summary of property and equipment follows:

| | Balance July 1, 2012 | Reclass | Additions | Disposals | Balance June 30, 2013 | Accumulated Depreciation | Net Book Value June 30, 2013 |
|-------------------------------------|-------------------------|-------------|-------------------------------|------------------|--------------------------|-----------------------------|------------------------------------|
| | | | <u>Temporarily Restricted</u> | | | | |
| Land | \$ 377,235 | \$ - | \$ - | \$ - | \$ 377,235 | \$ - | \$ 377,235 |
| Buildings and improvements | 1,849,668 | - | - | - | 1,849,668 | 1,030,461 | 819,207 |
| Furniture and fixtures | 213,437 | - | - | - | 213,437 | 213,437 | - |
| Vehicles | 503,746 | - | - | - | 503,746 | 401,898 | 101,848 |
| Total Temporarily Restricted | 2,944,086 | - | - | - | 2,944,086 | 1,645,796 | 1,298,290 |
| | | | <u>Unrestricted</u> | | | | |
| Land | 1,143,307 | - | - | - | 1,143,307 | - | 1,143,307 |
| Buildings and improvements | 11,498,535 | - | 51,741 | - | 11,550,276 | 7,831,609 | 3,718,667 |
| Furniture and fixtures | 3,422,262 | - | 79,935 | - | 3,502,197 | 3,227,280 | 274,917 |
| Vehicles | 1,733,712 | - | 37,800 | 46,126 | 1,725,386 | 1,587,097 | 138,289 |
| Total Unrestricted | 17,797,816 | - | 169,476 | 46,126 | 17,921,166 | 12,645,986 | 5,275,180 |
| Total Property and Equipment | \$ 20,741,902 | \$ - | \$ 169,476 | \$ 46,126 | \$ 20,865,252 | \$ 14,291,782 | \$ 6,573,470 |

**Volunteer Behavioral Health Care System
Board of Directors
2013 – 2014**

| Name / Board Title | Contact Information | Tenure |
|-------------------------------------|---|-----------------------------|
| Linda Bennett | 320 Pine Ridge Rd Chattanooga, TN 37405 | Female, A member since 2009 |
| Jim Boerner, MD VICE CHAIRPERSON | 507 Highland Terrace Murfreesboro, TN 37130 | Male, A member since 1997 |
| Harry Dunn | 1621 Viola Road McMinnville, TN 37110 | Male, A member since 2009 |
| Dot Jenkins | 641 Nickolas Drive Lebanon, TN 37087 | Female, A member since 1999 |
| Jerry L. Johnson TREASURER | P.O. Box 469 Sequatchie Road Pikeville, TN 37367 | Male, A member since 1995 |
| Jim Mercer | 395 Deerfield Lane Decatur, TN 37322 | Male, A member since 1995 |
| Charles Morris | 801-A Gail Ct. Lebanon, TN 37087 | Male, A member since 1999 |
| Yvonne L. Peppers | 748 Sneed Road Soddy Daisy, TN 37379 | Female, A member since 1995 |
| Bobby Randolph CHAIRPERSON | P.O. Box 609 Crossville, TN 38557 | Male, A member since 1996 |
| Stephen F. Riggs | P.O. Box 15255 Chattanooga, TN 37415 | Male, A member since 1995 |
| David M. Roberts | 540 Mike Roberts Road Red Boiling Springs, TN 37150 | Male, A member since 1996 |
| Drew Robinson | 33 North Ocoee Cleveland, TN 37311 | Male, A member since 1995 |
| Caroline Scarlett | 2229 Regal Court Murfreesboro, TN 37129 | Female, A member since 1997 |
| Grace Tomkins | P.O. Box 741 Gallatin, TN 37066 | Female, A member since 1999 |
| Tommy Smith | 125 N. Church Street Murfreesboro, TN 37130 | Male, A member since 2009 |



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|--|
| Offer Name: | Criminal Justice Intensive Case Management |
| Lead Agency: | Johnson Mental Health Center, a division of Volunteer Behavioral Health |
| Collaborating City Department(s): | Chattanooga Police Department |
| Contact Name: | Donna P. Maddox, Center Director, JMHC |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$60,000.00 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Offer: The goal of the Criminal Justice Intensive Case Management (CJICM) program is to engage mentally ill persons who have been in jail or prison, or are at-risk to return, in mental health and/or substance use treatment for the purpose of creating safer streets for the City of Chattanooga. By linking these persons to community resources, the ability to sustain them in the community increases. The CJICM program will reduce recidivism by utilizing evidence based practices and programs which are “critical to improve outcomes, maximize investments and build support for further expansion of services”. This program will implement budget strategies to promote safe and secure street, provide outreach to at-risk consumers with a criminal history many coupled with homeless status, provide linkage to community resources and re-entry services, and promote partnerships between behavioral health providers and law enforcement/public safety to both identify and treat individuals with behavioral health issues.

The caseload of the CJICM will be held to 15 consumers at any one time to allow the intense level of engagement which is needed on the front end with consumers who qualify and are enrolled in this program. Intensive Case Management Services will be provided for each consumer for 90 days (three months) with a minimum 2 contacts per week per consumer.

The CJICM program will utilize a treatment and housing first approach. Engagement in mental health/substance abuse treatment and recovery services which utilize Evidence Based Practices and Programs which promote wellness and community tenure (Supported Housing, Supported Employment, Psychopharmacology, Cognitive Behavioral Therapy, Illness Management and Recovery classes) in addition to financial counseling, establishment of benefits (Social Security, health care, food stamps), obtaining birth certificates, driver’s license, educational instruction, etc.



City of Chattanooga

FY15 Offers

SAMSHA's GAINS Center for Behavioral Health and Justice Transformation's "Evidence-Based Practices and Programs for Justice-Involved Adults with Behavioral Health Disorders" states: "The prevalence of serious mental illness (SMI) among persons in the criminal justice system is between 3 and 6 times the rate for individuals with SMI in the general U.S. population. A recent study of over 20,000 adults in five local jails found that 14.5% of male inmates and 31% of female inmates met criteria for SMI. If these same estimates are applied to the almost 13 million jail admissions reported in 2010, the study findings suggest that more than 2 M bookings of a person with SMI occur annually. Studies suggest that the co-occurrence of mental health and substance use disorders is common. In jails, of the approximately 17% with SMI, an estimated 72% had a co-occurring substance (COD) disorder. The over representation of people with SMI or COD in the criminal justice system has a significant impact on the recovery path of these individuals, creates stress for their families, and has an effect on public safety and government spending."

Locally, the Hamilton County Jail holds 505 inmates at capacity. HCJ staff use a brief screening tool with offenders as they come through the "booking" area. On any day 25%, or 126 inmates, identify themselves as having mental illness. Knowing that being identified as mentally ill increases the likelihood of being victimized, jail staff believes 25% to be a conservative number. It is believed the number would be significantly higher if a screening for COD occurred also. (Medical services for inmates with psychiatric issues are available at HCJ while substance use services are not; 12 Step Programs are available.)

"Without Intensive Case Management, 64% of mentally ill inmates were rearrested within 18 months. Without Intensive Case Management, 48% of mentally ill inmates are hospitalized in a mental health hospital facility within 18 months of their release." Targeting prevention and education efforts coupled with treatment services are vital steps which must be taken for re-incarceration to not occur. Arrest and incarceration are often the result of untreated mental illness or COD.

How does CJICM promote Safer Streets? People with mental illness are 2.5 times more likely to be victims of violence than to be violent toward others. In 2012, local law enforcement officers trained in Mental Health Crisis Intervention (CIT) responded to 500 calls regarding mental health consumers which resulted in only 17 arrests on criminal charges (.04%), 324 referred to MH treatment (65%), and 27% were stabilized at the scene with no further action taken. To date 199 officers have been trained, 75 of which come from Chattanooga Police Department and a total of 182 are local (county, municipalities, UTC, Park Services, 911 Operators). The partnership between service provider and law enforcement has never been stronger.

It is envisioned that the CJICM program can collaborate with the City's Violence Reduction Initiative (VRI). We know there are persons caught up in criminal activity in the city wishing to escape their lifestyle who are untreated for mental health or COD issues. We believe the focus of the CJICM program is the path many persons in the VRI would greatly benefit from taking.

In summary, by linking these persons to community resources, the ability to sustain them in the community increases. The quality of life of these residents of Chattanooga will dramatically improve as they move from being mentally ill persons coming out of jail going onto the streets to being housed. Engaging a mentally ill consumer in treatment services is the first step for re-incarceration to not occur. By diverting this population, who are most likely to re-offend without proper support, into treatment and housing, the likelihood of their being able to find and keep a job increases greatly. The greater City of Chattanooga community can expect an improvement in their quality of life by having less intrusive interaction with this population and ultimately less of their tax dollars going to support this group.

Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the City.
2. Reduce violent crimes.
3. Increase trust between law enforcement and citizens.



City of Chattanooga

FY15 Offers

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|--|---|-----------------|---------------|------------------|
| Criminal Justice Intensive Case Management Program | \$36,600 | \$23,400 | \$60,000 | One (1) |

Capital Budget Impact? Yes No 0 \$Amount

Financial Offsets: (Please list other revenues associated with the specific program for which funding is requested)

| Name | Amount |
|------|--------|
| n/a | n/a |
| | |
| | |

PERFORMANCE DATA

Measurement 1:

100% of referrals to the CJICM program will be screened using a Risk and Life Domain Assessment Tool.
Historical Comparison Data? 100% of all past participants have been screened to ensure needs are identified so that appropriate referrals can be made to other community resources. In 2 1/2 years of the programs existence, 106 participants have completed the program. Of those 106 clients, 803 referrals have been made based upon initial screening documentation.

Measurement 2:

100% of CJICM program participants will enroll in treatment services utilizing evidence based practices/programs (Psychopharmacology, Cognitive Based Therapy, Motivational Interviewing, Integrated Mental Health and Substance Use Services, illness Management and Recovery, Supported Housing, Supported Employment).
Historical Comparison Data? 100% of the 106 participants engaged in MH/SA treatment. Of 106 served, 51 obtained employment; 55 were assisted with SSDI; 58 obtained permanent sustainable housing. Additionally, 5 clients obtained their GED's and 2 graduated from Chattanooga State with another 2 being enrolled there now.

Measurement 3:

80% of CJICM program participants will not be re-incarcerated within nine (9) months of completing the CJICM 90 day program.
Historical Comparison Data? In 2012 of the 42 participants zero (0) returned to jail; in 2013 of the 44 participants, one (1) returned to jail; in the first 6 months of 2014 of the 20 participants served, one (1) participant was picked up on his probation violation and then served a short term stay (29) days in the Hamilton County Jail and upon release per request of client's attorney, returned to the CJICM program which he completed.



City of Chattanooga

FY15 Offers

Return on Investment:

How do citizens benefit? Citizens benefit by mentally ill consumers with criminal history engaging in treatment services, getting off the streets when housed, and becoming less a tax burden as they engage in eligible benefits and/or obtain work.

Does this activity leverage other financial resources? Yes. JMHC will use grant dollars in its PATH, Criminal Justice Liaison, and MASH programs to provide needed services. MH treatment will be paid for by Safety Net or TennCare thus leveraging federal and state dollars. Examples of levered dollars spent: in 2012, \$38,809 from the CJ Liaison's grant was spent on CJICM clients for rent, medications, utilities, Court fines, etc.; to date in 2013, \$45,000 of treatment services have been paid for by TennCare or Safety Net for 20 clients at JMHC.

How does this activity decrease costs over time for the City? Less time involvement of CPD officers, 911 operators and other emergency personnel. Less community resources utilized by the homeless who have criminal history.

How can this program become sustainable without City funding? Sustainability could come through the creation of a Mental Health Court (recommended by a 2013 Grand Jury). Johnson Mental Health Center has been contacted to participate in the formative process with a first meeting between stakeholders to be held in March 2014.

Attachment B: Comparative Financial Information

Agency Name: Johnson Mental Health Center

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|--|--|---|
| Chattanooga | 100% for CJ Intensive Case Management Program | 49.83% |
| Unincorporated Hamilton County | 0 | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |
| | | |
| Percent of Services rendered to residents of: | Estimate, if you do not now track this data. | |
| Chattanooga | 100% for CJ Intensive CM Program | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |

*Population numbers are from 2010 U.S. Census.

Attachment C: Program Beneficiary Statistics

Agency Name: Johnson Mental Health Center
 Program: Criminal Justice Intensive Case Management

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|-----------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 44 | 20 | 60 |
| a) Total Continuing From Previous Fiscal Year | 2 | 3 | 5 |
| b) Total New for the Year | 42 | 17 | 60 |
| c) Total Terminated During the Year | 0 | 0 | 5 |
| 2. Age Group TOTAL | 44 | 20 | 60 |
| a) Infants – Under 5 | | | |
| b) Between 5 and 12 | | | |
| c) Between 13 and 17 | | | |
| d) Between 18 and 29 | 23 | 8 | 20 |
| e) Between 30 and 64 | 21 | 12 | 40 |
| f) 65 and over | | | |
| g) Not Known | | | |
| 3. Sex TOTAL | 44 | 20 | 60 |
| a) Male | 37 | 18 | 48 |
| b) Female | 5 | 2 | 12 |
| c) Not Known | | - | - |
| 4. Ethnic Background TOTAL | 44 | 20 | 60 |
| a) White | 28 | 9 | 30 |
| b) Black | 16 | 11 | 30 |
| c) Hispanic | | | - |
| d) Asian | | | - |
| e) Other – Ethnic Minority | | | - |
| f) Not Known | | | - |
| 5. % Income Level TOTAL | 44 | 20 | 60 |
| a) Below 9,999 | 44 | 20 | 60 |
| b) 10,000 –19,999 | | | |
| c) 20,000 – 29,999 | | | |
| d) 30,000 and Over | | | |
| e) Not Known | | | |
| 6. Location of Residence TOTAL | 44 | 20 | 60 |
| a) Chattanooga | 44 | 20 | 60 |
| b) Outside of Chattanooga | | | - |
| c) Not Known | | | - |

Attachment D: Schedule of Positions, Salaries & Wages

Agency Name: Johnson Mental Health Center

ALL FINANCIAL INFORMATION TO THE NEAREST DOLLAR. FOR ADDITIONAL EMPLOYEES, COPY THIS FORM AS NEEDED

| Title of Position | Last Name, Initial | Part Time? yes/no | Years Employed | Retirement Benefits? Yes/no | Current_FY 2014 | | | Proposed_FY2 015 | | |
|-------------------|--------------------|-------------------|----------------|-----------------------------|-----------------|---------------|----------|------------------|---------------|----------|
| | | | | | Weeks Employed | Annual Rate | Budgeted | Weeks Employed | Annual Rate | Budgeted |
| Director | Maddox, D | N | 21 | Y | | 57,480 | | | 57,480 | |
| Psychiatrist | Larson, T | N | 4 | Y | | 175,000 | | | 175,000 | |
| Psychiatrist | Marshall, W | N | 8 | Y | | 50,000 | | | 50,000 | |
| Psychiatrist | Munawar, N | N | 1 | Y | | 150,000 | | | 150,000 | |
| NP | McCoin, D | N | 4 | Y | | \$79,000 | | | 79,000 | |
| NP | Rodgers, E | N | 9 | Y | | 80,000 | | | 80,000 | |
| NP | Neal, A. | Y | .75 | N | | \$50.00 hour | | | \$50.00 hour | |
| NP | Lawson, T | Y | 1 | N | | \$50.00 hour | | | \$50.00 hour | |
| NP | Henderson, C | Y | 1 | Y | | \$80,000 | | | \$80,000 | |
| CSC | Holeyfield | N | 8 | Y | | 32,064 | | | 32,064 | |
| LCSW | DeYoung, S | N | 7 | Y | | 39,600 | | | 39,600 | |
| LCSW | Hudson, C | N | 11 | Y | | 39,600 | | | 39,600 | |
| Counselor III | Chapman, K | N | 24 | Y | | 36,000 | | | 36,000 | |
| Counselor II | Roberts, M | N | 2 | Y | | 30,000 | | | 30,000 | |
| Office Mgr | Wright, T | N | 10 | Y | | 27,900 | | | 27,900 | |
| CJ CM | Roberts, Bo | N | 2 | Y | | 30,000 | | | 30,000 | |
| CJ Liaison | Glenn, T. | N | 5 | Y | | 30,000 | | | 30,000 | |
| PATH CM | Craig, B | N | 8 | Y | | 27,500 | | | 27,500 | |
| PATH CM | Taylor, M | Y | 3 | N | | 12,500 | | | 12,500 | |
| Case Mgr | Cunningham | N | 25 | Y | | 27,600 | | | 27,600 | |
| Case Mgr. | Higgins, C | Y | .5 | Y | | 24,000 | | | 24,000 | |
| Case Mgr | Graham, B | N | 3 | Y | | 25,200 | | | 25,200 | |
| Case Mgr | Johnson, K | N | 7 | Y | | 25,200 | | | 25,200 | |
| Case Mgr | Gouge, K | N | .75 | Y | | 26,400 | | | 26,400 | |
| Case Mgr | Fraga, A | N | 3 | Y | | 26,400 | | | 26,400 | |
| Case Mgr | Zarzur, L | N | 1 | Y | | 25,200 | | | 25,200 | |
| Case Mgr | Laster, T | N | 2 | Y | | 25,200 | | | 25,200 | |
| Case Mgr | Smith, J. | N | .5 | Y | | 24,000 | | | 24,000 | |
| Case Mgr | Smith, N | N | 1 | Y | | 25,200 | | | 25,200 | |
| Case Mgr | Bennett, C | N | 2 | Y | | 26,400 | | | 26,400 | |
| Case Mgr | Malone, L | N | 1 | Y | | 25,200 | | | 25,200 | |

CRIMINAL JUSTICE CASE MANAGER

| Support/Revenue | 1 BUDGETED FY 2013-2014 |
|--|--|
| City of Chattanooga Support | \$60,000.00 |
| Total Support/Revenue | 60,000.00 |
| Cost/Expense | 1 BUDGETED FY 2013-2014 |
| 7000 - Salaries | 30,000.00 |
| 7100 - Employee Health & Retirement Benefits | 4,200.00 |
| 7200 - Employee Taxes, etc. | 2,400.00 |
| 8000 - Professional Fees/Contract Svs | 1,200.00 |
| 8100 - Supplies | 1,644.00 |
| 8200 - Telephone & Telegraph/Communications | 420.00 |
| 8400 - Occupancy | 500.00 |
| 8700 - Local Transportation | 5,600.00 |
| 8900 - Special Assistance to Individuals | 6,648.42 |
| Management & General | 7,387.58 |
| Total Program Cost | \$60,000.00 |



City of Chattanooga

FY15 Offers

OFFER SUMMARY

Offer Name: **Family Violence Center and Rape Crisis Center**

Lead Agency: **Partnership for Families, Children, and Adults, Inc.**

Collaborating City Department(s): **Department of Public Safety**

Contact Name: **Dr. Paul Smith**

Primary Results Area: **Safer Streets**

Offer Cost (Funding Request): **\$206,050**

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

PROBLEM STATEMENT

The Partnership for Families, Children, and Adults, Inc. (PFCA) of Chattanooga, Tennessee is a comprehensive social service agency, which, in 2012-2013 touched the lives of over 75,000 persons. PFCA provides services through several programs: Elder Services, Homemakers, Deaf Services, Consumer Credit Counseling, Youth Services, Building Stable lives, Family Counseling Services and the Crisis Resource Center which includes permanent housing for chronically homeless women, a homeless shelter for women with children, the Family Violence Center and the Rape Crisis Center. The agency endorses a strength-based, culturally competent philosophy supporting its mission of “empowering people to build better lives.” PFCA has assisted victims of domestic and sexual violence through the Family Violence Center (FVC) since 1987 and the Rape Crisis Center (RCC) since 1995. PFCA is the only agency in Chattanooga and Hamilton counties providing these services in the community.



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Chattanooga/Hamilton County law enforcement reported 2,440 cases of domestic and sexual violence-related offenses in 2012. In Chattanooga, the FVC served 1,416 total victims of domestic violence and the RCC served 564 victims of sexual crimes and conducted 103 forensic exams. If we were to combine Partnership numbers served, with Law Enforcement's numbers, there would still be a gap in the number of actual victims in our community because not all victims report. Some of our clients are referred by law enforcement but many are community or self-referrals that may have reported years ago or never reported but want assistance in recovery. In the same time period, the FVC and the RCC received over 10,000 calls to the hotline providing crisis counseling, safety planning, referrals to shelter, court advocacy, housing, information and referral, and other.

The total cost per person for sexual assault services is \$1,400 which includes the cost of the forensic exam; 24/7 on call nurse, 24/7 on-call sexual assault advocate, crisis counseling, personal advocacy, victim's compensation fund, court advocacy, expert testimony if the case goes to trial, and consultation with the Sexual Assault Response Team (SART).

It costs about \$465 per client to serve each victim at the FVC through 90 day shelter, transitional housing, court advocacy and other services. In 2013, we closed 2 domestic violence shelter rooms due to loss of funding which on average serves annually approximately 48 victims utilizing about 2200 days of care. Additional funding is required to maintain availability of services for survivors and develop a more seamless service delivery system. By providing a stronger collaboration through open communication and sharing of resources between Partnership, (providing comprehensive services to sexual assault and domestic violence victims), and our partners(i.e.: Chattanooga Police Department, Hamilton County Sheriff's Office, the District Attorney's office, and others), we will help keep victims safe and hold perpetrators accountable and the community will see increased confidence in law enforcement and a reported increased sense of safety. Our collaborative services will interrupt the family violence cycle and provide alternate pathways to a violence free community. Overall, the goal would be to eliminate the incidents of domestic and sexual violence in Chattanooga.

The Partnership agency budget is over 5 million dollars while the combined budgets for the FVC and RCC is \$982,656 for this fiscal year. Approximately 60% of all clients receiving domestic violence and sexual assault services reside within the city limits of Chattanooga.

Initially, the Partnership planned to submit 2 separate offers for the Family Violence Center and one for the Rape Crisis Center. City government has never provided funding for the Family Violence Center. Based on input in consultation with Tiia Sailstad, from Public Financial Management Inc., it was recommended that both programs be combined into a single offer. The city has funded \$56,522 to the Rape Crisis Center in previous years which represents 6% of the total budget for the Family Violence and Rape Crisis Centers while 60% of program participants resided within the city of Chattanooga. In this offer we have included comprehensive and additional services costing \$206,050 which represents almost 21% of the total combined budgets which is still far less than the 60% of clients within our city. These funds will help to cover the program operations, forensic exams and coordination of the Sexual Assault Response Team for the Rape Crisis Center and Family Violence Center. It will also help to provide additional triage and response to victims requesting services including the



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Family Justice Center collaboration as well. In addition agency staff specializing in domestic and sexual violence, elder abuse and other identified areas can participate in situational debriefing with FJC partners, and provide expertise in helping to build community competence in successfully addressing the issues of abuse and violence in our community.

PROGRAM DESCRIPTION

Services at the Rape Crisis Center and Family Violence Center are as follows:

- 24/7 Crisis Hotline – safety planning, information and referral, shelter and rape kit referrals, etc.
- Safe Shelter – domestic violence victims can find safe shelter and support through on-going case management.
- Crisis Counseling – providing acute support for healing and recovery
- Trauma informed Case Management – victims setting goals and working towards success
- Court Advocacy – education and support for victims through the criminal justice and judicial system
- Counseling and support groups – long term emotional support for recovery and healing
- State-of-the art forensic evidence collection – provided by trained nurses and coordinated with law enforcement
- Education and Prevention - Community education and training for law enforcement agencies, Fire Department, universities, schools, churches, civic organizations and others.
- Free law enforcement training, certified by the Peace Officers Standards and Training (POST) to better prepare law enforcement for improved response, better understanding of victims of domestic and sexual violence, and increase arrests of perpetrators.
- Employment Assistance – job searches, resume building, interview preparation, etc. for victims.
- Housing Referral and Follow-up– accessing community resources for low income housing for victims.
- Transitional Housing – case management in government housing and community for survivors
- Bilingual Services – for Limited English Proficient survivors
- Children Services – support for children that have experienced domestic violence to interrupt the cycle.
- Sexual Assault Response Team (SART) – multi-agency collaborative approach to address sex crimes and improve service delivery to victims of sexual assault. It maximizes the probability of arrest/prosecution and accountability of the perpetrator, thereby reducing incidents.
- Human Trafficking – survivors of human trafficking are often brought to the RCC for a forensic exam and/or safe shelter through the FVC Shelter.
- These services are free.
- Partnership provides 200 volunteers to assist with critical functions of the programs.

The FVC and RCC are in compliance with the TN Domestic Violence and Sexual Assault Standards. The FVC and RCC are fully accredited by the National Council on Accreditation (COA) evaluation, which takes place at four-year intervals. This accreditation promotes best practices and standards of programming.



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Focus of this Request for the RCC

The Sexual Assault Response Team (SART) is a coordinated community response to sexual assault cases. The team consists of advocates; Sexual Assault Nurse Examiners (SANE); multiple law enforcement agencies, including, Chattanooga, Red Bank, and East Ridge Police Departments, Hamilton County Sheriff's Office, UTC Campus Police and Women's Center; Victim Witness Assistance Coordinator with Hamilton County Courts and the new addition of an Assistant District Attorney, Homeland Security, and the Hamilton County Children's Advocacy Center.

SART began to review cases in October 2012 and reviewed 67 cases for the 2012-2013 fiscal year that have been reported to law enforcement and received a forensic exam. SART members review cases that received a forensic exam through the SANE program at the RCC. Thus, it is essential that the Nursing Director of the SANE program provide detailed supervision on each forensic exam being performed by each SANE nurse by reviewing their documentation and discussing the details of the forensic exam with the nurse. Every SANE nurse is, at minimum, a registered nurse and has been trained in forensic evidence collection. The role of the forensic exam is an integral part of the investigation and must be handled objectively and with careful attention to evidence. In addition, the chain of evidence must be maintained at all times to ensure none of the evidence is altered in anyway prior to being given to law enforcement. The Nursing Director and all the SANE nurses are prepared to be expert witnesses on the forensic exams they perform.

We are experiencing a higher level of communication between agencies through our monthly meeting which promotes the building of trust between the agencies, which has resulted in more efficient service delivery as well as overall quality of services provided and cases investigated. A perfect example would be discussions on how law enforcement can make referrals to the RCC when a sexual assault has occurred and what services RCC can provide for victims. The RCC created a one page step by step process that will be included in police training, increasing the victim's probability to access services and get the assistance she needs. Law enforcement will have an ally in the RCC and can focus on the investigation knowing that the victim is receiving support. This collaboration holds perpetrators accountable and provides support to victims as they encounter the justice system. Victims gain trust in law enforcement as they see agencies working together for their benefit.

The Chattanooga/Hamilton County SART is an excellent way in which the RCC is improving the services being provided to the community and ensuring long lasting change that will effectively serve sexual assault survivors. Sexual assault cases in Hamilton County can take 2-3 years before receiving a trial. The SART positively impacts the service delivery system and holds perpetrators accountable by increasing the number of arrest and/or prosecutions of sexual assault cases. There is limited data on cases investigated that move through the justice system. The SART is tracking cases in order to provide a base line for future impact and success.

Results of 2012-2013 SART Review

- Unconfirmed Cases – (may have occurred but not enough evidence to proceed) 11
- Cleared (did not happen) 3
- Pending (still under investigation or pending trial) 53



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- Sentenced 0

Focus of this Request for FVC

Partnership would like to offer specialized resources related to assessment, referral and intake and therapeutic intervention to victims of domestic violence and their children. Services are currently provided in a single location that will collocate with the FJC in the future. Therapy will assist victims and their children in dealing with the aftermath of abuse and criminal assault, helping to stabilize their lives after the victimization and feel a measure of safety and security and interrupt the cycle of violence.

The Partnership will provide critical core services for survivors of domestic violence and their children with inclusion of designated triage, therapeutic services and substance abuse services specifically tailored to the experiences of victims. It is proposed that, with the inclusion of this service, the cycle of domestic violence can stop. This project will serve women and minor children residing in shelter, those residing in the community, and family members of the victim's with knowledge of this abuse. The inclusion of therapeutic services is aimed at addressing the impact of trauma to interrupt and break the cycle of abuse and meet the needs of women and children experiencing abuse and children in the community who witness violence.

Education, awareness and specialized training are a strong focus of the Family Violence Center. The center coordinates 40 hour POST (Peace Officer Standards and Training) Certified trainings each year with Law Enforcement on domestic violence and sexual violence. Education to other agencies; faith based organizations, international consultation and training, schools, universities, hospitals and other organization are part of the ongoing commitment of the Partnership.

The key to providing comprehensive services is ensuring that safety planning, initial intake, assessment and referral for all victims who request assistance is trauma focused and immediate. This initial contact is the most important first step that may take an immense amount of courage for the victim and must be handled with sensitivity and care in order to build trust and engage the victim in the continuation of their safety, healing and recovery. At the initial assessment, all the necessary information is gathered to assess the individual's danger level, create a safety plan, and refer them to the next steps which may include a referral for FVC Shelter, RCC services, Court Advocacy, and a number of additional services within the PFCA, law enforcement, legal services or other community resources. The safety plan is the victim's strategy for escaping their dangerous situation. and to create alternate pathways to healthy relationships to eliminate violence in our community.

Identify Which Desired Outcomes This Offer Impacts:

1. Increase the sense of safety in the city
2. Increase trust between law enforcement and citizens
3. Reduce incidents of domestic and sexual crimes

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)



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| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|------------------------|---|-----------------|---------------|------------------|
| Family Violence Center | \$33,020 | \$80,607 | | 1 |
| Rape Crisis Center | \$60,579 | \$31,844 | | .80 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|-------------------------------|---------|
| Victim Assist RCC US DOJ | 101,370 |
| Victim Assist FVC US DOJ | 93,586 |
| STOP Grant USDOJ | 45,304 |
| Family Violence US – HHS | 18,936 |
| Transitional Housing US – HUD | 61,512 |
| Family Violence US – HUD | 6,666 |
| Family Violence State of TN | 23,397 |
| SASP TN OCJP-RCC | 15,818 |
| CDS - RCC TN OCJP | 12,597 |
| OVW Sarah Project DOJ - OVW | 80,155 |
| Victim Assist – FVC | 84,744 |
| RCC- City of Chattanooga | 56,522 |

PERFORMANCE DATA

Measurement 1:

90% of survivors accessing services through the FVC or RCC will report an increase in their sense of safety as a result of comprehensive safety planning and services provided.

Measurement 2:

RCC will report an increased number of referrals by law enforcement (CPD) as compared to the number of cases reported in TIBERS. A baseline will be created using 13/14 data from TIBERS and RCC thus increasing perpetrator accountability and ensuring seamless service delivery.

Measurement 3:

75% of participants will set a personalized vision for their life and a life plan to help them achieve their vision of a life without violence that includes alternate pathways to a better safer future.



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Return on Investment:

How do citizens benefit?

Our community currently benefits from all services at the Family Violence Center and the Rape crisis center at no cost. However without ongoing local support for these critical programs, services are at risk. This offer represents 21% of the FVC and RCC combined budgets, while 60% of program participants are citizens within the Chattanooga City limits.

In preparation for the Family Justice Center (FJC), the FVC and the RCC services can easily be re-located to the new facility when it is established with minimal disruption, if any, to the services being delivered to victims. According to the Family Justice Center Alliance, a FJC is “the co-location of a multi-disciplinary team of professionals who work together, under one roof, to provide coordinated services to victims of violence”.

With the advent of the FJC, Partnership Family Violence Center anticipates an increased demand for services and will need to ensure a higher level of response. As a result of funding this offer, it is expected:

- The shelter will add 2200 bed nights annually
- There will be an increase in the number of requests for services that include safety planning, triage, information and referral and counseling which will be integrated into the FJC.
- There will be an increase in the number of victims requesting services.
- Clients needing professional counseling will access a counselor specializing in trauma work to address their mental and emotional needs.
- Leveraging city funding will help Partnership match other funding for federal/state dollars brought to our community to address domestic and sexual violence.

In the Rape Crisis center, support for operations will allow us to continue to provide 24/7 response to victims in our community. A base line for cases reviewed by the SART that enter the judicial system will be established and will show an increase in safer communities and increased trust of survivors through perpetrator accountability and direct services provided at the Center. The SART team has been in place for two years and there is minimal data on cases. The SART is now tracking those cases which will provide data for future years that indicates improved impact on perpetrator accountability and coordination of services.

Does this activity leverage other financial resources? The FVC and RCC leverage other financial resources that include oversight and supervision of this project and our collaborations with key community agencies such as: Chattanooga Police Department, District Attorney’s Office, Hamilton County Sheriff’s Office, Homeland Security and an additional 150 community agency and/or services within the PFCA. Through our Team efforts we are able to minimize duplication of services and maximize our resources. In addition to financial resources, the



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PFCA provides in kind support through shelter space, office space, utilities, supplies and 200 volunteers/interns who provide vital support for the centers.

How does this activity decrease costs over time for the City?

- City funding opportunities for federal and state grants will increase through the collaboration of Partnership victim's services which are an essential ingredient for the FJC funding.
- Chattanooga Police Department will save training dollars by including the Partnership POST certified domestic violence and sexual assault trainings for their officers. By providing training quarterly to law enforcement in Chattanooga/Hamilton and surrounding counties on domestic and sexual violence at no cost, it is saving the city substantial money in their training budget.
- Increased safety leads to economic growth for Chattanooga. The elimination of improper response and arrests that can lead to law suits, occurs through coordination of SART, specialized training and support for those in the front lines conducting investigations and prosecutions of these cases.
- City costs will decrease when Partnership collocates its myriad of services and expertise to the FJC. This partnership eliminates the need to establish duplicate services in Chattanooga.
- The ultimate goal is to decrease the number of domestic and sexual offenses, which will decrease the overall cost related to violent crimes in Chattanooga. This is accomplished utilizing Partnership and it's partners to provide comprehensive services to victims.

According to the Utah Coalition against Sexual Assault, violent crimes account for 1/3 of all crimes, but account for 95% of the total cost of crime.

How can this program become sustainable without City funding? Currently Partnership has a diversified funding base but unfortunately the demand is great and the current expenses are not totally covered by program resources. The Partnership continues to seek additional funding sources for the continuation of FVC and RCC services through grants (federal, state, city, foundations) and fundraisers as we have been doing for over 25 years.

| Attachment F: Budget Format | | Agency Name: | | Partnership for Families, Children and Adults | | | |
|---|-----------------------|-----------------------|-----------------------|--|------------------------|---|---|
| CITY OF CHATTANOOGA | | | | | | | |
| FY 2015 Agency Funding Financial Form- Partnership FVC/RCC Funding Offer and Violence Prevention Offer | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
| REVENUES | | | | | | | |
| Contributions | \$ 329,987 | \$ 262,350 | \$ 230,052 | \$ 355,213 | \$ 375,000 | | |
| Individuals/Private | | | | | | \$ - | N/A |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | \$ 349,221 | \$ 347,316 | \$ 401,152 | \$ 386,550 | \$ 255,600 | \$ (130,950) | -33.9% |
| State | \$ 2,770,478 | \$ 2,593,206 | \$ 2,300,216 | \$ 2,279,206 | \$ 1,948,894 | \$ (330,312) | -14.5% |
| Hamilton County | \$ 1,139,855 | \$ 195,992 | \$ 199,665 | \$ 201,350 | \$ 223,750 | \$ 22,400 | 11.1% |
| City of Chattanooga | \$ 37,098 | \$ 92,761 | \$ 70,862 | \$ 74,860 | \$ 355,287 | \$ 280,427 | 374.6% |
| Other Cities (Please list) | | | | | | \$ - | N/A |
| United Way | \$ 1,089,822 | \$ 982,956 | \$ 842,774 | \$ 804,791 | \$ 683,488 | | |
| Foundations (including grants) | | | | | | \$ - | N/A |
| Gross Proceeds Special Events | \$ 89,301 | \$ 166,435 | \$ 173,976 | \$ 190,000 | | \$ (190,000) | -100.0% |
| Other UWs/Federations | | | | | | \$ - | N/A |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A |
| UWGC Program Allocation | | | | | | \$ - | N/A |
| UWGC Special Funding | | | | | | \$ - | N/A |
| Membership Dues | | | | | | \$ - | N/A |
| Program Income | \$ 1,562,484 | \$ 1,677,004 | \$ 1,493,303 | \$ 1,453,690 | \$ 1,314,110 | \$ (139,580) | -9.6% |
| Governmental Insurance | | | | | | \$ - | N/A |
| Private Insurance | | | | | | \$ - | N/A |
| Contracted Services | | | | | | \$ - | N/A |
| Fee for Services | | | | | | \$ - | N/A |
| Other Program Income | | | | | | \$ - | N/A |
| Sales to Public | | | | | | \$ - | N/A |
| Investment Income | \$ 8,105 | | | | | \$ - | N/A |
| Miscellaneous | \$ 34,057 | \$ 23,117 | \$ 17,711 | \$ 19,862 | \$ 18,650 | \$ (1,212) | -6.1% |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A |
| Transfers in from other internal budgets | | | | | | \$ - | N/A |
| Income from Previous Year | | | | | | \$ - | N/A |
| TOTAL REVENUES | \$ 7,410,408 | \$ 6,341,137 | \$ 5,729,711 | \$ 5,765,522 | \$ 5,174,779 | \$ (489,227) | -8.5% |
| OPERATIONS | | | | | | | |
| Personnel Expenses | | | | | | | |
| Salaries | \$ 3,809,845 | \$ 3,380,372 | \$ 3,113,534 | \$ 2,951,658 | \$ 2,728,136 | \$ (223,522) | -7.6% |
| Fringe Benefits | | | | | | \$ - | N/A |
| Employee Health | \$ 458,584 | \$ 375,504 | \$ 359,999 | \$ 380,463 | \$ 331,037 | \$ (49,426) | -13.0% |

| Attachment F: Budget Format | | Agency Name: | | Partnership for Families, Children and Adults | | | |
|--|--------------|---------------------|--------------|--|--------------|--------------|---------|
| Pension/Retirement | \$ 202,972 | \$ 187,635 | \$ 162,301 | \$ 113,645 | \$ 98,881 | \$ (4,764) | -13.0% |
| Payroll Taxes, etc. | \$ 280,694 | \$ 263,986 | \$ 226,465 | \$ 247,349 | \$ 235,711 | \$ (11,638) | -4.7% |
| Other (unemployment, life insurance, etc) | \$ 116,604 | \$ (85,635) | \$ 61,436 | | \$ 46,725 | \$ 46,725 | N/A |
| Total Personnel Expenses | \$ 4,868,699 | \$ 4,121,862 | \$ 3,923,735 | \$ 3,693,115 | \$ 3,440,490 | \$ (252,625) | -6.8% |
| OPERATING EXPENSES | | | | | | | |
| Administration | | | | | | | |
| Professional Fee & Contract service | \$ 709,959 | \$ 712,710 | \$ 730,575 | \$ 795,740 | \$ 697,141 | \$ (98,599) | -12.4% |
| Utilities | | | | | | | N/A |
| Other | | | | | | | N/A |
| Rent | | | | | | | N/A |
| Travel/Transportation | \$ 199,821 | \$ 172,773 | \$ 214,474 | \$ 208,339 | \$ 178,847 | \$ (29,492) | -14.2% |
| Insurance (not employee health) | \$ 87,220 | \$ 81,019 | \$ 68,454 | \$ 37,609 | \$ 37,637 | \$ 28 | 0.1% |
| Materials & Supplies | \$ 160,529 | \$ 127,467 | \$ 108,839 | \$ 58,425 | \$ 69,200 | \$ 10,775 | 18.4% |
| Telephone, Fax, ISP | \$ 186,518 | \$ 148,689 | \$ 167,155 | \$ 146,609 | \$ 109,268 | \$ (37,341) | -25.5% |
| Postage and Shipping | \$ 17,187 | \$ 16,277 | \$ 10,719 | \$ 16,015 | \$ 8,762 | \$ (7,253) | -45.3% |
| Occupancy/Building/Utilities | \$ 421,385 | \$ 400,332 | \$ 342,513 | \$ 357,874 | \$ 319,583 | \$ (38,291) | -10.7% |
| Equipment Rental and Maintenance (including contracts) | \$ 73,913 | \$ 61,033 | \$ 69,205 | \$ 42,033 | \$ 30,691 | \$ (11,342) | -27.0% |
| Outside Printing, Art Work, etc. | \$ 42,516 | \$ 42,432 | \$ 26,669 | \$ 42,817 | \$ 18,391 | \$ (24,426) | -57.0% |
| Conferences, Conventions, etc. | \$ 67,939 | \$ 49,376 | \$ 65,487 | \$ 69,532 | \$ 51,829 | \$ (17,703) | -25.5% |
| Special Assistance to Individuals | \$ 190,087 | \$ 165,181 | \$ 127,277 | \$ 135,028 | \$ 49,846 | \$ (85,182) | -63.1% |
| National Dues/Support Payments | | | | | | | N/A |
| Organization Dues (other than above) | \$ 47,858 | \$ 35,276 | \$ 26,990 | \$ 40,600 | \$ 37,105 | \$ (3,495) | -8.6% |
| Awards and Grants | | | | | | | N/A |
| Fund Raising/Self-Support Activities | \$ 113,648 | \$ 42,312 | \$ 34,321 | | | | N/A |
| Miscellaneous | \$ 281,899 | \$ 92,514 | \$ 98,192 | \$ 39,232 | \$ 20,803 | \$ (18,429) | -47.0% |
| Equipment Purchases (incl. capital expenses) | \$ 35,133 | \$ 74,835 | \$ 25,018 | \$ 22,389 | \$ 12,235 | \$ (10,154) | -45.4% |
| Depreciation | | | | | | | N/A |
| Other Expenses (Please list separately any major item) | \$ 64,183 | | | \$ 60,165 | | \$ (60,165) | -100.0% |
| Sexual Assault Exams (10x 1400) | | | | | \$ 14,000 | \$ 14,000 | N/A |
| Victims sheltered (112 x 465) | | | | | \$ 52,192 | \$ 52,192 | N/A |
| Indirect Costs | | | | | \$ 26,759 | \$ 26,759 | N/A |
| Operating Expenses Total | \$ 2,699,795 | \$ 2,222,226 | \$ 2,115,888 | \$ 2,072,407 | \$ 1,734,289 | \$ (338,118) | -16.3% |
| TOTAL OPERATIONS | | | | | | | |
| | \$ 7,568,494 | \$ 6,344,088 | \$ 6,039,623 | \$ 5,765,522 | \$ 5,174,779 | \$ (590,743) | -10.2% |
| REVENUE OVER/ (UNDER) OPERATIONS | | | | | | | |
| | \$ (158,086) | \$ (2,951) | \$ (309,912) | \$ - | \$ - | \$ 101,516 | N/A |



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|------------------|------------------------------|------------------------|----------------------|
| Offer Name: | Family Justice Center | | |
| Offer Number: | 6 | Department Offer Rank: | 6 |
| Lead Department: | Safety Coordinator | Collaboration: | Y X N |
| Administrator: | Paul Smith | | |
| Offer Cost: | \$1,303,199 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

At the Family Justice Center, individuals and families will have access to a wide range of services offered by a diverse group of partner organizations, including the Chattanooga Police Department. Police Detectives will investigate reported crimes involving domestic violence, child abuse and sexual assault. Police Advocates will make referrals, explain police procedures, assess threats and provide safety planning. FJC Partners will attend and provide information and support victims as they seek help from the police or prosecutors. They can: Conduct forensic interviews and specialized medical exams for children and youth; provide counseling, advocacy, and help with orders of protection, civil legal assistance; and help you obtain financial assistance and discover new options for housing, education, and employment. FJC Partners will also help connect with other community-based services and government programs that can open up even more possibilities. Collaborations enhance safety. The FJC will help combine police services and resources for adults and children to encourage broader thinking about underlying causes of problems rather than isolating symptoms or issues.



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The Center will offer a holistic, trauma-informed approach to families, including non-traditional and individuals in their journeys toward life-change. The Family Justice Center, with the aid of law enforcement, proposes to break the cycle of family violence by supporting physical, psychological, emotional, housing, and spiritual needs in families. For those clients who cannot physically present themselves at the Center site, providers shall coordinate and mobilize services.

Empowering families through enhanced skills for work, positive self-perceptions, learning to work with others, meditation and other activities enable clients to find themselves in a new and better place after a time at the Center.

The Police, with partnering agencies will utilize best practices to help at-risk families as soon as a need is assessed. The Center, with police, will serve any adult or child regardless of sex, ethnicity, age, or cultural difference.

Programming will be geared to provide safety and support as they assist clients who are recovering from violence and abuse and assist them to maintain dignity and self-respect as they re-establish a new and healthier life.

The Mission:

To stop family violence in our community, and reduce the economic impact of violence on our city and the state.

OBJECTIVES:

- a. providing a safe place for victims and children to receive services
- b. providing prevention, early intervention and advocacy services for victims and families
- c. enhancing cost savings, efficiency, effectiveness and access to services
- d. enhancing coordinated community response by providing multidisciplinary services to families through partnerships in a single location.
- e. holding offenders accountable for their behavior through strong links to courts and batterers programs
- f. reducing the devastating impact of domestic violence, delinquency, and criminal activities on children, families and community.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Safer Streets – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. Stronger Families – Reduced domestic violence incidents and increased education of victims and offenders.



City of Chattanooga

FY15 Offers

BUDGET REQUEST

Summary:

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|--------------|--|-------------------|---------------------|---------------|------------------|
| Police | \$ 1,157,339 | \$ 145,860 | \$ 1,303,199 | 100% | 8 |
| | | | \$ | 0% | |
| Total | \$ 1,157,339 | \$ 145,860 | \$ 1,303,199 | 100% | 8 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: *(Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)*

| Name | Amount |
|------|--------|
| | |
| | |
| | |

PERFORMANCE DATA

Measurement 1:

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Measurement 2:

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Measurement 3:

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Return on Investment:

How do citizens benefit?

By developing and sustaining programming at the Family Justice Center, this will impact crisis intervention, safety and protection, education and early intervention, Chattanooga/Hamilton County would expect to see the following impact on community:



City of Chattanooga

FY15 Offers

Short term:

Increased calls and requests for assistance.

Long-term:

Reduced domestic violence in the community

Fewer family violence deaths and serious injuries.

Fewer repeat offenders.

Fewer juvenile arrests, truancies, school dropouts, teen runaways and delinquent behaviors.

Does this activity leverage other financial resources? Yes

How does this decrease costs over time?

In Tennessee, an estimated \$33,000,000.00 in annual healthcare costs can be attributed to known domestic violence cases. This initiative will diminish domestic violence incidents and reduce the victim rate, thus impacting annual healthcare costs.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|------------------|--|-----------------------|---|
| Offer Name: | Investigative Services Command – Special Investigations | | |
| Offer Number: | 4 | Department | Offer Rank: 4 |
| Lead Department: | Police Department Investigative Services Command | Collaboration: | Y ___ N <u>X</u> ___ |
| Administrator: | I/C Stanley C. Maffett | | |
| Offer Cost: | \$10,357,113 | Primary Results Area: | Safer Street |

RESULTS AREA

- Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
- Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
- Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

The mission of the Chattanooga Police Department is to enhance the quality of life in the City of Chattanooga by working cooperatively with the public and within the framework of the Constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, reduce crime and fear and provide for a safe environment.

This offer funds the Investigative Services Command of the Chattanooga Police Department. Investigative Services consists of three Divisions – Major Crimes, Property Crimes and Special Investigations and a Task Force Officer section.

A total of 107 sworn officers and 10 civilians are deployed across the three Divisions of the Investigative Services Command.

- Investigative Services Command Office – 1 Assistant Chief (Vacant) 1 Civilian
- Major Crimes – 1 Captain, 1 Lieutenant, 8 Sergeants, 27 Investigators and 3 civilians
- Property Crimes – 1 Lieutenant, 2 Sergeants, 17 Investigators and 3 Civilians
- Special Investigations – 1 Captain, 2 Lieutenants, 7 Sergeants, 35 Investigators and 3 civilians
- Task Force Officers – 4 officers



City of Chattanooga

FY15 Offers

The most significant changes from previous years fall in the area of Domestic Violence and the Crime suppression Unit. These adaptations will allow these units a more dynamic response to the changing needs of the city and a more comprehensive approach to the Violence Reduction Initiative. A relatively small number of personnel, strategically placed, can have a marked impact on the Department's crime reduction strategy as a whole.

Major Crimes Division

The Major Crimes Division is comprised of the Homicide/Cold Case Unit, Juvenile/Missing Persons, Crime Scene Unit and the Domestic Violence Unit. The principal functions of the Major Crimes Division include:

- An overall reduction in crime brought about by the successful prosecution of violent and repeat offenders
- Investigate criminal incidents of a serious nature
- Work with community groups and organizations such as the Partnership Against Domestic Violence and neighborhood associations to improve quality of life and build trusting relationship with citizens and reduce the instance of Domestic Violence through the aggressive prosecution of repeat offenders as well as education initiatives in the arena of conflict resolution and alternative actions;
- Serve as liaison between Federal Law Enforcement agencies and the Department to better institute crime reduction strategies and prosecutions; and
- Further the Violence Reduction Initiative through thorough and corroborative investigative efforts involving the Police Department, Federal Agencies, Codes Enforcement and proactive initiatives.

The Major Crimes Division functions as the Departments investigative arm in the prosecution of violent crimes. As homicide is the most visible and impacting incident across the community, it tends, by its very nature, to be the primary focus. The Domestic Violence Unit, however, is of equal importance. The successful investigation of Domestic Violence and Child Abuse are always of primary concern. With the advent of the Family Justice Center, this unit's activities will only grow more integral to the function of the Police Department as well as the activities of City government as a whole. The Domestic Violence Unit is currently staffed with one Sergeant and four Investigators. It is proposed that this number increase by three investigators to better respond to the community's needs as well as staff the Family Justice Center in an adequate fashion. As the FJC is still in its planning stages, preparation must be made for the **launch** date. The three new investigators would be tasked with this preparation work as it pertains to logistics. In the interim, the new personnel will be assigned to handle a new work load assignment within Major Crimes. Domestic Violence investigators are currently assigned to investigate any instance of Domestic Violence as well as Child Abuse. It has long been sought to assign any sexual assault or rape case to these investigators as well. Personnel assignment has always been the only factor to keep this from occurring. With a fully staffed unit, Domestic Violence would handle any incident involving Domestic violence, Sexual Assault, Rape or Child Abuse. This would have a secondary effect of freeing up Homicide Investigators (who have previously had the responsibility of Rape investigations) to concentrate their efforts on Homicide cases so the shift in responsibilities would yield results in both units. Interaction and collaboration with the Safety Coordinator, Paul Smith, the Partnership, the Rape Crisis Center and many others will drive the function of this endeavor.

Property Crimes Division

Comprised of the Burglary Unit, Robbery Unit, Fraud Unit and Pawn Unit, the Property Crimes Division is responsible for investigating and prosecuting any incident involving theft, burglary or fraud. As such the following mission statements apply:

- Provide complete investigation of burglaries, both residential and business and successfully prosecute same;
- Liaison with Federal Agencies responsible for Fraud investigations, including the United States Secret Service and Postal Inspectors as well as pursue computer fraud that originates internationally;
- Provide public education through community groups and workshops to educate citizens on best practices to reduce instances of these crimes;
- Establish and maintain an excellent working relationship with community groups as a base for solid partnerships and intelligence gathering to prosecute habitual burglars



City of Chattanooga

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Special Investigations Division

Comprised of Crime Suppression Unit, Narcotics Unit, Vice Unit, Fugitive Unit and Auto Theft unit. Special Investigations is home to the core of the Violence Reduction Initiative. These units share responsibility for:

- Gathering and disseminating intelligence on violent group activity;
- Conducting Fugitive round ups;
- Narcotics investigations;
- Enforcement action against prostitution, illegal gambling and illegal alcohol sales;
- Performing special enforcement actions in high crime situations;
- Pursuit and prosecution of all automobile related crimes

In a collaborative effort with the Safety Coordinator, Paul Smith, and multiple community groups, the Violence Reduction Initiative is the primary focus of the Special Investigations division. The interlocking functions between each unit in the division will be a key element in the success of the initiative. The smooth interaction of each unit with the supporting infrastructure of the Violence Reduction Initiative will make interaction between the community groups, support agencies and the Safety Coordinator beneficial to everyone. These efforts will be realized by the interaction between these units and the community via presentations to community groups, education at local schools and training sessions with community groups.

The Crime Suppression Unit serves as the supporting infrastructure for the VRI and provides the function of enforcement. The role of the Crime Suppression Unit is to coordinate the efforts of the patrol and investigative units to enhance the function of the Violence Reduction Initiative.

In accordance with the Violence Reduction Initiative, the Crime Suppression unit has taken on the added responsibility of establishing an intelligence unit. This function is critical to the VRI and, as such, it is recommended to increase the staffing levels to four investigators as an enhancement from the two investigators involved in that function now. These additional officers would be involved in the action of gathering intelligence, a function that can only safely be accomplished by sworn personnel due to the inherently dangerous environment in which such endeavors are conducted. In conjunction, there are unique pieces of hardware and specialized software suites that would increase their efficiency and productivity. This software consists of programs such as "Palantin", an intelligence analysis suite that has been proven effective by multiple agencies already involved in similar initiatives, as well as similar programs. The hardware consists of more advanced computer technology that would have to be sought via the bid process. These advances in computer hardware are essential so as to be compatible with advanced software. There is also a recommendation that a position be created for a dedicated Civilian intelligence analyst. The projected costs associated with the equipment and software associated with a four investigator unit is \$45,000.00. This is inclusive of current computer technology and a full complement of software. Should a dedicated civilian intelligence analyst be considered the projected costs for personnel and equipment is approximately \$60,000.00.

The dissemination of this intelligence information is being addressed even now. The training and security measures required for this material have been written and are being disseminated through the Department's Power DMS program and are, just now, coming on line. The real time intelligence updates provided by this method can do nothing but improve the officer's ability to act and react quickly to changing situations. The ability to improve the quality and quantity of this information is the root of this offer.



City of Chattanooga

FY15 Offers

Task Force Officers

The four task force officers are assigned to the FBI, ATF and DEA. These officers function is to serve as Liaison with the Federal partners and further these agencies involvement in Federal investigations which directly impact the City of Chattanooga. Though their duties vary by agency their primary functions are:

Furtherance of the Violence Reduction Initiative by involving their respective agencies in these investigations and providing the Federal service an avenue to be directly involved in prosecutions.

Coordinate prosecution efforts at the Federal level and ensure involvement of the United States Attorney early on in these investigations which allows for Federal prosecutions of crime;

Assist in developing "target lists" which may reach beyond the scope of the jurisdiction of the Chattanooga Police Department. These include violent repeat offenders, gun and narcotics traffickers and the more recent advent of human traffickers.

The involvement of these Task Force Officers cannot be overstated. There are currently two with the ATF and one each with the DEA and FBI. It is recommended that these staffing levels increase to the level of three per agency which would require an increase of five officers overall. Without this involvement, the VRI would lack the potential for federal prosecution and sentencing which would severely limit the scope of the initiative.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Overall reduction in violent crime
2. Increase in successful prosecution of violent and repeat offenders
3. Reduction of shooting incidents via the arrest and prosecution of same
4. Successful implementation of the Violence Reduction Initiative
5. Increase efficiency and performance in the area of intelligence gathering and dissemination

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

BUDGET REQUEST

Summary:



City of Chattanooga

FY15 Offers

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|------------------------|--|-----------------|---------------------|---------------|------------------|
| Investigative Services | \$10,303,479 | \$53,634 | \$10,357,113 | 100% | 118 |
| | | | \$ - | 0% | |
| Total | \$10,3063,479 | \$53,634 | \$10,357,113 | 100% | 118 |

*Amounts MUST agree with collaborating Department totals for this offer

Capital Budget Impact? Yes X No \$Amount

*Please complete and attach Capital Budget Request Form

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| | |
| | |
| | |

PERFORMANCE DATA

Measurement 1: Reduction in the number of shootings

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 66 | 9 | |

Measurement 2: Reduction in the number of Part 1 Violence Crimes

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 1130 | 141 | |

Measurement 3: Reduction in the number of Part 1 Property Crimes

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 6982 | 802 | |

Measurement 4: Reduction in number of Juveniles Crimes

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 319 | 39 | |

Measurement 5: Reduction in Domestic Violence Crimes

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 853 | 113 | |

Return on Investment:

How do citizens benefit? A safer community and improved quality of life via the establishment of the Family Justice Center and implementation of the VRI

Does this activity leverage other financial resources? Federal and state grant programs



City of Chattanooga

FY15 Offers

How does this decrease costs over time? The success of the VRI and the reduction in shootings and violent crime, as well as the opening of the Family Justice Center can only help to reduce overtime costs and ensure a safer and more content citizenry. The precise financial savings are impossible to calculate.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|----------------|--|-----------------------|---------------------------------------|
| Offer Name: | Office of Chief of Police | | |
| Offer Number: | 1 | Department | |
| Lead | | Offer Rank: | 1 |
| Department: | Chattanooga Police Department | Collaboration: | Y ___ N <u>x</u> |
| Administrator: | Interim Chief of Police Stanley Maffett | | |
| Offer Cost: | \$9,068,344 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

This offer funds operations and support directly related to the administration of the office of Chief of Police. Included is a staff of 17 sworn personnel and 3 civilian personnel.

The operations of the chief's office include:

Chief of Police – The office of the Chief of Police manages the day-to-day operations of the entire Chattanooga Police Department (CPD). Through sound leadership principles, the Chief of Police ensures that the men and women of the CPD are provided with the tools and resources to fulfill the mission of the department: to enhance the quality of life in the City of Chattanooga by working cooperatively with the public and within the framework of the Constitution of the United States and the State of Tennessee to enforce laws, preserve the peace, maintain order, reduce crime and fear and provide a safe environment. The immediate focus of the office of Chief of Police will be to support the Violence Reduction Initiative to ensure full engagement of personnel and resources to maximize opportunities for success.



City of Chattanooga

FY15 Offers

Internal Affairs – This unit assists in ensuring the integrity of the department and its employees by investigating allegations of employee misconduct from any source, outside or inside the department including third-party and anonymous complaints. I am proposing that one civilian employee should be hired to transcribe recorded interviews that are conducted by IA Investigators. Hiring a civilian employee will free up one sworn officer to perform law enforcement duties. It is undetermined at this time what the salary would be for a new civilian employee.

Police Information Office – Under the direction of the Chief of Police the PIO is responsible for public comments concerning the CPD. The goal of the PIO is to foster positive relationships with members of the media while covering matters over which the CPD has jurisdiction. I am proposing that a civilian employee be hired to replace the sworn officer currently assigned to the PIO position; for the purpose of making the sworn officer available to perform law enforcement duties instead. It is undetermined at this time what the salary would be for a new civilian employee.

Accreditation – The Chattanooga Police Department complies with professional standards of policing as established by the Commission on Accreditation for Law Enforcement Agencies as well as the Tennessee Chiefs of Police Association. These standards ensure that the CPD is managed and operates in a professional manner consistent with established policies and procedures recognized by these 3rd party organizations. I am proposing that two civilian employee should be hired to replace two of the sworn officers currently assigned to the Accreditation Unit. One sworn officer should be retained in the unit as the Accreditation Manager. It is undetermined at this time what the salary would be for a new civilian employee.

Grants and Inventory Control – The CPD actively seeks and applies for various local and federal grants to assist in addressing needs through alternate funding methods. Additionally, this office is tasked with maintaining inventory and accountability for all assets assigned to the department as well as the personnel of the CPD. I am proposing that two civilian employees should be hired to fill the positions of Grants Manager and Inventory Control Manager, to free up the sworn officers to perform law enforcement duties. It is undetermined at this time what the salary would be for a new civilian employee.

Office of Community Outreach – This office enhances community support and develops collaborative partnerships within the community. This is accomplished through involvement with the community in efforts such as Citizen's Police Academies, Neighborhood Watch Groups, CPIC, and the Police Explorer Program. This office will collaborate with the office of Economic and Community Development to ensure effectiveness and efficient relationships between the CPD and neighborhood community groups. Additionally, it will collaborate with the office of Youth and Family Development to explore ways for positive engagement between members of the police department and the youth of the community.

The Office of the Chief of Police is ultimately responsible for all other functions which are contained in the other -three commands (Administration and Support, Investigations, and Uniform Services). Through a concerted effort between all of these components, the office of the chief ensures that the operations of the CPD as a whole are led and managed to meet the CPD mission in an effective manner.

Total number of proposed positions increase from 25 to 31 adding 6 new civilians and releasing 6 sworn officers from desk duties.

Additionally this offer funds the following responsibilities:

911 – Funding to the Hamilton County 911 District for serviced provided related to the communications/dispatch function of the police department.

McKamey Animal Center – Funding to the McKamey Animal Center for field services conducted by the center.

Federal Prosecutor – Funding for dedicated federal prosecutor responsible for increased federal prosecution of cases originating in the City of Chattanooga.



City of Chattanooga

FY15 Offers

The funding allocated to the Chattanooga Police Department's annual budget for the 911 District and the McKamey Animal Services is not directly associated with operational budget of the CPD. It is instead classified as pass through funding for communication services rendered to the police department by the 911 District and operational expenses for McKamey Animal Services.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Reduced Shootings (in collaboration with Uniformed Services and Investigations)
2. Increasing the sense of safety in the City (in collaboration with director of Public Safety/Department of Youth and Family Development)
3. Increasing trust between the CPD and citizens (in collaboration with director of Public Safety/Department of Youth and Family Development)
4. Reduced incidents of Domestic Violence (in collaboration with Uniformed Service and Investigations)
5. Reducing juvenile crime (in collaboration with Uniformed Service and Investigations/Department of Youth and Family Development)

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|-----------------|-------------------------------------|---------------------|--------------------|-------------|---------------|
| Police | \$ 2,651,547 | \$ 730,429 | \$3,381,976 | 100% | 31 |
| Animal Services | | 1,611,299 | 1,611,299 | 100% | 0 |
| HC 911 | | 4,075,069 | 4,075,069 | 100% | 0 |
| Total | \$ 2,651,547 | \$ 6,416,797 | \$9,068,344 | 100% | 31 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes No \$Amount

**Please complete and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| | |
| | |
| | |

PERFORMANCE DATA

Measurement 1: Reduce the number of shootings in Chattanooga

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |



City of Chattanooga

FY15 Offers

Measurement 2: *Reduce the number of incidents of part 1 offenses*

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Measurement 3: *Reduction of part one offenses involving juveniles*

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Measurement 4: *Reduction in incidents of domestic violence*

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Return on Investment:

How do citizens benefit? **Citizens benefit from a well-managed police department. Their confidence level will increase and positive relationships within the community will be further developed.**

Does this activity leverage other financial resources?

How does this decrease costs over time? **Lower crime and lower instances of shootings realizes lower costs in a variety of ways. This includes fewer costs associated with investigations, overtime, prosecution expenses, medical expense to the community, and others. Lower crime rates also make the community as a whole more appealing. This can assist in attracting new visitors and new businesses to the city.**

- Assist Neighborhood Services Code Inspectors conduct city code inspections on problem properties as well as systematic neighborhood inspections. These inspections often result in condemnations of occupied properties.
- Compile Eviction requests from Narcotics Division and Patrol.
- Investigate problem properties for Nuisance Abatement.

CHILD IDENTIFICATION PROGRAM

- Schedule and conduct Child Identification events throughout the city at the request of businesses, health fairs, schools, daycares, etc.

EXPLORER PROGRAM

- Create and maintains the Explorer roster in Longarm, updating participant contact information i.e. phone numbers and addresses, and notifying the Boy Scouts of America of changes as needed.
- Pay annual Post fees. Fees are submitted to the Boy Scouts of America.
- Conduct a minimum of two, two hour meetings per month.
- Coordinate with different Divisions within the Police Department for training exercises for meetings.
- Ensure all Advisors attend a child safety class. These classes are available through the Boy Scouts of America.
- Attend monthly Adventure meetings held by Boy Scouts of America.
- Attend annual T.L.E.E.A (Tennessee Law Enforcement Explorer Association)
- Record Explorer attendance and community service hours.
- Distribute monthly newsletters and schedules to Explorers.
- Administer semi-annual evaluations for each Explorer.
- Update and maintain Explorer applications.
- Coordinate with HCDE guidance counselors to recruit youth that have an interest in the Criminal Justice field.
- Create monthly reports logging attendance and community programs/events.

COMMUNITY OUTREACH

- Conduct two Citizens Police Academies per year
- Conduct background checks on all applicants for the Citizens Police Academy
- Compose a schedule for the Citizens Academy
- Conduct monthly meetings for the Citizens' Police Academy Alumni Association
- Help organized the Citizens Safety Fair.
- Community Policing is the responsibility of every police officer to establish partnerships with community members for the purpose of working together to provide healthy, safe and secure neighborhoods. The responsibility of the Community Outreach officer is to provide special programs, services and projects for participation by all community members citywide.

Office of Chief of Police
Police Department
\$8,706,632

- **Collaboration with YFD:** A discussion was conducted with Coach Jennings concerning collaborations between the YFD and the police department about the possibility of developing a group of youth workers, to conduct foot patrols in favorite hangouts, particularly in the downtown business district and on neighborhood streetcorners, for the sole purpose of mentoring to them - not to engage in activities that would label them as trouble makers.

Youth who are interested in participating in the program must be a minimum of 18 years of age or older.

- **Sworn Officers as PIOs:** Sworn officers were deployed to the Information Center to review and approve all reports taken over the phone by civilian personnel assigned to TeleServe. Prior to assigning the officers to TeleServe, there was a constant problem of reports not being approved in a timely manner by Patrol Sergeants. It was also determined that it was more efficient to have sworn officers on duty in the Information Center to assist individuals visiting the front lobby area for various reasons or assist customers who need help from a sworn officer.
- **Office of Community Outreach:** There is one officer assigned to the Crime Prevention and Community Outreach office who is assisted by the Public Information Officer as needed and vice versa. The duties performed by the Crime Prevention and Community Outreach Officer are as follows:

CRIME PREVENTION

Answer phone/return phone calls from citizens regarding crime prevention issues in their communities.

Schedule crime prevention presentations for neighborhood groups and businesses

Assist neighborhood groups set up Neighborhood Watch programs in their communities.

Coordinate participating neighborhood groups for National Night Out.

Create publications in Word for distribution to neighborhood groups.

Create and maintain Excel documents.

Do safety inspections on homes and businesses when requested by owners

- **Community Policing** should be and will be an integral part of the training every Chattanooga Police Officer will receive and executes daily. My goal with regards to Community Policing is to begin the process of securing funding to enable the implementation of Community Policing training before the end of this year. Every officer will be tasked to execute the Community Policing process immediately after the conclusion of their initial training. Reinforcement training will be conducted annually to ensure that officers are executing the Community Policing process effectively and efficiently.
- Grants: It was the decision of a former Chief of Police to assign two sworn officers to this task. An offer will be submitted to replace the one remaining sworn officer handling grants with a civilian employee.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

Offer Name: **Administration and Support Services Command**

Offer Number: **5** Department: **5**
 Offer Rank: **5**

Lead Department: **Administration and Support Services** Collaboration: **Y X N**

Administrator: **Interim Chief Stanley C. Maffett**

Offer Cost: **\$16,251,666** Primary Results Area: **Safer Streets**

RESULTS AREA

- Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
- Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
- Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Recruiting Unit – The Purpose of this offer is to reduce the number of Sworn officers assigned to the Recruiting Unit. My proposal to hire four qualified civilians to work in the unit and retaining a minimum of two sworn officers. One of the sworn officers will be classified as the Unit Supervisor. It is undetermined at the time what the actual salary should be for the transition.

Technology Unit – There is Collaboration between the police department and Brent Messer from the city’s IT Department to replace all sworn officers with civilians in the Technology. However I strongly recommend that one sworn officer remain assigned to the unit as administrator of all police applications, i.e. RMS, the Fusion Center, Crime View, CopLink, etc. It is undetermined at this time what the actual salary should be for the transition.

Property Section – I am purposing that a civilian supervisor position is created to replace the sergeant, who will be responsible for the day to day operations of the Property and Evidences Unit of the Chattanooga Police Department. It is undetermined at this time what the actual salary should be for the transition.

Taxi and Wrecker Inspection office – I am proposing that the operation of the Taxi and Wrecker Inspection office be transitioned to a civilian employee. The purpose of this proposal is to free up the sworn officer to perform more important



City of Chattanooga

FY15 Offers

law enforcement duties. It is undermined at this what the actual salary should be for the proposed transition.

Crime Analysis Unit – I am proposing that a second Crime Analysis Position is created to help speed up the process of pushing out intelligence information to patrol officers and investigators. The responsibility of the Crime Analysis is to collect, extract, research and analyzes data retrieved from the Report Management System before it is pushed out to patrol officers and investigations.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Fiscally sound practices
2. Employment Opportunities for all
3. Focus on recruiting and retaining talented employees

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|--------------|-------------------------------------|---------------------|----------------------|------------|---------------|
| Police | 8,526,108 | 7,725,558 | \$ 16,251,666 | 100% | 57 |
| | | | \$ - | 0% | |
| Total | \$ 8,526,108 | \$ 7,725,558 | \$ 16,251,666 | 0% | 57 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes No \$Amount

**Please complete and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| | |
| | |
| | |

PERFORMANCE DATA

Measurement 1:

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |



City of Chattanooga

FY15 Offers

Measurement 2:

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Measurement 3:

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Return on Investment:

How do citizens benefit?

Does this activity leverage other financial resources?

How does this decrease costs over time?

Administration and Support Services Command
Police Department
\$15,654,747

- General

What are the most significant changes you propose and why?

The major proposals for this division are for the E-Citations and the license plate readers. Both of these pieces of equipment will allow officers to more thoroughly and efficiently perform their duties in Patrol.

E-Citations are citations issued from a hand-held device, then sent directly to City Court. The goal is to eliminate the paper copies, along with the time delay before the information gets transferred to City Court.

The LPRs will alert the officers when a license plate has been entered into NCIC, signaling a wanted suspect(s), stolen tag and/or vehicle. LPRs can be used for Amber Alerts when a tag number and vehicle description has been given.

Both pieces of equipment will advance our Patrol Division into the current age of police technology. We would like to begin by purchasing 200 E-Citation units and 10 LPRs. The total cost includes technological support, installation, maintenance, training, etc. The goal is to acquire 300 hand-held units and 20 LPRs.

- Why do we need all sworn personnel working on recruiting?

Our policy, PER-11, states that we have a “vested interest in the recruitment of quality personnel.” That said, our sworn officers travel to career fairs, area colleges, conferences, etc. in an attempt to promote a career in law enforcement. Our officers are typically veteran officers, who have a variety of job opportunities to promote, because they have been assigned to that particular unit (i.e., Patrol, Property Crimes, SWAT, etc.). However we do not need all sworn officers assigned to the Recruiting Unit. Therefore I am purposing that we consider hiring a minimum of four civilians to work in the unit and retaining a minimum of two sworn officers in the unit.

- What do academy personnel do when there is no academy in session?

Since the Training Division works short-handed, the staff spends this time catching up on required paperwork from the State to keep the academy in compliance. If an academy of 30 cadets is graduated, there are 30 files that must be maintained for state approval. The staff spends time being re-certified in the subjects that are required to be taught both in the academy and In-Service (i.e. use of force, pursuit driving, child abuse, domestic abuse, firearms, etc.) POST (Peace Officers’ Standards and Training) dictates how often the instructors must get re-certified. The Training Staff also conducts the following classes: Field Training Officers’ Training, Leadership Development, Fingerprint classes, etc. The staff is required to attend a

spring conference and a fall conference in order to stay abreast of all the changes in the law enforcement field.

- How will this offer improve the Information Center? What changes are being made to collect from and push out intelligence to patrol officers in a timely manner?
No changes are being made to “push out” intelligence from the Information Center, as it is not their function. The Information Center is a repository for collection of reports. It is the responsibility of the Crime Analysis to collect, extract, research and analyzes data for the purpose of provide the most update analyses of crime via bulletins or email.
- What value does the Information Center provide for taxpayer dollars?
The Information Center is crucial to the operation of this police department. These women and men process ALL the reports submitted by the officers. These reports are sent to the state data base for crime statistics (Uniform Crime Reporting). The department must maintain an acceptable “error rate” each month or risk the loss of certification from the state.
- Why should taxpayers pay for sworn officers to work in the Technology Unit? Aside from one sworn supervisor, the Technology Unit should be staffed with knowledgeable civilians who specialize in technology. One sworn position should be maintained to protect the integrity of the information loaded onto laptops, computers, etc. Some information is law enforcement sensitive and should be treated as such. It is recommended that one sworn officer should be assigned to the Technology Unit as administrator of all police applications, i.e. RMS, Cop Link, Fusion Center, Crime View, etc.
- Why do we need sworn officers to regulate taxis and wreckers? We do not need sworn officers to regulate taxis and wreckers.
- Would it be more efficient to contract out for polygraph services? We have heard that there can be significant delays in hiring due to scheduling polygraphs. The delays in hiring are not from scheduling polygraphs. Our polygraph examiner is quite efficient and when hiring is in process, potential candidates are top priority. More often than not, it’s the candidates’ scheduling problems that slow down the process. I would also like to add that the sworn polygraph officer is also required to perform polygraphs on criminal related cases and that is why it is not a good idea to contract the services outside of the police department. An offer will be submitted to train a second Polygraph Examiner to be used as a backup to the primary examiner as need. The secondary examiner will be assigned to perform other requires duties as well, after completing the training.

- Why is there not a proposal to improve the Crime Analysis Unit? A proposal will be submitted to add an additional Crime Analysis to the unit to help speed up the process of Collecting, extracting, researching and analyzing and pushing intelligence data to the officers in the field.
- Can you provide more detail on how this offer promotes Chattanooga VRI? All reports are entered into the Report Management System, (RMS), by the Police Data Entry Technicians in the Information Center by the guidelines mandated by the Tennessee Incident Based Reporting System, (TIBRS). It is the responsibility of the Data Entry Technicians to verify that reports contains all of the elements of the reported crimes, ensure that the reports were classified correctly by the reporting officers and that the overall quality assurance of the reports falls within the mandated guidelines required by the State of Tennessee. After the reports are correctly and successfully entered into the Report Management System it then become available for the Crime Analysis to analyze the data and push it out to patrol officers and investigators for intelligence purposes.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | |
|------------------|---|---|
| Offer Name: | Uniform Services Patrol Division | |
| Offer Number: | 3 | Department Offer Rank: 3 |
| Lead Department: | Police-Patrol | Collaboration: Y ___ N <u>x</u> ___ |
| Administrator: | I/Chief Stanley Maffett # 304 | |
| Offer Cost: | \$21,560,998 | Primary Results Area: Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

This Offer funds the Uniform Services Division of the Chattanooga Police Department. The Uniform Services Division is a major component of keeping our streets safer. Uniform Services consist of Patrol, Traffic Division and Special Operations. Special Operations consists of special events, SWAT, EOD, Traffic Division and school patrol.

The mission of the Chattanooga Police Department is to enhance the quality of life in the City of Chattanooga by working cooperatively with the public and within the framework of the Constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, reduce crime and fear and provide for a safe environment.

This offer funds the Uniform Services Division of the Chattanooga Police Department. Uniform Services includes Patrol Division, Traffic Division (includes DUI and Photo Enforcement), K-9 Division, and Special Events Unit.

Specialized on call teams fall under the Special Operations command as well. Explosive Ordinance Disposal unit/ Bomb Squad, SWAT, and Hostage Negotiations which are made up of on call Officers throughout the Department.



City of Chattanooga

FY15 Offers

Patrol Division: Currently Consist of 186 Patrol Officers positions, 8 Bike Patrol, 43 Sergeant Positions, 7 Lieutenant Positions, and Three Captain Positions. Patrol Division provides services 24 hours a day 7 days a week and are subject to being called in during times of emergency or crisis.

Principal functions of Patrol Division include:

- Preventive crime and Direct patrol in neighborhoods and business areas;
- Investigate criminal complaints and respond to calls for service and prepare/submit documentation of these events;
- Work with community groups and neighborhood associations to improve quality of life and build trusting relationship with citizens;
- Serve as first responders on scenes of accidents with injury, natural disasters, and crime events;
- Provide security, patrol, and traffic direction at a number of special events including US Pro bike race, Riverbend Festival, Iron Man triathlon.

Patrol Division provides police services to all neighborhoods and business locales within the city limits of Chattanooga. To Accomplish this service Patrol Division is divided into three sectors (Sector One, Sector Two, Sector Three). Sector One has three zones (Alpha, Bravo, Charlie), while Sector Two (Echo, Fox) and Sector Three (Delta, George) have two each.

Uniform Services – Patrol Division

Sector One
Captain- Sector Command

Sector Two
Captain-Sector Command

Sector Three
Captain-Sector Three

Alpha Zone

Lieutenant-1
Sergeants-6
Patrolmen-30

Echo Zone

Lieutenant -1
Sergeants -6
Patrolmen-24

Delta Zone

Lieutenant -1
Sergeants -6
Patrolmen -24

Bravo Zone

Lieutenant-1
Sergeants-7
Patrolmen-24
Bike Patrol-8

Fox Zone

Lieutenant -1
Sergeants -6
Patrolmen -30

George Zone

Lieutenant -1
Sergeants -6
Patrolmen -30

Charlie Zone

Lieutenant-1
Sergeants-6
Patrolmen-24

Patrolmen are assigned to a specific district to patrol during each shift. The patrol officer is responsible for investigation and initial reports of crimes, investigating traffic accidents, preventive patrol when not on calls.

Patrol Sergeant are the frontline supervision working during the shift with the patrol officer and available to give direction/supervision to the patrolmen.

Zone Lieutenants are over the zone they command and are a resource for issues within the zone. They offer direction and problem solving to issues in the zones and work to coordinate the three shifts on common or unique issues to the shift.

Sector Captain is responsible for overseeing the zones and ensuring each is accomplishing the goals and conveys the administrative goals for the department.



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FY15 Offers

The distribution of personnel and establishment of districts within the zones are based on analysis from Administrative and Support Command. Number of calls in the zone, response time, population, events within the zone are some of the ways the department determines the need for allocating personnel.

With recent Annexation Patrol zones Alpha and George are in need of more personnel and adjustments/addition of districts within the zone. Alpha team needs two more districts which would mean an additional twelve patrol Officers. George Team needs an additional two zones for a total of twelve personnel. These additions would improve coverage for the needs of a growing community and help achieve to goal of safe community by ensuring enough resources of a large and populated community mixed with business, schools, and neighborhoods.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. With appropriate staffing levels combined with set expectations of goals to reduce violence. Properly staffed zones will allow for a more proactive response to crime and issues in each zone.
2. Reduction in the number of shootings and aggravated assaults.
3. Reduction in violent crimes overall
4. Reduction in the amount of traffic fatalities and increased focus on DUI enforcement

What would the 24 new Officers be doing? How would they assist in achieving true community policing: Is that all we need? Why?

These patrol Officers would be assigned to the zones to work as patrol officers. Patrol Officers answer calls for service, investigate crimes, provide assistance to community members in need, work traffic accidents, preventive patrol, preform emergency medical assistance as trained first responders, respond to natural and manmade disasters, and special event security to name a few.

The number of 24 new Officers was a minimal.

Re. community policing, frontline supervision and officers are encouraged and trained to become involved in the community they work. They often work with community leaders, neighborhood groups, and others with problem solving within the assigned zone.

How will staffing levels and assignments change? Why? What results can we expect?

We would need to increase patrol districts(the area in which an officer is assigned during a shift and is area specific) in the zones with additional manpower to properly cover newly annexed areas and areas that have experienced large population growth over the last 10 to 15 years.



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Past administrations cut the number of districts in a number of zones in the city even though the city grew in size and populations became denser in certain areas.

A more efficient call response, better coverage throughout the city, Officers can concentrate on assigned area and not be subject to heavier call load allowing them the opportunity to preventive patrol allowing them to immerse themselves into the community and become part of it. This would provide a greater sense of safety and better call response opportunity.

Violence Reduction Initiative

How much of your request is going toward this initiative:

Uniform Services are on the street and in the field for a majority of their task. As professor David Kennedy stated during his visit and in his book “Don’t Shoot” It is the cop on the street working the beat getting to know his neighborhood, the good people and the bad people that drive this ability to do a Violence Reduction Initiative. The Patrolman provides the information, data, and intelligence needed for this to be successful. 99.3% to 99.99% will be going toward the initiative.

What does your offer change from the status quo regarding Chatt VRI?

Increase in manpower will allow officers to spend more time focusing on the goals of VRI and making contact with clients when needed, doing intel and information gathering, ability to specific task focused on VRI....example: custom notifications.

What education and direction do you plan to provide the officers, how many tax dollars will you use for that purpose, and what will those tax dollars provide in education and direction?

Would like to provide training in each zone for officers to utilize code enforcement actions with problem offenders and in problem locations where offenders gather. This would be minimal cost it would just need to be a joint effort to those of us in the department who have experience in civil enforcement and nuisance abatement action.

Can you provide more detail on how this offer promotes Chattanooga VRI?

The function of a patrol officer, as stated in the meetings the week of the first call in by David Kennedy, is the key to VRI working. Patrol division keeps the information flowing by calls for service, criminal investigations, investigative stops of suspicious person, providing specific intel on persons to investigators, keeping aware of volatile events or activity and using informants and other citizen resources within the community they are working.



City of Chattanooga

FY15 Offers

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|--------------|--|------------------|----------------------|---------------|------------------|
| Police Dept. | \$ 21,523,122 | \$ 37,876 | \$ 21,560,998 | 100% | 259 |
| | | | \$ - | 0% | |
| Total | \$ 21,523,122 | \$ 37,876 | \$ 21,560,998 | 100% | 259 |

*Amounts MUST agree with collaborating Department totals for this offer

Capital Budget Impact? Yes No \$Amount

*Please complete and attach Capital Budget Request Form

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| | |
| | |
| | |

PERFORMANCE DATA

Measurement 1: Reduced Number of Homicides

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 18 | | |

Measurement 2: Reduced Number of Shootings

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Measurement 3: Reduced Number of Traffic Fatalities

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | 28 | | |

Return on Investment:

How do citizens benefit? **A safer community and improved quality of life.**

Does this activity leverage other financial resources? **The officers will receive up-to-date training and exposure to newer technology to improve efficiency. Reduction of shootings and crashes will reduce cost of overtime in investigation and prosecution.**



City of Chattanooga

FY15 Offers

*How does this decrease costs over time? **If we are able to reduce the number of shootings it would pay off in the number of indigent trauma cases, which costs are very high. Reduction in the numbers of violent crimes reduces Prosecution (officers, D.A. Jail etc.), Courts, other society losses.***



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | |
|------------------|--|--|
| Offer Name: | Uniform –Traffic & Special Operations | |
| Offer Number: | 2 | Department Offer Rank: 2 |
| Lead Department: | Uniform Services Traffic Division | Collaboration: Y_x__ N__ |
| Administrator: | I/Chief Stanley Maffett #304 | |
| Offer Cost: | \$3,393,077 | Primary Results Area: Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Chattanooga had 28 fatalities for 2013, and our 10-year average is 27. Our goal is to reduce serious injury and fatal crashes through a proactive DUI and Traffic Offense Enforcement Plan. The plan would be to assign several teams of 3 officers in the zones on a scheduled and rotating basis with the sole purpose of DUI / Traffic Offender reduction. We can influence citizens and save lives.

We are currently evaluating opportunities to collaborate with the City of Chattanooga Transportation Department working to improve roads by sharing data on traffic crashes. We are also looking at ways to work together in an effort to educate drivers on dangerous driving habits such as DUI, speeding, and distracted driving. This should not be a major expense and under 5000.00 to 10000 dollars. Possible funding from grants could be applied as well.



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Traffic investigators investigate serious traffic crashes. Some of these crashes involve a traffic fatality which requires specialized training and instruction on specialized equipment to properly collect evidence and determine contributing factors of a crash and why the death occurred. Only highly trained sworn police officers can investigate serious crashes since it will usually involve the possibility of a criminal prosecution.

Uniform Services/Traffic Investigation Division

Traffic Division: **Consist of 1 Lieutenant, 3 Sergeants, 8 Traffic Investigators, 4 DUI/Traffic Investigators and 4 Photo enforcement officers**

- Provides expert investigation on traffic accidents involving death, serious injury, and major property damage
Crime/crash scene documentation
- Complete traffic crash analysis and problematic locations for traffic crashes using report data.
- Work to provide public information/education to reduce unsafe or aggressive driving
- Enforcement of Traffic Laws
- Photo Enforcement- directing photo enforcement officers to problem speeding areas

While the city has great concern over the number of shootings and homicides (18 homicides for the year) this year, another area of concern to consider is traffic fatalities. For 2013 there were 28 traffic fatalities with over half being alcohol related. Traffic Division needs to increase personnel and focus on increased and targeted enforcement and reduction in alcohol related deaths.

Projected Expenses:

Education - \$4000

Traffic Officers periodically attend seminars and training on DUI investigations, felonious crash investigations, and other technical equipment training.

The below request is to fill any gaps in the traffic division for equipment and to bring all traffic officers / units to equal capabilities. These are one-time expenses, and not part of the yearly budget.

Equipment -

Digital cameras w / flashes \$7,700 (7 each)

Tripods - \$1,400

This would complete the entire unit with up to date cameras and is a required tool that is utilized due to the amount of city vehicles, serious injury and fatal crashes the unit works.

Lidars - \$9,180 (4 each)

Lidar is a speed measuring device that is used for both speed enforcement and measuring. By adding



City of Chattanooga

FY15 Offers

4 more units, this would complete outfitting each traffic investigator with this device.

Leica 2D software- \$4,000.00

The traffic unit currently has the Leica system with the 3D software but is unable to use it due to Titan restrictions. This device must have the 2D software that is specific for crash investigations. Until we can get the 2D software, our system is not usable.

PBT's- \$2,500.00 (5 each)

The DUI unit needs the portable breathalyzer for the proper detection of alcohol during underage drinking enforcement at roadside stops, parties they raid, and during Riverbend.

Body Cams - \$7,000.00 (15 each)

Traffic investigators will use the equipment for use on the motors and during field interviews on possible fatal crash suspects. Excellent way to catch spontaneous statements on the scene.

Recorders- \$700.00 (12 each)

This device is used for interview purposes for evidence gathering for major criminal cases. This device is small and can be used at numerous locations and is key in prosecution efforts.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Reduce number fatalities in the City of Chattanooga.
2. Lower the number of traffic accidents.
3. Provide for safer travel for both residents and visitors.
4. Influence drivers to maintain safe speed limits.
5. Educate drivers on safer driving habits.

Special Operations/Traffic Division

Question:

Why do we need sworn personnel working most traffic accidents? What could these sworn officers otherwise accomplish for the city? What does it cost us to uses sworn personnel on this task?

Traffic division works serious traffic crashes. This requires special training in advanced traffic crash schools, specialized data and evidence collection, and charges to be filed in criminal cases including vehicular homicide, and vehicular assault which would need investigation by a trained sworn officer.

As stated in the BFO increase in traffic unit would provide added enforcement and effort to correct and or change driver behavior. To date we have had 9 traffic fatalities and last year had a total of 28.



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Working to deter aggressive and drunken driving will save lives.

Under Special operations a full time Lieutenant oversees the operation of a number of specialized support units. K-9 supports patrol as well as a number of other divisions with a variety of functions. Within the K-9 Division dogs are trained with different specialties such as, bomb/explosives, drugs, entry and suspect tracking. The seven handlers are trained with the specialized dogs to accomplish the specific task assigned. The dogs and handlers work daily patrol division, narcotics searches, special events, SWAT calls where entry and clearing is needed for suspect removal or tracking.

Bob Squad/Homeland Security: **1 Full Time Sergeant**

Special Ops: Explosive Ordinance Disposal unit/ Bomb Squad

- Responds to calls for suspicious packages
- Provides disposal and or detonation of such packages
- K-9 and trainer assigned to Bomb Squad provide bomb sweeps for large events, political visitors, dignitaries etc.

K-9: **1 Sergeant 7 Officers**

- Tracking of wanted felony suspects in accordance with departmental policy
- Entering building with suspected barricade suspects
- Narcotics investigation
- Crime scene investigation through evidence searches
- Bomb and Drug detection/search

School Patrol: **1 Full time Sergeant 1 Civilian Supervisor (PST) 22 Part-Time School Patrol**

- Provide safe pedestrian traffic in school zones
- Provide traffic direction during school year
- Provide traffic direction and assistance for special events requiring road blockage.

Special Events: **1 Full Time Sergeant**

- Plans for special events and sporting events that require police security, traffic direction, and presence
- Works with other branches of City, State, and Governments on resources to coordinate events and ensure the safety of participants and public.
- Develop needs assessment for manpower and logistics assessment
- Meets with private businesses and non-profits as a liaison for the Police Department

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. A improved K-9 division staffed at topped levels and with proper coverage throughout the city.
2. Special events Sergeant has a tremendous amount of responsibility in coordinating and planning for special events which bring millions to the city. It is very competitive for Chattanooga and other cities vying for these events. It is crucial they are properly prepared and executed.
3. With worldwide industry locating in the city it is very important to be able to keep current on global concerns of terrorism.

What strategic development and collaboration with other city departments and neighborhood leaders do you plan to accomplish: How much of your funding do you plan to use on this aspect:



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Special operations works with other areas of city government such as the public works division, transportation department, CARTA, and outside private groups such as Chattanooga presents, CVB and greater Chattanooga Sports and Events committee, Friends of the Festival, and others in bringing events to the city.

Explain how you would use increased personnel?

Would like to fill an open slot for Captain in Special Operations. Chattanooga's tourism industry is close to a billion dollar every year. Many of these events come from special events. A command level position would help in keeping lines of communication open with other agencies in the process and assist extra burden on Police administration.

Extra sworn personnel for Special Events would help Sergeant over the event keep organized. The Special Event Sergeant is under extreme demands during these large scale and profitable events that come to the city. It is very difficult for one person to keep up with and is very detailed by the very nature of the event.

K-9 Division currently has seven dog handlers. Would like to increase the number of handlers by two. This was how the division was set up and because of decrease of patrol officers over the last few years slots went unfilled. This would allow three handlers per Sector with an increase to a total of 9 handlers.

Chattanooga Police Tennessee River Water-Emergency Response (\$23,900)

This offer would provide start-up/training costs to implement police water-emergency response operations for the Tennessee River and its tributaries, within the city limits of Chattanooga. It would utilize existing assets (2 boats) which were financed through federal grant money and delivered to the Chattanooga Police Department in 2012 but are currently non-operational due to unavailability of training/operations resources. Water-emergency response would be implemented for any critical incident which occurs on a waterborne vessel within the city limits of Chattanooga. Additionally, water safety patrols would be implemented during high-profile/large-scale river-related events being held on the riverfront, or in the river itself.

Examples of use:

- SWAT response to a criminal event on a personal or commercial craft, occurring on or along the river
- Safety patrol of critical infrastructure located along the river
- Safety patrol of the river-section being used for Triathlon (Ironman), or other river sporting events
- Safety patrol of the riverfront area during Riverbend Festival
- Waterborne evidence recovery
- Provide rapid response to vulnerable industry along the river in the event of a threat or terrorism attack.

Outline of cost:

- Training: \$7,000
- Equipment: \$11,900
- Fuel/Maintenance: \$5,000



City of Chattanooga

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Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Ability of the Chattanooga Police Department to respond to water-borne critical incidents
2. Ability to conduct critical infrastructure assessment along the river
3. Safer environment for event participants and volunteers during river sporting events
4. Safer environment for spectators at large-scale riverfront events
5. Ability to do waterborne evidence recovery

Why do we need boats? Have we encountered situations in which our efforts have been hampered by the lack of functioning boats?

We have two boats which were obtained on grants a few years ago. Purpose was to have a trained team to respond in the event of a emergency on the river. The city has several vessels on the waterway and it is the only way to be prepared to respond. We have had to investigate a number of unknown bodies in the river and a boat is a needed response for evidence and investigation. In a recent major crimes investigation and after some debate it was understood that the Chattanooga Police Department will investigate all crimes and deaths on the river in the city limits. There are a number of reasons from a Homeland security purpose in the event a target on river is threatened. There are a number of vulnerable areas on the riverfront.

Training for water response: Lakeland Florida has the industry standard on tactical and law enforcement response to water events. They offer training and will come to an agency to train. For estimated 7000 (see above) Attempts were made last year with available grant money but, was denied due to manpower shortages.

What is the cost of the new equipment?

For boat operations Special Ops

- Training: \$7,000
- Equipment: \$11,900 (not all absolute and majority one time funded)
- Fuel/Maintenance: \$5,000



City of Chattanooga

FY15 Offers

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|--------------|--|------------|--------------|------------|---------------|
| Police | 3,715,662 | 223,415 | \$ 3,939,077 | 100% | 69 |
| | | | \$ - | 0% | |
| Total | \$ | \$ | \$ | 0% | |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes No \$Amount

**Please complete and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| | |
| | |
| | |

PERFORMANCE DATA

Measurement 1: Reduce number of fatalities.

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|------------------------------------|----------------------------------|---------------|
| | Jan – Dec. 2013 (27 fatalities) | Data Not Available at this time. | |

Measurement 2: Reduce number of traffic crashes.

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|---|----------------------------------|---------------|
| | Jan – Dec. 2013 (13,501 total crashes) | Data Not Available at this time. | |

Measurement 3: Increase DUI enforcement

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| | | | |

Return on Investment:

How do citizens benefit? We will provide safer driving conditions in the City of Chattanooga (safer place to raise a family). Citizens interacting with the Traffic Officers will receive a higher level of service across the board due to the upgrades in equipment.



City of Chattanooga

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Does this activity leverage other financial resources? *The department's liability will be reduced by improving the productivity and the quality of the services provided by all of the Traffic Officers. The officers will receive up-to-date training and exposure to newer technology to improve efficiency.*

How does this decrease costs over time? *This plan will improve the capabilities of the Traffic Division and will allow all Traffic Officers the ability to perform at an equal level of proficiency. This will reduce unnecessary expenses for calling in officers or holding them in overtime, at the same time providing safer roadways for Chattanooga Residents.*

Return on Investment (boat):

How do citizens benefit? **Safer Community/River**

Does this activity leverage other financial resources? **Not known at this time**

How does this decrease costs over time? **Prevention of incidents involving injury, loss of life, or loss of infrastructure should result in less expense in the future due to eliminating replacement/litigation costs.**



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|------------------|--------------------------------------|-----------------------|--|
| Offer Name: | Fire Chief and Administration | Department | |
| Offer Number: | 2 | Offer Rank: | 2 of 7 |
| Lead Department: | Fire Department | Collaboration: | Y <input type="checkbox"/> N <input checked="" type="checkbox"/> |
| Administrator: | Fire Chief Lamar Flint | | |
| Offer Cost: | \$1,335,935 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Offer 2 – Fire Chief and Administration

“The Chattanooga Fire Department is dedicated to protecting life, property and community resources through prevention, preparation, response and mitigation.” (CFD Mission Statement, 2001)

The following offer for the Fire Chief’s office and Fire Administration (called “Fire Administration” from this point forward) is foundational to the service the Chattanooga Fire Department (CFD) provides our City. This offer provides essential leadership and support positions to ensure all fire and emergency service objectives are met. This offer assists in ensuring the department is guided in the right direction according to the Mayor’s Public Safety objectives and initiatives. Though at the top of the organizational chart, the Fire Chief and his staff are in many ways, the greatest servants of all, supporting each level of fire department work and service to accomplish the mission of the department, from professionally answering a citizen inquiry, to safely mitigating a large-scale emergency, or to effectively applying the fire code so a fire is prevented.



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Fire Administration – Results Areas and Desired Outcomes

Primary – Safer Streets

1) Increase the sense of safety in the City – The Fire Chief and his staff increase the sense of safety in the City when they support and guide the essential services of emergency response and fire prevention. By providing necessary training, equipment and leadership, responders and the prevention staff has all the tools and support needed for life safety, incident mitigation, and property conservation.

Budget Strategies Realized: Occurs through providence of coordinated services to respond efficiently and effectively to emergencies; Maintain safe and secure streets, facilities, and public spaces for all citizens by providing vision and guidance to excellent service at all levels.

2) Reduce fire risk – The Fire Chief and support staff reduce the risk of fire when they support the essential services of emergency response and fire prevention. By providing necessary training, equipment and leadership, responders and the fire prevention staff has all the tools and support needed for effective and efficient life safety, incident mitigation, and property conservation.

Budget Strategies Realized: Occurs through providence of coordinated services to respond efficiently and effectively to emergencies; Maintain safe and secure streets, facilities, and public spaces for all citizens by providing vision and guidance to excellent service at all levels.

Secondary – High Performing Government

1) Increase employees accessing professional development – Through a new program, the department seeks to provide a Fire Department Awards Ceremony to recognize hard work, career milestones and exceptional acts of service. Also, this offer for CFD Administration seeks to operate at peak efficiency and effectiveness by managing talented employees and resources.

Budget Strategies Realized: Exposes employees to strategies and ideas used in private and public sectors to improve City government; effectively manages and rewards the City's greatest asset, its people.

Fire Administration – Staffing

Summary – This offer seeks to maintain funding and personnel costs, including salaries, benefits, applicable uniform allowances and applicable longevity bonuses for 6 FTEs and “unfreezes” 2 FTEs at a cost of \$787,683. Each is briefly described in this section:

Fire Chief (1) – Sworn position who works with Mayor's Office to provide overall vision and direction to accomplish excellent service to citizens; provides leadership to all levels of fire department employees; guides and implements policies and procedures working toward mission; ensures personnel have all tools and equipment necessary to support mission objectives; ultimately responsible to Mayor and citizens to ensure budgetary needs are properly requested, managed and balanced; provides direct leadership and supervision to the following: Deputy Chief of Operations, Deputy Chief of Administration, Safety Officer, Public Information Director, and Executive Administrative Assistant, but also works closely with the Fiscal Analyst and Research and Planning Officer; reports directly to City's Chief Operating Officer

Deputy Chief of Administration or Administrative Deputy Chief (1) – Sworn position providing oversight and direction for duties and responsibilities assigned to administrative divisions and personnel; works directly with the Executive Deputy Chief (Operations Chief) and the Fire Chief to ensure that all divisions of the department are adequately staffed, apparatus and equipment are maintained and replaced when needed, and budget and purchasing processes are adhered to; assists in development and implementation of department policies;



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provides oversight to disciplinary hearings and assists in providing adequate discipline to correct detrimental issues or poor behavior; provides direct leadership and supervision to the following positions: Fire Marshal, Logistics and Technology Chief, Research and Planning Officer, Budget Analyst and Personnel Assistant ; reports directly to Fire Chief

Safety Officer (1) – Sworn position that manages two departmental safety programs: occupational health and safety and incident safety; oversees annual physicals, injured-on-duty statuses, return-to-work physical schedule; works with occupational health care providers to ensure men and women are meeting minimal standards and OSHA standards for emergency responders; responds to structure fires and larger-scale emergencies to ensure scene safety protocols are being adhered to and to support incident command when conditions are deteriorating or unsafe; works with Fire Chief to ensure safety policies and procedures are implemented to support the overall mission of the department; reports directly to Fire Chief

Research and Planning (1) – Sworn position providing vital project management for department; develops department reports using statistics and research; assists in developing and maintaining department metrics; writes grant requests for department; assists in management of awarded grant funds; develops emergency response plans for specific responses; researches fire service concepts and implementation strategies; assists with budgeting and departmental planning processes for effective and efficient service; reports directly to Administrative Deputy Chief

This offer seeks to “unfreeze” this position that was “frozen” in the FY2014 budget.** This position is critical to the support function that the CFD Administration provides the overall department and community in project management. ***In addition, this position will be vital to the maintenance of CFD records, reports and metrics used for the BFO process.

Public Information Director (1) – Civilian position that handles public relations for fire department; 24-hour on-call duties for structure fires or large-scale incidents to provide information to media and public; arranges interviews with department personnel; manages and oversees all media inquiries and social media accounts as means to provide information concerning department response and other activities; works with non-profits for disaster relief to victims, and for departmental assistance in several public awareness campaigns and fundraising efforts; primary editor on City’s website for CFD’s page; produces training videos and recruit academy videos; provides oversight of academy graduation ceremonies, Fire Prevention Week and other department events; also serves on the Local Emergency Planning Commission (LEPC); reports directly to Fire Chief

Fiscal Analyst (1) – Civilian position that manages entry of budget requests and maintains budget accountability; works directly with Fire Chief and Deputy Chiefs to ensure department budgetary goals are met; works with Finance Department to ensure balanced budget; works with Inventory Manager to ensure bid and purchase processes are adhered to; reports directly to Administrative Deputy Chief

Personnel Assistant (1) – Civilian position that performs payroll functions for all fire department personnel; assists divisions chiefs and battalion chiefs to ensure all personal leave is appropriately administered; develops reports to assist employees monitor and apply for leave; reports directly to Administrative Deputy Chief

Executive Assistant (1) – Civilian position that works as personal assistant to Fire Chief; provides professional dictation and meeting summaries; assists Fire Chief in arranging schedules and meetings; performs additional duties as directed by Fire Chief; directly reports to Fire Chief

***This offer seeks to “unfreeze” this position that was “frozen” in the FY2014 budget.** This position is critical to the support function that is provided to the Fire Chief, and will play a critical role in the BFO process.



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Staffing Support – In addition to the requested positions, this offer also maintains support equipment, materials and supplies, including but not limited to, work stations with computers and/or laptops and desk phones, assigned take-home passenger vehicles for daily function and response when needed, cell phone stipends for affected positions, and applicable personnel costs such as uniform allowance as mandated by City Charter Title 13, Section 13.14., and longevity pay as it applies to City personnel.

Fire Administration – Operating Expenses

In addition to the staffing request for the Fire Chief and administrative positions, this offer also seeks to maintain minimal operating expenses at a cost of \$24,407. These expenses include basic operating expenses such as service contract fees, office supplies and materials, and a small travel budget.

Fire Administration – Fire Department Awards Ceremony

In addition to the operating expenses noted above, this offer also seeks to establish a new, annual Fire Department Awards Ceremony at a cost of \$2,500, bringing requested Operating Expenses to \$26,907. This addition simply seeks to recognize employees for important career milestones or exceptional acts of service. The award ceremony would include a catered banquet for the recognized employees and their family members and/or close friends, so that everyone can share in the achievement and recognition.

The department currently recognizes employee accomplishments in informal ways. However, in many private and public sectors, including the Chattanooga Police Department, employees are formally recognized for years of service, promotions, retirements, exceptional performance and other career achievements. This is a relatively inexpensive means of boosting employee morale that will provide a tremendous avenue to formally recognize outstanding employees and accomplishments.

Fire Administration – Overall Performance Metrics

- **Bi-Weekly Budget Reviews** – To increase effective management of the operating budget, expenses will be monitored on a bi-weekly basis.
 - **CFD Current:** CFD currently participates in periodic, unscheduled budget reviews
 - **CFD Goal:** CFD to increase review of operating budget to bi-weekly reviews to more closely monitor expenses to operating budget
 - **Tabulation:** An “Appropriation Account Balance” report is generated and expense increases or decreases in budgeted expenditures to be noted to determine trends and increase effectiveness of managing the operating budget. The following categories will be reviewed:

| | |
|--------------------------------|-------------------------------------|
| Personnel Services | Other Materials and Supplies |
| Professional Services | Travel |
| Repair Services | Vehicle Operating Expense |
| Utilities | Insurance |
| Other Services | Capital Assets |
| Office Supplies | Governmental Charges |
| Construction Supplies | Fire Capital |
| Repairs and Maintenance | |



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Note: This metric is not to determine specific increases or decreases in categories, but rather to determine healthy or unhealthy trends in the operating budget's status by a more frequent and consistent review. Ensuring that the budget and expenditures are matching is one of the most important parts of the Fire Chief's job, as he is held accountable for this task.

Fire Administration – Equipment Renewal and Replacement (R&R)

This part of the offer seeks to maintain R&R funding for all equipment, supplies, apparatus maintenance and building service needs to continue excellent performance in operational and administrative functions at an overall cost of \$521,345. In addition, this portion of the offer seeks funding for smaller, non-capital projects that are also vital to firefighter safety and incident mitigation. Tools are essential to control and mitigate incidents regardless of the type of emergency. Similar to apparatus replacement, it is important and responsible to annually budget funding for equipment and building services replacement. With use, all equipment wears and eventually fails. It is crucial that each piece of equipment be periodically evaluated according to use and the manufacturer's recommendations for replacement.

This offer seeks to maintain, renew and replace the following CFD equipment/services:

| Equipment Renewal and Replacement Projects | | | |
|---|---------------------|------------------|----------------------|
| Equipment, Description and Need | Units Needed | Cost/Unit | Project Total |
| Bullet-Proof Vests – This new request increases firefighter safety. In addition to responding to potentially dangerous shooting or stabbing incidents, there are an increasing number of incidents nationwide where firefighters and EMS workers have been targeted by assailants. | 150 | \$725 | \$108,750 |
| Thermal Imaging Cameras (TICs) – Very useful tools for firefighters to find victims in dark or smoky environments, and to find hidden fires in enclosed spaces without tearing out walls, ceilings or floors unnecessarily. At 10 years old, our current TICs are in frequent disrepair, and repair costs are about \$1,600 per camera. | 16 | \$8,740 | \$139,840 |
| Four-Gas Monitors – Vital tools used daily on fires and hazardous materials incidents. They measure the atmosphere to determine: <ul style="list-style-type: none"> - Adequate presence of oxygen - Presence of hydrogen sulfide (deadly gas found in sewers/storm water basins, etc.) - Presence of carbon monoxide (deadly gas from incomplete combustion) - Explosive mixture of flammable gas and oxygen called the Lower Explosive Limit (LEL) | 42 | \$1,031 | \$43,302 |
| Four-Gas Monitor Calibration Kit - These kits are necessary to ensure the monitors remain in good working order, and are periodically | 2 | \$3,474 | \$6,948 |



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| | | | |
|--|---|----------|----------|
| calibrated according to manufacturer's specifications. | | | |
| Fire Equipment – Includes funds to repair or replace tools and equipment, such as fire hose, Hurst extrication equipment (“Jaws of Life”), refilling extinguishers and all other tools and equipment to perform the job. The amount requested is based on a 5-year average of funds spent in this R&R category. | 1 | \$50,000 | \$50,000 |
| Medical Equipment – Includes funds to repair or replace EMS equipment, such as AEDs, pulse oximeters, splints and bandages, and all other EMS-related equipment. The amount requested is based on a 5-year average of funds spent in this R&R category. | 1 | \$3,000 | \$3,000 |
| Radio Equipment – Includes funds to repair or replace all radio equipment, including portable, base stations and apparatus mounted units. The amount requested is based on a 5-year average of funds spent in this R&R category. | 1 | \$41,000 | \$41,000 |
| Building Repairs/Maintenance – Includes funds to maintain fire stations (19) and fire support buildings (4). Includes HVAC replacements, plumbing projects, bay door repairs, roofs, etc. The requested amount is based on a 5-year average of funds spent in this R&R category. | 1 | \$71,000 | \$71,000 |
| Appliances/Furniture/Lawn Equipment – Includes funds to repair or replace stoves, refrigerators, furniture, lawn equipment and other similar items for all fire stations (19) and fire support buildings (4). The requested amount is based on a 5-year average of funds spent in this R&R category. | 1 | \$18,000 | \$18,000 |
| Resource Building: Storage Shed – Includes funds to construct an additional storage area for tools, equipment, lumber and materials purchased with Federal funding to equip the CFD USAR/CBRNE Team in the event of a technical or large-scale emergency. | 1 | \$13,100 | \$13,100 |
| Database Server – Includes funds to replace the server for CFD’s mission-critical Records Management System. The existing server was purchased in 2009 and exceeds acceptable industry standards for the lifespan of a database server. | 1 | \$10,353 | \$10,353 |



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| | | | |
|---|---|---------|------------------|
| Software – Includes funds to update our database software to the most current version, approved by the application vendor. | 1 | \$5,027 | \$5,027 |
| Desktop Computers – Includes funds to replace nine (9) XP desktop computers, which are no longer supported by Microsoft. The Information Systems (IS) department recommends replacement, instead of upgrade due to the age of the computers. | 9 | \$1,225 | \$11,025 |
| BFO R&R Request Totals | | | \$521,345 |

All equipment and purchases are subject to City bid and purchasing processes

Fire Administration – Mandates, Standards and Recommendations

- **City Charter, Title 13, Section 13.14.** Uniform and equipment allowance, the City of Chattanooga shall provide in each fiscal budget a uniform and equipment allowance to all sworn fire personnel.
- **City Code, Chapter 16 Fire and Police Departments** – Provides general requirements for employment with department
- **City Ordinance – Longevity Pay** – Pursuant to the City’s annual ordinance renewal to provide incremental bonus pay based on a fulltime employee’s years of continuous service
- **NFPA 1500, Standard on Fire Department Occupational Safety and Health Program** – This standard recommends policies and guidelines to ensure safe practices and procedures during emergency operations. This standard is foundational for fire departments to be proactively safe in policy and operationally safe in reactive response.

Fire Administration – Offer Conclusion

In conclusion, the Fire Chief and the Chattanooga Fire Department would like to thank Mayor Berke and the Leadership Team for the opportunity to submit this offer to maintain and enhance the excellent service the CFD provides to Chattanooga. As the CFD mission states, we are truly dedicated to protecting life, property and community resources. It is an honor to serve our citizens and guests on what is undoubtedly one of the worst days of their lives. This offer simply seeks to continue that excellence of service. Again, thank you for the opportunity.



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Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

*See each section above for more thorough information regarding each of the Desired Outcomes this offer hopes to impact.

- 1. Increase the sense of safety in the City** - The Fire Chief and his staff increase the sense of safety in the City when they support the essential services of emergency response and fire prevention. By providing necessary training, equipment and leadership, responders have all the tools and support needed for life safety, property conservation and incident mitigation.
- 2. Reduce fire risk** - The Fire Chief and support staff reduce the risk of fire when they support the essential services of emergency response and fire prevention. By providing necessary training, equipment and leadership, responders and fire prevention workers have all the tools and support needed for effective and efficient life safety, property conservation and incident mitigation.
- 3. Increase employees accessing professional development** – Through a new program, the department seeks to provide a Fire Department Awards Ceremony to recognize hard work, career milestones and exceptional acts of service. Also, this offer for CFD Administration seeks to operate at peak efficiency and effectiveness by managing talented employees and resources.

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|----------------------------|-------------------------------------|------------------|--------------------|-------------|---------------|
| Fire – Fire Administration | 787,683 | 26,907 | 814,590 | 60% | 8 |
| Renewal and Replacement | N/A | \$521,345 (R&R) | \$521,345 | 39% | 0 |
| Total | \$787,683 | \$548,252 | \$1,335,935 | 100% | 8 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes XNo \$Amount

**Please prepare and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| N/A | N/A |

PERFORMANCE DATA

Measurement 1: Bi-Weekly Budget Reviews – To increase effective management of the operating budget, expenses will be monitored on a bi-weekly basis.

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|-----------------------------|------------------------------|
| N/A | N/A | Period, Unscheduled Reviews | Increase to Bi-Weekly Review |



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Return on Investment:

How do citizens benefit? All organizations need leadership and guidance. While the premise of the Chattanooga Fire Department's (CFD) mission is simple, "protect life, property and community resources," there are many details that are entailed. The offer for Fire Administration benefits the citizens of Chattanooga because it is foundational to the service the CFD provides our City by providing essential leadership and guiding the department in the right direction according to the Mayor's Public Safety objectives. The Fire Chief and his staff's work is clear, to support each level of fire department work and service to accomplish the mission of the department.

Therefore, as this offer is funded, citizens can continue to anticipate outstanding emergency response from firefighters, who are supported through proper leadership and budget management that provides salaries and benefits, apparatus and equipment, and all of the other means by which the department "protects life, property and community resources." In addition, as noted in the "Overall Performance Metric" section, citizens can now expect more effective management of the CFD Operating Budget through more frequent and more consistent bi-weekly reviews of the operating budget.

Does this activity leverage other financial resources? N/A

How does this decrease costs over time? It is the department's intent to determine trends for more effective use of funding through the increase of frequency and consistency of budgetary reviews.

Chattanooga Fire Department

Offer 2 - FY2015 BFO Feedback Response

Forward

There is no better means the Chattanooga Fire Department can provide as an indicator, highlight or emphasis to the Mayor's leadership priorities and concern for the citizens of Chattanooga than when life-saving service is provided or when catastrophic fires are prevented or minimized. That is how the Chattanooga Fire Department can best support the Mayor's vision, by providing excellent service through highly trained, highly skilled men and women, who are adequately equipped and supported to perform the vast range of duties for life safety, incident mitigation and property conservation.

The following response was composed in direct response to specific questions regarding the department's six BFO offers.

Fire Chief and Administration

Fire Department

\$1,420,835 (Now \$1,335,935 due to R&R reduction and awards ceremony addition)

- What is the cost of the proposal to unfreeze the two positions?

The Research and Planning Officer position is a sworn position that is budgeted at \$88,971.16. The Executive Administrative Assistant position is a civilian position that is budgeted at \$59,076.73. The total cost to unfreeze these two positions is \$148,047.89. These totals include salary and fringe benefits.

- Please provide data on recent incidents of shooting and stabbing of firefighters.
 - **East Ridge, TN – 1999** – Two firefighters shot at, after responding to an emergency
 - **Memphis, TN – 2000** – Two firefighters and sheriff's deputy shot and killed
 - **Roswell, NM – 2002** – Fire Chief and EMT gunned down at scene of house explosion
 - **Las Vegas, NV – 2004** – Firefighters wrestle gun away from accident victim after being shot at
 - **Lexington, KY – 2004** – One firefighter killed, one wounded as approached home of domestic violence response
 - **Los Angeles, CA – 2010** – Firefighter stabbed multiple times in chest and back by patient
 - **Webster, NY - 2012** – Four firefighters shot, two dead
 - **Gwinnett County, GA – 2013** – Four firefighters held hostage by gunman
 - **Phoenix, AZ – 2013** – Patient attempts to stab firefighter with knife
 - **Troy, NY – 2013** – Patient stabs firefighter with needle
 - **Chattanooga, TN – Annually** – Though local firefighters haven't been target of ambush, we respond to many shootings, stabbings and other threats on routine basis; in particular, in 2012, firefighters responded to a "shooting" incident at Club Mosaic – while on scene, more shots were fired, though it appeared not to be directed at firefighters

Chattanooga Fire Department

Offer 2 - FY2015 BFO Feedback Response

- Did these attacks occur under circumstances that would have suggested such dangers were present?

The short answer is “No,” which is why these types of calls are important for which to prepare. During the department’s recent in-service training, the Crisis Intervention Team Coordinator (CPD) provided some valuable information regarding general emergency response guidelines that illuminated the possibilities that exist for this type of situation to occur. Situational awareness was the main topic. From staging the apparatus properly to approaching the structure to looking for body language or other signals that there might be something askew about the situation. Most non-law enforcement first responders simply have not been trained or conditioned to be aware of these types of circumstances.

However, in recent years, including some incidents fairly close to our City (East Ridge in the late 1990’s and more recently in Gwinnett County, GA), firefighters have been targeted by would-be assailants, who apparently know that there is not a general wariness when firefighters respond.

- Do you propose to require firefighters to wear the vests at every call?

No. Firefighters will only wear the vests during incidents that present “red flags.” Situational awareness training will be provided with the distribution of the vests to ensure firefighters are cognizant of situations that could present dangers, even those that are considered “routine.” However, consideration is being given to donning the vests on some domestic medical responses. Currently, it is understood the HCEMS protocol dictates that HC ambulance personnel must wear their vests on most medical responses. The department would consult with HCEMS and Dr. Creel (Medical Director) prior to establishing policy and protocol.

- If not, how will you determine whether to require the vests to be worn?

Answered through previous question – Situational Awareness Training.

- Provide data concerning frequency of usage of thermal imaging cameras.

Thermal imaging cameras are used on all structure fires to find fire victims and hidden fire extension. These calls average around 200 annually. However, these tools are also used on responses that would not be categorized as structure fires, such as chimney fires, electrical burning smells, heating equipment malfunctions and other similar calls. The cameras use infrared, which provides firefighters with the capability to find heat in walls, ceilings, floors, and other spaces without opening or breaking into the area. Prior to the implementation of thermal imaging cameras, firefighters had to damage the home to look for and find fire extension.

It should be noted that ten (10) thermal imaging cameras were approved for purchase from FY2014’s R&R Budget. Therefore, the department’s revised Offer 1 – Response Operations will reflect a reduction of ten (10) units.

Chattanooga Fire Department

Offer 2 - FY2015 BFO Feedback Response

- Why do we need new four-gas monitors?

As virtually all fire departments, the Chattanooga Fire Department (CFD) responds to a wide variety of emergencies, running the gambit of scale and severity to protect life, property and community resources. Every single response is an opportunity for the CFD to serve Chattanooga. This service requires training, skill, and equipment, as widely varied as the emergencies to which we respond. Tools and equipment, whether a sledgehammer or a four-gas monitor and even when maintained appropriately, will wear with use and eventually reach a point beyond repair.

Through an analysis of CFD incidents, it was revealed that monitoring for dangerous atmospheres occurred frequently. These incidents include structure fires, natural and propane gas leaks, any confined space responses, chemical spills and leaks, carbon monoxide events, and several other categories of response. In 2012, monitoring occurred over 300 times. Each of these incidents could have proven deadly, if well-trained firefighters had not been equipped with four-gas monitors.

Four-gas monitors include sensors important to a wide range of responses:

- **Oxygen** - ensures high percentage of oxygen in atmosphere;
- **Hydrogen Sulfide** - identifies this heavy, poisonous gas, and often found in trenches, sewers and confined spaces where there is bacterial breakdown of organic matter;
- **Carbon Monoxide** - indicates presence of CO, which comes primarily from incomplete combustion; called "Silent Killer" because poisons blood cells by displacing oxygen; and
- **Lower Explosive Limit** - identifies lowest concentration of flammable gas and oxygen to combust/explode when ignition source is introduced

The current four-gas monitors were purchased in 2006. With significant use, there is more frequent disrepair and they are becoming increasingly expensive to maintain. Though the industry trend for replacement is around five years, the CFD units are older and have been maintained as well as possible under the current economic conditions. The manufacturer has also stated that our current units will be discontinued, and parts will be less available, which will further increase costs.

- Have you considered innovative ways other departments across the country have organized themselves? Can we learn anything from those departments? Have we incorporated any such ideas into our structure? Are there areas in which we could reduce expenses in order to allocate them to more critical areas?

Yes. The Fire Chief and his leadership team are constantly looking for ways to improve and adjust the organizational components of the department to better meet the needs of our community, which includes research of many other departments all over the country. Most departments serving cities with comparable populations have more support positions, and more inspector positions.

The difficulty has been local budgetary constraints for a number of years. Under these constraints, one person must perform what was historically the work of two to three people, particularly in department leadership, administrative and support roles and the Fire Prevention Bureau. Unfortunately, this means that at least some work is not performed as efficiently or effectively as it should be. There are not currently any areas in which expenses could be reduced or reallocated to more critical areas.

Chattanooga Fire Department

Offer 2 - FY2015 BFO Feedback Response

The department attempts to provide two main areas of performance: Response Operations, which includes Tactical Services and Training, which provides reactive emergency response; and Fire Prevention Bureau activities, which provides proactive work through fire code enforcement, fire public education and fire investigation. All other divisions and positions, while vital, support these two overarching functions of the Chattanooga Fire Department. Budget constraints over the past few years has forced many of these leadership and administrative support roles to either be combined with other positions, frozen or removed altogether. Again, this places an increased workload on the few positions that remain, and unfortunately, some of that workload may even be beyond their expertise. The fire department, and ultimately the citizens, could be significantly impacted if there are further reductions. In fact, as all of our offers have attempted to convey, the department desperately needs increases in virtually all aspects of the service provided.

- General
 - What are the most significant changes you propose and why?

The most significant changes requested in the Fire Chief and Administration offer was the request to fund the two “frozen” positions under this division of the department. As noted on page 3 of Offer 2 – Fire Chief and Administration, the Research and Planning Officer and the Executive Administrative Assistant positions are important to the functions of the Fire Chief’s support for the fire department’s service to our community.

The Research and Planning Officer provides vital project management, research of equipment, grant writing and management, development of department statistical reports, development of large scale emergency response plans, and assists with budgeting and departmental planning processes. In addition, as the City solidly implements the Budgeting for Outcomes concept, the Research and Planning Officer will provide much of the daily work to provide monthly, quarterly and annual statistics necessary to ensure the department’s outcomes are being measured appropriately.

The Executive Administrative Assistant provides daily support to the Fire Chief, which is desperately needed. This person would perform personal assistant duties for the Fire Chief, such as ensuring schedules are arranged and maintained appropriately, providing dictation and meeting summaries, and assisting with organizational duties to ensure tasks are completed in timely manner. In addition, it is anticipated that this position will provide significant assistance to the Budgeting for Outcomes process.

- If there are no significant changes, why not?

N/A



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|------------------|-------------------------------|------------------------|----------------------|
| Offer Name: | Fire Prevention Bureau | | |
| Offer Number: | 3 | Department Offer Rank: | 3 of 7 |
| Lead Department: | Fire Department | Collaboration: | Y X N |
| Administrator: | Fire Chief Lamar Flint | | |
| Offer Cost: | \$1,539,777 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Offer 3 – Fire Prevention Bureau

“The Chattanooga Fire Department is dedicated to protecting life, property and community resources through prevention, preparation, response and mitigation.” (CFD Mission Statement, 2001)

In support of the mission of the Chattanooga Fire Department (CFD), this offer seeks to enhance the good service already provided through the Fire Prevention Bureau (FPB), which is the proactive arm of the fire service. The safest fire is the one that never occurs or is minimized because of one of the many prevention responsibilities, including fire plans review, fire code inspection and enforcement, fire public education and fire investigation activities that takes arsonists off the streets. This offer also increases and enhances the performance of the duties and responsibilities through bolstering the Fire Marshal’s Office, through a collaborative offer to establish a fulltime Fire Plans Reviewer with the Department of Economic and Community Development’s (ECD) Land Development Office (LDO), and through a second collaborative offer for public education with the Department of Youth and Family Development.



City of Chattanooga

FY15 Offers

Fire Prevention Bureau – A Proactive Three-Pronged Approach

Fire Code Enforcement – Though impossible to quantify a fire that does not occur, as fire prevention efforts have been consistent, the number of fires has decreased, though it may take years to see significant statistical results. Fire Code Enforcement, through Fire Plans Review and Fire and Life Safety Inspections, is the backbone for fire prevention efforts and the priority for this division, which not only serves to protect the public from fire, but also seeks to minimize fires that occur for the safety of responding firefighters.

Public Education – The CFD seeks to establish a CFD Public Education division to increase the number of children, elderly and other residents that receive fire safety education and training, which are currently performed by inspectors, whose priority and primary function is code enforcement. While the Public Educator would seek a Fire Inspector certification to assist with code enforcement, he or she would primarily work to reduce fire risk by increasing public fire education through educational events at community recreation centers, daycares and schools, fire safety talks at Neighborhood Association meetings, Public Service Announcements, identifying and seeking target audiences, continued smoke detector installment programs, and other means of fire safety awareness and education.

Fire Investigation – The CFD Fire Investigation division performs the vital functions of investigating fires to determine cause and origin. When a fire's cause and origin are determined to be suspicious in nature, investigators are also responsible for interrogating witnesses and victims, and arresting arson suspects. Ultimately, this division keeps arsonists off the streets and behind bars. They are on-call 24-hours per day, 365 days per year.

Fire Prevention Bureau – Results Areas and Desired Outcomes

Primary – Safer Streets

1) Reduce fire risk – Fire risk is reduced by fire code enforcement to prevent or minimize fire impact, through public education efforts that teach citizens of all ages how to prevent or how to react when a fire occurs, and through fire investigation efforts that arrest, convict and remove arsonists from the streets.

Budget Strategies Realized: Maintains safe and secure streets, facilities, and public spaces for all citizens by preventing fire through plans review and fire and life safety inspections to new and existing businesses, schools, apartment complexes, industry and other occupancies, through educating citizens of all ages with fire safety information, and removing arsonists from the streets.

2) Increase the sense of safety in the City – Increases the sense of safety in the City through code enforcement activities that prevents or minimizes fire, through an educated public who knows how to proactively prevent fires or knows how to properly react in the event of fire, and from fire investigation's removal of arsonists from the streets. Less or minimized fires equals increased safety for citizens.

Budget Strategies Realized: Maintains safe and secure streets, facilities, and public spaces for all citizens by providing plans review and fire and life safety inspections to new and existing businesses, by educating the citizenry about fire safety, and by the removal of arsonists from the streets.

3) Reduce violent crimes – Arsons are considered violent crimes that can affect individuals, families and entire communities. When offenders are taken off street, there is reduction in violent crime.



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Locally, according to the experience of CFD Fire Investigators, arsons occur more frequently as a means or opportunity to harm others, than for fraudulent or financial reasons.

Budget Strategies Realized: Maintains safe and secure streets, facilities, and public spaces for all citizens by removing arsonists from streets.

4) Reduce juvenile crime – Some arson occurs at the hands of juveniles. This offer seeks to reduce that amount.

Budget Strategies Realized: Maintains safe and secure streets, facilities, and public spaces for all citizens by removing arsonists from streets.

Secondary – High Performing Government (through CFD-ECD Collaborative Offer)

1) Increase citizen satisfaction with services – There is currently a disconnect between the fire plans review process and the streamlining of construction projects. This offer seeks to better connect the plans review and inspection disciplines to ensure high customer satisfaction.

Budget Strategies Realized: Through this effort, the CFD seeks to collaborate with the ECD/LDO to streamline the plans review and permitting process to improve City governments.

Secondary – Growing Economy (through CFD-ECD Collaborative Offers)

1) Increase employment – As developers seek to invest in the community, they create and maintain jobs in the design community and construction industry. This offer bolsters that effort by streamlining the plans review and permitting processes.

Budget Strategies Realized: This collaborative effort seeks to create and maintain workforce by maximizing resources and speeding the job growth, as well as, assisting the LDO to build a user friendly platform for developers to truly have a “one-stop-shop” at the DRC.

2) Maintain healthy economy and employment – Virtually everyone knows someone who has been impacted by a devastating fire. Even when no one is home or employees exit safely, fires can devastate homes and buildings. When a homeowner or renter is consumed with after-the-fire needs, he or she must take time off from work. Likewise, when a business is severely damaged by fire, employees cannot work and daily bills cannot get paid. Fire devastates every level of one’s life.

Budget Strategies Realized: This offer seeks to save not only lives, but minimize the impact of fire on property, where people live and work. This can occur by maintaining effective fire prevention activities.

Secondary – Smarter Students & Stronger Families (through CFD-YFD Collaborative Offer)

1) Education of at-risk populations – This offer seeks to partner with the YFD to create opportunities of education that have not previously been available. It seeks to leverage resources and apply staffing in proactive collaboration. See “FPB Public Education – Collaborative Offer” for details.

Budget Strategies Realized: Through the collaborative partnership with Department of Youth and Family Development (YFD), the CFD is seeking to create pipeline of services available to geographically and demographically targeted groups of children and families at higher risk to injury and death by fire. In addition, this offer seeks to use the Youth and Family Development Centers as neighborhood hubs for the proactive dissemination and provision of services, by providing public safety classes, including safety planning and fire safety education.



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Fire Prevention Bureau – Staffing

Summary – This offer seeks funding and personnel costs, including salaries, benefits, applicable uniform allowances and applicable longevity bonuses to maintain thirteen (13) FTEs, “unfreeze” two (2) FTEs, and add one (1) FTE at a total cost of \$1,528,232. These men and women work hard to prevent or minimize the impact of fire through fire code enforcement, public education and fire investigation for the safety of the public and responding firefighters.

Fire Marshal (1) – Sworn position responsible for fire prevention through plans review, fire code enforcement and fire safety education, and fire investigation activities in City of Chattanooga; provides leadership, supervision and expertise toward duties and activities of inspectors, public educators and investigators; provides expertise and guidance regarding all aspects of the adopted fire code; responsible for maintaining all fire department records; works with Land Development Office and Building Inspection to ensure plans review for new construction is as effective and efficient as possible; reports directly to Administrative Deputy Chief

Deputy Fire Marshal / Executive Officer (1) – Sworn position assisting Fire Marshal to provide leadership, supervision and expertise toward the duties and activities of the Fire Prevention Bureau, which includes code enforcement, public education, fire investigation, plans review and other aspects of the prevention of fire in the City of Chattanooga; assists Fire Marshal to provide analysis of fire prevention data and write policies and guidelines; also performs duties, such as writing offers for the Budgeting for Outcomes process, as the department’s Executive Officer, which reports directly to the Fire Chief and oversees project management functions; reports directly to Fire Marshal or Administrative Deputy Chief (depending on function)

Assistant Fire Marshals or Fire Inspectors (6) – Sworn positions that perform fire code enforcement by providing fire and life safety inspections for new and existing buildings; provide consultation for new construction and for changes in existing commercial buildings; work with LDO inspectors to ensure Certificate of Occupancies (COs) are only given to buildings in compliance with adopted codes; provide Beer Board inspections; work with State Fire Marshal’s Office (SFMO) to provide annual inspections to schools, daycares, hospitals and other state-licensed facilities for safety of children and hospitalized citizens; work with City Treasurer’s office to provide annual hotel/motel inspections for safety of guests; share on-call duties to work with company officers to provide continuity of service during after-hours events; manage inspections of existing and new buildings in respective districts; assist with Public Education endeavors; report directly to Fire Marshal or Deputy Fire Marshal

*In addition to maintaining the current five (5) positions, **this portion of the offer seeks to “unfreeze” one (1) of the two positions in this division “frozen” during the FY2014 budget. This brings the total requested Assistant Fire Marshal positions to six (6),** which more closely aligns with the number of inspectable properties as seen in Table 1 (Chamber of Commerce, 2007).

***Note:** For the safety of citizens and responding emergency workers, there is great need for the increased staffing of Fire Inspectors. The number of inspectable properties in the City of Chattanooga includes schools, daycares, hospitals, industry plants, chemical plants, mercantile stores, assemblies, warehouses, storage facilities, and any other building where the public or employees occupy. Unfortunately, with only five inspectors, it is impossible to inspect all of them.

Table 1: Estimated Inspectable Properties

| Estimated # of Inspectable Properties |
|---------------------------------------|
| 17,495 |

Chattanooga Businesses (Chattanooga Area Chamber of Commerce)



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Table 2: Code Enforcement Inspection #s for Last 5 Years

| Code Enforcement Inspection Decreases | | | | | | |
|---------------------------------------|------|------|------|------|------|----------|
| Year | 2009 | 2010 | 2011 | 2012 | 2013 | 5-Yr Avg |
| # Inspections | 5843 | 4620 | 4888 | 4144 | 3029 | 4505 |
| % to 5-Year Average | 130% | 103% | 109% | 92% | 67% | |
| # Inspectors | 7 | 7 | 7 | 5.5 | 4.5 | |

Significant decrease for every year of decreased inspectors

Also, as seen in the table above, as fire inspector staffing has declined the goal of inspecting all commercial occupancies declines by more than 15% per inspector. So, “unfreezing” the requested Fire Inspector position will make a tremendous difference in preventing fires.

According to recent research of regional departments in Tennessee and Georgia, the industry standard is for each inspector to provide four (4) quality inspections per day, which also agrees with divisional experience. “Quality” inspections include various types of fire and life safety inspections and consultation. With training and leave time, this calculates locally to about 720 inspections per inspector per year, as seen in Table 3. With that understanding, and knowing the number of inspectable properties, the number of inspectors needed is calculated at seven (7) Fire Inspectors for the City of Chattanooga. In addition to “unfreezing” the requested position in FY2015’s budget, it is the department’s desire to add a seventh inspector to the Code Enforcement division in FY2016 for optimum capability, and most importantly, a safer community. See the CFD Executive Summary for further information.

Table 3: Number of Inspectors Needed

| Optimum Inspectors to Businesses | | | | | | | | | |
|----------------------------------|------|------|------|------|------|------|------|------|------|
| # of Inspectors | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Avg # Business/Inspector | 4374 | 3499 | 2916 | 2499 | 2187 | 1944 | 1750 | 1590 | 1458 |
| Avg 4 Inspections/Day | 1250 | 1000 | 833 | 714 | 625 | 555 | 500 | 454 | 417 |

| Formula to realistically indicate optimum # of inspections performed / inspector / year based on number of businesses and avg # insp / day | Weeks | Days/Wk | Wk/Days / Yr | Subtract Avg Pers Lv / Insp | 220 | Subtract Train & PE Asst & Misc Days | 40 | Realistic # of Inspection Days | 180 | Insp/Day | 4 | Inspects / Year / Inspector | 720 |
|--|-------|---------|--------------|-----------------------------|-----|--------------------------------------|-----|--------------------------------|-----|----------|---|-----------------------------|-----|
| | 52 | 5 | 260 | 40 | 220 | 40 | 180 | 4 | 720 | | | | |

Water Supply Officer (1) – Sworn position that provides support to CFD operations by ensuring hydrant issues are resolved quickly; maintains database of public and private hydrants; serves as liaison to private water purveyors; performs hydrant flow testing in some situations to ensure flows are adequate for fire operations; reports directly to Fire Marshal

Fire Plans Reviewer (1) – Sworn position sought through collaborative offer with ECD’s Land Development Office (LDO); provides experienced fire plans review, site reviews to ensure fire department access, and review of fire sprinkler and fire alarm plans; provides fire code expertise during pre-submittal and variance board meetings; works with LDO to ensure overall plans review process is achieved in timely manner; reports directly to Fire Marshal

***This offer seeks to add this position in an inventive, collaborative offer.** This sworn position is critical to the function that the Fire Plans Reviewer plays in overall economic and community development. This will streamline what is currently an awkward business flow for design professionals, contractors



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and developers. See “Fire Prevention Bureau – Collaborative Offer” on page 7 for specific collaboration details, and CFD Executive Summary for overall requests.

Records Officer (1) – Sworn position that oversees all CFD records, including fire reports, staffing reports, and management of equipment; works with 911 to relocate fire crews during large scale events to ensure City is properly protected with available resources; responds to inquiries from other departments and citizens; works with Fire Systems and Database Specialist to manage records system; reports directly to Fire Marshal

Administrative Support (1) – Civilian position, commonly referred to as the “Fire Prevention Secretary”; schedules fire safety education events; schedules monthly inspector on-call list; provides transcription for fire investigation and internal affairs cases; performs filing for property inspections; manages daily inquiries to Fire Marshal’s Office; assists fire prevention staff format and write letters; reports directly to Fire Marshal

Fire Public Educator (1) – Requesting to establish sworn position that provides fire safety education in many forms, including Sparky Presentations, Fire Safety House interactive presentations, smoke detector installations, Neighborhood Association and other corporate meeting attendance and participation, fire extinguisher training for industry, participation in career days and fairs, targeting neighborhoods where devastating fires occurred, and conduction of fire drills at schools, daycares and requested businesses and multi-family residential facilities; lead educators and coordinators of fire and life safety education and programming in City; reports directly to Fire Marshal or Deputy Fire Marshal

***This portion of the offer seeks to “unfreeze” one (1) of the two FPB positions “frozen” in the FY2014 budget.** This position provides a vital, proactive service to the community. There is no better means of preventing fire than an educated citizenry. If this offer to “unfreeze” a position to be used as a Public Educator is accepted, it is the department’s intention to add a second Public Educator to the Fire Prevention Bureau in FY2016 for optimum capability.

*In a collaborative effort with YFD, this offer provides a Public Educator who has an experienced understanding of fire behavior, and who will be dedicated to providing vital fire and life safety information to targeted, at-risk groups, including children and elderly. See the “Public Education” collaborative offer on page 9 and the CFD Executive Summary for further information.

Lead Investigator (1) – Sworn, working supervisor that provides leadership and direction to Fire Investigation division; works with company officers to determine cause and origin of fires, and identify potential arson activity; works to maintain chain of custody of fires being investigated; certified police officer, responsible for interrogation and arrest of arsonists; maintains all fire certifications and has working knowledge of fire behavior; works with Fire Chief and Deputy Chiefs to ensure internal affairs are performed correctly; reports directly to Fire Marshal

Fire Investigator (2) – Sworn positions that work with company officers to determine cause and origin of fires; work to maintain chain of custody of fires under investigation; certified police officers, responsible for interrogation and arrest of arsonists; maintain all fire certifications and have working knowledge of fire behavior; report directly to Lead Investigator

Staffing Support – In addition to the requested positions, this offer also maintains funding for support equipment, materials and supplies, including but not limited to, work stations with computers and/or laptops and desk phones, assigned take-home passenger vehicles for daily function and response when needed, cell phone stipends, and additional personnel costs such as uniform allowance as mandated by City Charter Title 13, Section 13.14., and longevity pay as it applies to City personnel.



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Fire Prevention Bureau – Operating Expenses

In addition to the staffing request for this division, this offer also seeks to maintain operating expenses at a cost of \$11,545. These expenses include daily divisional operating expenses, such as equipment, supplies and materials pertinent to maintaining the function of this division’s work and office space.

Fire Prevention Bureau – Overall Performance Metrics

- **Evaluation of Inspections** – To ensure inspectors are performing adequately, inspections will be tabulated and reported to ensure the overall goal of preventing fires occurs
Current: CFD Inspectors currently average about 675 per year
Goal: Increase number of inspections per inspector per year to reach 720 (6.25% increase)
Tabulation: Continue to maintain monthly inspection numbers per inspector and report quarterly

- **Evaluation of Investigations** – To ensure adequate performance, number of fires investigated and arrest/conviction measures will be tabulated
Current: CFD Investigators have investigated an average of 56 arson fires per year with a conviction rate of 96% (see table below)
Goal: Maintain performance and high conviction rate of arsonists
Tabulation: Maintain annual statistics on conviction rates and report annually

Table 4: Fire Investigation Statistics

| Fire Investigation Statistics | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Investigation Categories: | 2009 | 2010 | 2011 | 2012 | 2013 |
| Arson Fires | 52 | 51 | 62 | 69 | 49 |
| Total Arrests (Adult) | 8 | 10 | 11 | 10 | 5 |
| Total Arrests (Juvenile) | 11 | 3 | 1 | 2 | 4 |
| TOTAL ARRESTS | 19 | 13 | 12 | 12 | 9 |
| Conviction Rate (Adult) | 100% | 100% | 100% | 100% | 80% |
| Conviction Rate (Juvenile) | 100% | 100% | 100% | 100% | 100% |
| Fire Fatalities | 1 | 3 | 8 | 0 | 3 |
| Civilian Injuries | 13 | 5 | 6 | 5 | 17 |
| Firefighter Injuries | N/A | N/A | N/A | 3 | 4 |
| Cases Closed w/Arrest | 12 | 10 | 14 | 11 | 12 |
| % of Arson Closed w/Arrest | 23.1% | 19.6% | 22.6% | 15.9% | 24.5% |
| Fires Investigated \$ Loss Amount | \$8,138,900 | \$5,068,150 | \$6,409,300 | \$4,373,700 | \$3,462,550 |



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Fire Prevention Bureau – Fire Plans Review Officer Collaborative Offer

- **Summary** – This offer seeks to collaborate with the department of Economic and Community Development (ECD) Land Development Office (LDO) to provide better customer service by enhancing plans review performance.
- **Problem** – Currently, the Fire Plans Review Officer performs multiple functions for the fire department, as a Fire Plans Reviewer, Water Supply Officer, Mapping Officer, and other duties, as needed. Since each of these could easily be fulltime positions, this position is spread detrimentally thin, and unable to be present at the Development Resource Center (DRC) as often as needed for the review of plans, communication of needs, interaction with customers in the design, development and construction processes, and attendee for pre-submittal and variance board meetings.
- **Plan** – The plan would entail a 4-6 hour office requirement for the plans reviewer to be available at the Development Resource Center (DRC) for plans review and to answer questions related to fire protection and the fire plans review process. The remainder of the 2-4 remaining hours would be used for site visits and interaction with the Fire Marshal’s Office.

To streamline the construction plans review process, all permits and fees related to the fire department’s role in the development process, would be collected at the DRC. If accepted, this offer will require an ordinance change because Ordinance 12356, Section 16-20, requires that all “fire department” related fees be collected at the “Fire Marshal’s Office.” In order to fully satisfy customers and create a true “one-stop-shop” at the DRC, this change must occur.

- **Cost** – This collaboration shares funding as follows:
 - CFD Funding: Salary and Benefits - \$88,971.16** – The CFD will fund this sworn position, as the CFD feels strongly that the Fire Plans Review Officer should have a background as a firefighter to understand fire behavior, fire department access limitations, intent of the fire code and in general, review properties as if he or she were responding to a fire. In addition, the CFD will provide a take-home vehicle. This provides a means for this officer to respond to incidents or issues, as needed.
 - ECD/LDO Funding: Computer and Equipment, etc. - \$5,000** – The LDO will fund a workstation with a laptop and laptop docking station, a monitor capable of reviewing plans, all needed office supplies and materials, and all necessary software licenses. In addition, the LDO will fund a cell phone stipend to ensure a means of communication.
- **Collaboration Metrics**
 - **Goal:** Increase customer satisfaction with the Fire Plans Review process and communication
 - **Measure:** A customer satisfaction survey will be created and periodically disseminated to “customers,” including design professionals, architects, contractors, developers, etc.; the design of the survey will be questions answered on a scale of 1-10 with 10 being the highest; survey will measure speed of service (plans review turnaround time), strength of communicating project needs, and overall customer satisfaction with the service provided.
 - 1) The Fire Plans Reviewer will provide the survey to “customers”
 - 2) When the survey is completed it will be returned to the Fire Marshal who will create a quarterly report
 - 3) The report will be provided to and discussed with LDO officials and the fire plans reviewer
 - 4) The plans reviewer will adjust his or her performance accordingly



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Fire Prevention Bureau – Public Education Collaborative Offer

- **Summary** – This offer seeks to collaborate with the Department of Youth and Family Development (YFD) to provide public education opportunities to at-risk populations.
- **Problem** – Currently, fire safety education is understaffed and provided at the availability of fire inspectors. While very capable to provide a minimal overall program, there are many public education opportunities that must be turned away due to the inability to staff requested events. Along with the staffing issue, the CFD recognizes that it has not been able to target groups, such as inner city children and teenagers and older populations, who have a statistically higher risk of fire injury and death.

Table 5: Fire-Related Injury and Death – At-Risk Groups

| Public Education - At-Risk Groups | |
|--|---|
| Groups at increased risk of fire-related injuries and deaths. | |
| Children 4 and under | Poorest Americans |
| Older Adults - 65+ | Persons living in rural areas |
| African Americans | Persons living in manufactured or substandard housing |
| Native Americans | |

Centers for Disease Control and Prevention (CDC) website - CDC 2010; Flynn 2013; Istre 2001; Ahrens 2003; Runyan 1992; Parker 1993

- **Plan** – This offer seeks to collaborate with YFD by providing a shared education solution. Though the Public Educator’s role would primarily be accountable to the Fire Marshal, the Public Educators would coordinate schedules with YFD. YFD leadership would provide the Public Educators points of connection to at-risk populations, as well as, various avenues of programmatic opportunity at the Youth and Family Development Centers. For instance, the Public Educator might work with YFD coordinators to provide after-school fire safety classes. In a series of classes, one class might focus on cooking fire safety, while another might focus on heating fire safety.
- **Cost** – This collaboration does not share funding per se, but the offer is explained as follows:
CFD Funding: Salary and Benefits - \$88,971.16 – If approved, the CFD will fund the sworn position by “unfreezing” a position in the FPB. A sworn position is sought, as the department feels strongly that the Fire Public Educator has a background as a firefighter to understand fire behavior so that passion and experience are motivators for the presentations.

YFD Funding: None – The YFD will provide programming and classroom venues at the Youth and Family Development Centers, as well as, any additional staffing needs for specific classes or events.

Collaboration Metrics

- **Overall Goal:** Increase public education to at risk populations
- **Measures:** Sign-in Sheet Tracking and Testing for Knowledge
 - 1) **Sign-in Sheet Tracking** – Public Educator has students sign-in to track number of students receiving fire safety information
GOAL: Reach 100 students in FY 2015
 - a. Sheets are retained to determine “who” and “how many”
 - b. Numbers are tabulated into quarterly reports



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- c. Report disseminated to Fire Chief, YFD Department Head and Deputy COO
 - 2) Testing for Knowledge – Pre-test provided prior to and post-test after each learning opportunity; Public Educator provides age appropriate, 10-question test to establish knowledge-base and to ensure information retention
PREMISE: Assumption is that students will not perform as well on pre-test in correlation to post-test – will help determine need for program and therefore, this offer
GOAL: 90% of students taught to correctly answer 8 of 10 questions (80%) on post-test
 - a. Test scores are tabulated and published in quarterly report
 - b. Report disseminated to Fire Chief, YFD Department Head and Deputy COO
-

Fire Prevention Bureau – Mandates, Standards and Recommendations

- **Chattanooga City Code – Chapter 17** – Establishes and outlines a “Bureau of Fire Prevention” and other pertinent information for the department
 - **State of Tennessee** – The State has given the City of Chattanooga the status of “exempt jurisdiction,” pursuant to Tennessee Code Annotated (TCA) 68-120-101, which requires local authority to adopt the International Building Code (IBC) and International Fire Code (IFC), provide and maintain fire code enforcement activities, including fire plans review and fire code inspection and enforcement.
 - **NFPA 1031, Standard for Professional Qualifications for Fire Inspector and Plans Examiner** – In accordance with State Law, standard provides fire code inspectors qualifications to perform fire code inspections; basis for required NFPA certification as “Certified Fire Inspector 1,” which is used by the State for Tennessee Fire Inspector 1, which provides legal right for performance
 - **NFPA 1035, Standard for Professional Qualifications for Public Fire and Life Safety Educator** – Establishes standards for educating the public on fire and life safety
 - **Chattanooga City Code – Ordinance 12764** – Adopts the 2012 International (IFC) and the National Fire Protection Agency (NFPA) 101 Life Safety Code as official Fire Code for the City
 - **Chattanooga City Charter – Title 2, Section 2.1(19) and 2.1(20)** – Grants power to prevent and regulate fire hazards and power to establish a Fire Prevention Bureau
 - **International Association of Arson Investigators** – Establishes standards for investigation of fires, and for determining cause and origin; provides a certification process to establish qualifications
 - **Chattanooga Police Department** – All arson investigators must attend and complete the Chattanooga Police Academy; each investigator must become and maintain “post-certification” to legally carry necessary weapons; dual trained and sworn as both fire and police officers
 - **City Charter – Title 13, Section 13.14.** Uniform and equipment allowance, the City of Chattanooga shall provide in each fiscal budget a uniform and equipment allowance to all sworn fire personnel.
 - **City Ordinance – Longevity Pay** – Pursuant to the City’s annual ordinance renewal to provide incremental bonus pay based on a fulltime employee’s years of continuous service.
-

Fire Prevention Bureau – Offer Conclusion

In conclusion, the Fire Chief and the Chattanooga Fire Department would like to thank Mayor Berke and the Leadership Team for the opportunity to submit this offer to maintain and enhance the excellent service the CFD provides to Chattanooga. As the CFD mission states, we are truly dedicated to protecting life, property and community resources through preventative measures, which is what this offer is all about. It is an honor to serve our citizens and guests on what is undoubtedly one of the worst days of their lives. This offer simply seeks to continue that excellence of service. Again, thank you for the opportunity.



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Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

*See each section above for more thorough information regarding each of the Desired Outcomes this offer hopes to impact.

1. **Reduce fire risk** – Fire risk is reduced in through all aspects of the Fire Prevention Bureau, including code enforcement efforts, public education, and fire investigation.
2. **Increase the sense of safety in the City** – Though difficult to quantify prevented fires, the sense of safety in the City is increased through the proactive activities of code enforcement and public education.
3. **Reduce violent crimes** – Arsons are considered violent crimes that can affect individuals, families and entire communities. When offenders are taken off street, there is reduction in violent crime. Locally, according to the experience of CFD Fire Investigators, arsons occur more frequently as a means or opportunity to harm others, than for fraudulent or financial reasons.
4. **Reduce juvenile crime** – Some arson occurs at the hands of juveniles. This offer seeks to reduce that amount.
5. **Increase citizen satisfaction with services** – There is currently a disconnect between the fire plans review process and the streamlining of construction projects. This offer seeks to better connect the plans review and inspection disciplines to ensure high customer satisfaction.
6. **Increase employment** – As developers seek to invest in the community, they create and maintain jobs in the design community and construction industry. This offer bolsters that effort by streamlining the plans review and permitting processes.
7. **Maintain healthy economy and employment** – Virtually everyone knows someone who has been impacted by a devastating fire. Even when no one is home or employees exit safely, fires can devastate homes and buildings. When a homeowner or renter is consumed with after-the-fire needs, he or she must take time off from work. Likewise, when a business is severely damaged by fire, employees cannot work and daily bills cannot get paid. Fire devastates every level of one’s life.
8. **Education of at-risk populations** – This offer seeks to partner with the YFD to create opportunities of education that have not previously been available. It seeks to leverage resources and apply staffing in proactive collaboration. See “FPB Public Education – Collaborative Offer” for details.

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|-------------------------------|--|-----------------|--------------------|---------------|------------------|
| Fire – Fire Prevention Bureau | \$1,528,232 | \$11,545 | \$1,539,777 | 100% | 16 |
| Total | \$1,528,232 | \$11,545 | \$1,539,777 | 100% | 16 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes XNo \$Amount

**Please prepare and attach Capital Budget Request Form*



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Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| N/A | N/A |

PERFORMANCE DATA

Measurement 1: Evaluation of Inspections – To ensure inspectors are performing adequately, the number of inspections will be tabulated and reported (currently tracked by Calendar Year – will tabulate Fiscal Year beginning this year)

| 2011 (Calendar) | 2012 (Calendar) | 2013 (Calendar) | 2014 Target |
|-----------------|-----------------|-----------------|-------------|
| 4,888 | 4,144 | 3,029 | 3,750 |

Measurement 2: Evaluation of Investigations – To ensure adequate performance, number of fires investigated and arrest/conviction measures will be tabulated and reported (currently tracked by Calendar Year – will tabulate Fiscal Year beginning this year)

| 2011 (Calendar) | 2012 (Calendar) | 2013 (Calendar) | FY2015 Target |
|-----------------|-----------------|-----------------|---------------|
| 100% | 100% | 80% | 100% |

Measurement 3: Collaboration – Evaluation of Plans Review Services – To increase customer satisfaction with the Fire Plans Review process and communication

Note: A customer satisfaction survey will be created and periodically disseminated to “customers,” including design professionals, architects, contractors, developers, etc.; the design of the survey will be questions answered on a scale of 1-10 with 10 being the highest; survey will measure speed of service (plans review turnaround time), strength of communicating project needs, and overall customer satisfaction with the service provided.

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|--|
| N/A | N/A | N/A | Establishing Baseline – Goal: Receive 8-10s for Customer Satisfaction |

Measurement 4: Collaboration – Evaluation of Public Education Efforts - To increase public education to at risk populations

Note: Evaluation will be tabulated and reported through sign-in sheet tracking and testing for knowledge

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---|
| N/A | N/A | N/A | Establishing Baseline – Goal: Reach 100 children |

Return on Investment:

How do citizens benefit? The CFD seeks to maintain excellence in preventing fires, which occurs through the continued funding and proactive work of the CFD Fire Prevention Bureau. As stated, the best fire is the one



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that is prevented or is minimized because of fire prevention activities. Though difficult to quantify prevented fires, national and local statistics bear this premise out through an overall reduction in structure fires. This occurs through code enforcement inspection and plans review, an educated public that can prevent fires or know how to react in the event of a fire, and fire investigative activities that put arsonists behind bars. It is important to also see the converse of the good, proactive work these men and women perform. If the Fire Prevention Bureau is not funded, the results could be devastating for our citizen's and business owner's lives and properties.

Therefore, as this offer is funded, citizens can continue to anticipate excellent fire prevention services through code enforcement, public education and fire investigation. In addition, as noted in the "Overall Performance Metric" section, citizens can now expect a more efficient and effective plans review process and higher customer satisfaction through the collaborative offer with Economic and Community Development that adds one sworn Fire Plans Reviewer, increased fire and life safety inspections with "unfreezing" of one "frozen" Fire Inspector, and increased public education to at-risk youth and families through a collaborative offer with Youth and Family Development that "unfreezes" the other the other fire prevention position.

Does this activity leverage other financial resources? Only through interdepartmental collaborations.

How does this decrease costs over time? N/A

Chattanooga Fire Department

Offer 3 – FY2015 BFO Feedback Response

Forward

There is no better means the Chattanooga Fire Department can provide as an indicator, highlight or emphasis to the Mayor's leadership priorities and concern for the citizens of Chattanooga than when life-saving service is provided or when catastrophic fires are prevented or minimized. That is how the Chattanooga Fire Department can best support the Mayor's vision, by providing excellent service through highly trained, highly skilled men and women, who are adequately equipped and supported to perform the vast range of duties for life safety, incident mitigation and property conservation.

The following response was composed in direct response to specific questions regarding the department's six BFO offers.

Fire Prevention Bureau

Fire Department

\$1,539,777

- How prevalent is arson in our city? What effect should this offer have on that situation?

As stated in Table 5 of Offer 3 – Fire Prevention Bureau on page 7, last year there were 49 arson fires. According to the same table, statistics denote a 5-year average of 56.6 arson fires per year. This offer seeks to maintain the current capabilities within the Fire Investigation Division that currently performs very well with a conviction rate of 96% over the same 5 years. These individuals are dual-trained firefighters and police officers, and provide service 24 hours per day, 7 days per week and 365 days per year. It would actually be optimal for citizens and investigators to fund a fourth Fire Investigator position to better accommodate training and leave time within the division, but this offer prudently seeks other positions of greater need and priority in other divisions.

- Why do fire inspectors need to be sworn? Is it worth the additional cost?

Fire Inspectors (also called Assistant Fire Marshals) provide an invaluable service to citizens. It would be impossible to quantify all of the fires that have not occurred due to the preventative nature of the work performed by this division.

It is important to remember that fire code enforcement includes a fundamental understanding of fire behavior. For the best possible application and enforcement of the fire code, that fundamental understanding must come from experience. The fire code was not only written for the protection of the public, but also written for the protection of firefighters who would be responding and entering a building that is undergoing a destructive fire. That means that when a building's structural components are compromised, there are potential risk factors beyond just the heat of the fire. Therefore, in the CFD leadership's opinion, this is best accomplished by sworn personnel who have experiential application of how firefighters would respond to a structure fire and to fire behavior.

In other words, in every inspectable structure, the Fire Inspector needs to be able to see from a firefighter's perspective, which asks, "As the public is running out of burning structure, and we are

Chattanooga Fire Department

Offer 3 – FY2015 BFO Feedback Response

running in, what fire protection implements should be in place for firefighters to respond and act as safely as possible?” While a civilian can be taught an academic understanding, there would not be an experiential view of how the fire protection implements should work together to ensure that the public not only gets out safely, but firefighters are reasonably protected as they respond in and perform fire suppression activities.

Another perspective to help the reader understand is that in other inspection disciplines, such as a plumbing inspector or an electrical inspector, there is similar reasoning applied. Most plumbing inspectors were plumbers prior to accepting the plumbing inspector position, and most electrical inspectors were electricians. In fact, they were likely hired because of not only their knowledge base, but also their **experience** in the given field. These individuals provide a practical and experiential application of knowledge. The same is true for all staff officer positions in the Fire Prevention Bureau. They are able to provide a practical and experiential application of knowledge for the overall benefit of the community. Experienced firefighters provide the most cost effective application for the taxpayer with regard to the necessary work of these positions.

Note: To keep the reader from having to read this reasoning multiple times, the perspective above should be applied to all questions regarding why positions need to be sworn.

It is absolutely worth the additional cost to our citizens and responding firefighters, as both groups have a reasonable expectation of the measure of protection that the fire code can provide. It’s important to remember that the fire code not only prevents devastating fires, but can also minimize the impact of a fire through quick fire department response initiation or other fire suppression means, such as sprinkler systems, kitchen hood suppression systems, etc. Many times these systems hold the fire in check until firefighters arrive. Since fires can double their size every minute, it’s important that all of these systems work together for public and firefighter safety.

In addition, as with all “staff officer” positions, sworn personnel have the experience and understanding to provide frontline response capability. Similar to the Marines, where all personnel may be called on for combat duty, all staff officers may be called on for emergency response duties. As an example, in April, many senior firefighters and lieutenants will be going through promotional testing, which will lower staffing. Instead of shutting companies down throughout the City to accommodate the advancement testing, staff officers, and chief officers will be filling the roles of response to our community. Another potential need is during large scale events, such as the tornado events in 2011. Two response units were formed by calling in staff officers to provide the necessary staffing due to the call load. This type of response capability may occur a few of times a year, but it is vital to ensure that emergency response, the department’s primary function, continues. Obviously, this type of response redundancy could not occur with civilian employees.

Note: Similar to the previous “Note,” to keep the reader from having to read this reasoning multiple times, the perspective above should be applied to all questions regarding why positions need to be sworn.

Chattanooga Fire Department

Offer 3 – FY2015 BFO Feedback Response

- Why does a water supply officer need to be sworn?

Similar to the reasoning for the needs of the sworn Fire Inspector positions, the Water Supply Officer should be sworn to provide experiential application of water supply needs for a fire response. A civilian employee can be given an academic understanding of water supply systems, but would not have a foundational firefighter experience to apply that knowledge. An experienced firefighter knows what it feels like to turn on a hydrant and there not be water. An experienced firefighter understands the redundancy needs of providing water to on scene Incident Commanders, who must make split second decisions about life safety and property conservation.

This particular position is also called on by the local water purveyors to provide expertise in the placement of hydrants. Similarly, new development generally requires that hydrants be installed, and the Water Supply Officer uses his/her practical firefighting knowledge to determine placement and foresee potential issues, if not installed in the appropriate location. Having never responded to fires, most civilians would not have this practical application.

As an example, the CFD Water Supply Officer responded to the gas fed fire in Lookout Valley last week. There were two hydrants on scene that were not operable due to location and involvement of the fire. Due to his quick response, he was able to provide valuable information to the Incident Commander and the incident was resolved more quickly.

Again, the additional cost of a sworn position is well worth the investment to our citizens and on scene fire companies because of the experiential understanding of fire behavior and water supply.

- Why does a fire plans reviewer need to be sworn? Why would he/she need a take-home vehicle?

Again, similar to the justification for the Fire Inspector positions to be sworn, the Fire Plans Review Officer provides invaluable insight to the plans review process due to his/her experience as a firefighter. The sworn Fire Plans Review Officer has responded to and entered burning structures. He or she needs to be able to see beyond an academic understanding with eyes that have experienced fire behavior and suppression operations. This person needs to be able to envision potential hindrances to fire department access, potential water supply issues, as well as have practical understanding of fire code enforcement, and what necessary fire protection implements will be required for the safety of the public and responding firefighters.

This position is not only a plans reviewer, but also has inspection and response duties, as with other staff officer positions, particularly Fire Inspectors, who respond to fire scenes and other incidents when their expertise is needed to mitigate the incident or provide consultation. Therefore, a take-home vehicle is required for any after-hours response duties, when necessary.

Note: Similar to the previous “Note,” to keep the reader from having to read this reasoning multiple times, the perspective above should be applied to all questions regarding why positions need to be sworn.

Chattanooga Fire Department

Offer 3 – FY2015 BFO Feedback Response

- Why does the records officer need to be sworn?

The title “Records Officer” and the description in the offer have not done justice to this position. In the interest of brevity, all of the duties were not thoroughly outlined. In addition to the duties outlined in the brief description on page 6 of Offer 3 – Fire Prevention Bureau, the Records Officer provides quality assurance to incident reporting, develops and adjusts “run cards” for each district and sub-district according to station location and the necessary level of response, and as noted in the description, provides expertise in relocating fire companies during large scale events to ensure the City is properly protected with available resources. As an example, during the 2-alarm fire at Patton Towers a few months ago, which required 12 of the 26 frontline companies, the Records Officer responded to HC911, and relocated companies to ensure coverage for the remainder of the City was accommodated. Because of his practical knowledge, he also had the authority “tier down” responses, only sending one or two apparatus on certain calls. Those types of decisions and situations call for an expertise that can only be gained as an experienced firefighter. These are all vital functions of this position best provided by a sworn officer, who has experienced emergency response.

Note: Similar to the previous “Note,” to keep the reader from having to read this reasoning multiple times, the perspective above should be applied to all questions regarding why positions need to be sworn.

- Why would the public educator need to be sworn?

As stated on page 6 of Offer 3 – Fire Prevention Bureau (the second asterisk under the description of Public Educator), “...this offer provides a Public Educator who has an experienced understanding of fire behavior...” In the interest of brevity, this statement was not expounded. Similar to the reasoning for the other positions to be sworn in this offer, real life experience provides the best possible background of understanding. When teaching children or adults, an experienced voice speaks far louder than one that has not endured the heat of a fire or seen the results of victims burned by fire or overcome by smoke. As public educators, we all speak from our experiences, regardless of the topic being presented. How much more important for fire and life safety?

Experienced firefighters provide the most cost effective application for the taxpayer with regard to the necessary work of these positions. As sworn firefighters, we can provide the best teacher, because we have witnessed the devastation of fire firsthand. We have seen the effects of fire on the human body, and depending on our audience, can share these stories to apply the knowledge the students are gaining. For example, it’s one thing to “know” not to attempt to move a pot of burning oil from the stove. It’s much more poignant to share a story of experience where a little girl opened the door for her mother, who tripped and spilled the burning liquid on her daughter causing second-degree burns on much of the little girl’s body. Obviously, we wouldn’t share that story with a Kindergartner, but it is a very impressive story to share with older children, teens and adults.

Note: Similar to the previous “Note,” to keep the reader from having to read this reasoning multiple times, the perspective above should be applied to all questions regarding why positions need to be sworn.

Chattanooga Fire Department

Offer 3 – FY2015 BFO Feedback Response

- How will this offer reduce the need for personnel and equipment to respond to calls?

It will not. This offer is about providing the citizens of Chattanooga and responding firefighters with safety and movement toward optimal service. This offer seeks to prevent fires and/or minimize the impact of fire when it occurs. This offer seeks to bolster the proactive arm of the local fire service through fire code enforcement, fire plans review, fire safety education and fire investigation activities that take arsonists off the street. Remember, the safest fire is the one that never occurs because of the work provided by this proactive arm.

This offer does not diminish the need for what is requested in the Response Operations offer. Fires will still occur. Accidents will still happen. Citizens will still need skilled and equipped problem solvers to make their very bad situation better. The offers made by the Chattanooga Fire Department work in accord to provide a comprehensive, exceptional service to Chattanooga. The leadership of the department knows what it takes to provide optimum service to our citizens. Particularly since the recession, the CFD hasn't always been able to provide that optimum level. These are offers to move in that direction, which also highlights the Mayor's stated priorities and objectives.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|------------------|-------------------------------|-----------------------|----------------------|
| Offer Name: | Fire Training Division | Department | |
| Offer Number: | 6 | Offer Rank: | 6 of 7 |
| Lead Department: | Fire Department | Collaboration: | Y X N |
| Administrator: | Fire Chief Lamar Flint | | |
| Offer Cost: | \$781,683 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Fire Training Division

“The Chattanooga Fire Department is dedicated to protecting life, property and community resources through prevention, preparation, response and mitigation.” (CFD Mission Statement, 2001)

In support of the mission of the Chattanooga Fire Department (CFD), this offer requests funding for the Fire Training Division. This division provides comprehensive instruction and training opportunities for all sworn personnel, from basic, emergency service instruction in the Fire Academy, to daily Station School coordination and advanced skills training for all sworn personnel. This division also maintains required training records for all sworn personnel, and maintains the regional fire training facility located on Amnicola Highway. The Training Instructors are experienced emergency service providers, who desire to share their knowledge and experience through course instruction and practical hands-on evolutions. Due to the nature of instructional time, Fire Instructors work four, 10-hour days to best accommodate the volume and types of training.



City of Chattanooga

FY15 Offers

Fire Training – Results Area and Desired Outcomes

Primary – Safer Streets

1) Increase the sense of safety in the City – The sense of safety in the City increases when victims, families and neighbors experience and/or witness life-saving and property-conserving response by thoroughly trained and equipped responders. Citizens have a reasonable expectation to feel protected regardless of the emergency's nature, which cannot occur without proper training.

Budget Strategies Realized: In order to maintain safe and secure streets, facilities and public spaces, the department must provide efficient and effective emergency response, which cannot occur without initial and continuous adequate training.

2) Reduce fire risk – Fire risk is reduced by an efficient and effective fire response. This Desired Outcome begins with training. Life-saving and property-conserving response cannot occur efficiently or effectively without proper training.

Budget Strategies Realized: In order to maintain safe and secure streets, facilities and public spaces, the department must provide efficient and effective emergency response, which cannot occur without initial and continuous adequate training.

Fire Training – Staffing

Summary – This offer seeks to maintain funding and personnel costs, including salaries, benefits, applicable uniform allowances and applicable longevity bonuses for six (6) FTEs and “unfreeze” one (1) FTE, at a cost of \$704,407. These highly trained personnel work hard to ensure that CFD personnel are trained to provide fundamental emergency response service to the City.

Training Chief (1) – Sworn position providing oversight of all CFD Training activities, equipment and materials; manages use of the training facility and grounds; coordinates mandated State In-Service training; oversees coordination of and maintains records for daily Station School; oversees drill tower training evolutions; ensures that training equipment is available and maintained; supervises fire training staff; provides expertise toward research and policy development; routinely works with Human Resource Department toward Fire Academy and promotional opportunities; works with Tennessee State Fire Commission, TEMA and other outside entities to provide training opportunities; responds to large-scale incidents to provide experiential consultation to the Incident Commander for mitigation; reports directly to Executive Deputy Chief

Fire Instructors (5) – Sworn positions that provide classroom lectures and hands-on training opportunities to help company officers and firefighters grow in knowledge, skill and ability; instruct and evaluate state certifications; provide initial fire, EMS, hazardous materials, and extrication training to Fire Academy recruits; work with outside agencies to provide additional instructional opportunities; work with Tactical Services Division to provide technical rescue training opportunities; build Station Schools for daily continuing education requirements at the fire company level; also can respond to large-scale incidents; report directly to the Training Chief

*In addition to maintaining the four (4) positions, **this offer seeks to “unfreeze” one (1) Fire Instructor position “frozen” during the FY2014 budget. This position brings the total requested Fire Instructions to five (5)** and is critical to the overall function of providing exceptional training opportunities to over 400 personnel. When these positions are not funded, the training workload is increased on existing instructors, which reduces the overall effectiveness of the training program and compromises safety to firefighters, the community. See the CFD Executive Summary for further information.



City of Chattanooga

FY15 Offers

Administrative Support (1) –Civilian position that helps manage the training staff’s and training facility’s calendar, as well as provide administrative functions, such as reception, record keeping and filing; reports directly to Training Chief

Staffing Support – In addition to the requested positions, this offer also maintains funding for support equipment, materials and supplies, including but not limited to, work stations with computers and/or laptops and desk phones, assigned take-home passenger vehicles for daily function (Training Chief only) and response when needed, cell phone stipends (Training Chief only), and additional personnel costs such as uniform allowance as mandated by City Charter Title 13, Section 13.14., and longevity pay as it applies to City personnel.

Fire Training – Operating Expenses

In addition to the staffing request for this division, this offer also seeks to maintain minimal operating expenses at a cost of \$77,276. These expenses include daily divisional operating expenses including contract services, equipment, supplies and materials pertinent to maintaining the function of the office and facility

Fire Training – Overall Performance Metrics

- **Maintain Station School Training Hours** – To ensure firefighters are receiving adequate Station School training conducted at fire company level
 - **CFD Current:** Sworn personnel are required to participate in nine (9) three-hour Station School training classes that occur on-shift through company officer
 - **CFD Goal:** Maintain Station School training hours at fire company level
 - **Tabulation:** Contact hours will be tabulated and reported

 - **Increase Hands-on Drill Tower Training** – To ensure all sworn, operational personnel are receiving adequate hands-on training opportunities
 - **CFD Current:** Sworn personnel receive periodic hands-on, drill tower training
 - **CFD Goal:** Increase hands-on opportunities from “periodic” to “quarterly” drill tower training events
 - **Tabulation:** Training events documented through sign-in rosters, tabulated and reported through FDM (fire department’s records database)

 - **Maintain Training Events with Tri-Com VFD** – To ensure seamless operations when the CFD responds with Tri-Community Volunteer Fire Department (Tri-Com) in the annexed area of Ooltewah
 - **CFD Current:** Quarterly training is provided with Tri-Com
 - **CFD Goal:** Maintain quarterly, collaborative training opportunities with Tri-Com
 - **Tabulation:** Training events documented through sign-in sheets at each training event and reported through FDM
-



City of Chattanooga

FY15 Offers

Fire Training – Collaborative Offers

Collaboration Summary – The CFD Fire Training Division seeks to continue collaboration by assisting other departments in various ways. While these collaborations do not share funding, they provide cost savings to taxpayers, as City departments continually work together to provide expertise, training and assistance.

Police Department – This offer seeks to continue collaboration with the Police Department for continued use of the facility and grounds, and provide interdepartmental training, such as Incident Command System (ICS) and National Incident Management System (NIMS) training to Police Supervisors for Federal grant compliance.

- **Collaboration Metrics** – Tabulation of number of police supervisors trained

Public Works Department – In addition, the Fire Training Division seeks to continue collaboration with the Department of Public Works to provide annual fire extinguisher training to Public Works employees.

- **Collaboration Metrics** – Tabulation of number of Public Works employees trained
-

Fire Training – Mandates, Standards and Recommendations

- **State of Tennessee** – The CFD Training Division provides the CFD training building and grounds as part of the Tennessee Fire Commission’s East Division for state regional training.
 - **State of Tennessee** – All fire instructors must be State-Certified to instruct and/or proctor for State Certifications for the following: Firefighter 1, Firefighter 2, Fire Apparatus Operator, Fire Instructor 1, Fire Officer 1, and Fire Officer 2; These certifications provide a “third-party” standard for various operational and administrative roles and competencies.
 - **NFPA 1021, Standard for Professional Qualifications for Fire Instructor** – CFD Training Division requires that fire instructors meet these professional qualifications
 - **NFPA 1403, Standard for Live Fire Training Evolutions** – Provides a standard for fire trainees to experience live fire operations through a relatively safe environment
 - **OSHA 1910.120** – This OSHA regulation ensure the respiratory protection for emergency responders in IDLH atmospheres (Immediately Dangerous to Life and Health).
 - **OSHA 49cfr180.205** – This regulation requires the “periodic requalification” of cylinders, including SCBA cylinders used for respiratory protection during emergency response.
 - **NFPA 1911, Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus** – Requires annual pump testing for CFD engine, quint and squad apparatus, and annual aerial ladder testing for CFD ladder and quint apparatus.
 - **City Charter – Title 13, Section 13.14.** Uniform and equipment allowance, the City of Chattanooga shall provide in each fiscal budget a uniform and equipment allowance to all sworn fire personnel.
 - **City Code – Chapter 16 Fire and Police Departments** – general parameters for employees
 - **City Ordinance – Longevity Pay** – Pursuant to the City’s annual ordinance renewal to provide incremental bonus pay based on a fulltime employee’s years of continuous service
-

Fire Training – Offer Conclusion

In conclusion, the Fire Chief and the Chattanooga Fire Department would like to thank Mayor Berke and the Leadership Team for the opportunity to submit this offer to maintain and enhance the excellent service the CFD provides to Chattanooga. As the CFD mission states, we are truly dedicated to protecting life, property and community resources. It is an honor to serve our citizens and guests on what is undoubtedly one of the worst days of their lives. This offer simply seeks to continue that excellence of service. Again, thank you for the opportunity.



City of Chattanooga

FY15 Offers

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

***See each section above for more thorough information regarding each of the Desired Outcomes this offer hopes to impact.**

1. Increase the sense of safety in the City – The sense of safety in the City increases when victims, families and neighbors experience and/or witness life-saving and property-conserving response by thoroughly trained and equipped responders. Citizens have a reasonable expectation to feel protected regardless of the emergency’s nature.

2. Reduce fire risk – Fire risk is reduced by an efficient and effective fire response. This Desired Outcome begins with training. Life-saving and property-conserving response cannot occur efficiently or effectively without proper training.

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|-------------------------------|-------------------------------------|-----------------|------------------|-------------|---------------|
| Fire – Fire Training Division | \$704,407 | \$77,276 | \$781,683 | 100% | 7 |
| Total | \$704,407 | \$77,276 | \$781,683 | 100% | 7 |

***Amounts MUST agree with collaborating Department totals for this offer**

Capital Budget Impact? XYes No \$1,277,358.25 \$ Amount – Fire Drill Tower

***Please prepare and attach Capital Budget Request Form**

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| N/A | N/A |

PERFORMANCE DATA

Measurement 1: Maintain Station School Training Hours (see Fire Training – Overall Performance Metrics section above for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|--|
| N/A | N/A | N/A | Establishing Baseline – 27 hours/month/firefighter |

Measurement 2: Increase Hands-on Drill Tower Training (see Fire Training – Overall Performance Metrics section above for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|----------|----------|---|
| N/A | Periodic | Periodic | Establishing Baseline – 4 drills/company/year |



City of Chattanooga

FY15 Offers

Measurement 3: Maintain Training Events with Tri-Com VFD (see Fire Training – Overall Performance Metrics section above for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|----------|--|
| N/A | N/A | Periodic | Establishing Baseline – 4 training events/year |

Return on Investment:

How do citizens benefit? The sense of safety in the City increases when victims, families and neighbors experience and/or witness life-saving and property-conserving response by thoroughly trained and equipped responders. Citizens have a reasonable expectation through their tax dollar investment to feel protected regardless of the emergency's nature. Simply put, adequate emergency response cannot occur without proper training.

Since this division provides training from the basics to the very advanced, if this offer is not supported, then firefighters cease to have basic instruction or hands-on opportunities, and ultimately, our citizens cease to have adequate emergency response.

Therefore, as this offer is funded, citizens can continue to anticipate excellent emergency response service through proper initial and recurring training. In addition, as noted in the "Overall Performance Metric" section, citizens can now expect a more efficient and effective Fire Training Division by the "unfreezing" of one "frozen" position, who will be able to better assist the division and department with overall training objectives.

Does this activity leverage other financial resources? No.

How does this decrease costs over time? No.

Chattanooga Fire Department

Offer 6 – FY2015 BFO Feedback Response

Forward

There is no better means the Chattanooga Fire Department can provide as an indicator, highlight or emphasis to the Mayor's leadership priorities and concern for the citizens of Chattanooga than when life-saving service is provided or when catastrophic fires are prevented or minimized. That is how the Chattanooga Fire Department can best support the Mayor's vision, by providing excellent service through highly trained, highly skilled men and women, who are adequately equipped and supported to perform the vast range of duties for life safety, incident mitigation and property conservation.

The following response was composed in direct response to specific questions regarding the department's six BFO offers.

Fire Training Division

Fire Department

\$781,683

- How will these proposals ensure that you meet your performance goals laid out in your first offer?

In virtually every aspect of the excellent service the Chattanooga Fire Department (CFD) provides, training is foundational. This is true in any industry from VW to McDonald's. How much more important is it for a firefighter, who holds the knowledge, skills and abilities to literally save lives, conserve property and mitigate incidents? Even after graduation from the CFD Fire Academy, NFPA standards recommend, and ISO standards, the State of Tennessee and OSHA requires that firefighters receive frequent and recurring education and training. This offer simply seeks to maintain this ability to the very best of the department's ability, which includes the Fire Training Division staff and facility.

While there is an obvious expense regarding this offer, the services provided are invaluable to our citizens. Our service is measured in two main ways, efficiency and effectiveness. Basically, how quickly can we respond to the emergency needs of our citizens, and once there, how effective are we in mitigating whatever the emergency need was? While there is always room for improvement, we believe that the citizens of Chattanooga would overall compliment our service.

In a 5-year compilation of "After-the-Fire Brochure" questionnaires submitted by citizens, it was found that our "customers", scored us on average 4.9 out of 5. The questionnaire includes two main categories of questions: OUR PEOPLE and OUR SERVICE. While this is not a scientific measure, it definitely denotes that hundreds of citizens over the last 5 years have been pleased with the service provided by the CFD.

To continue to provide what has become a high and excellent level of service, the Fire Training Division must continue to be funded in all aspects, including initial and recurring, fundamental and specialized, academic and hands-on.

Chattanooga Fire Department

Offer 6 – FY2015 BFO Feedback Response

- General
 - What are the most significant changes you propose and why?

The most significant change in this offer was to “unfreeze” one Fire Instructor position. As stated on page 2 of Offer 6, *“This position brings [referring to the “frozen” position] the total requested Fire Instructors to five (5) and is critical to the overall function of providing exceptional training opportunities to over 400 personnel. When these positions are not funded, the training workload is increased on existing instructors, which reduces the overall effectiveness of the training program and compromises safety to firefighters, and ultimately, the community.”*

- If there are no significant changes, why not?

N/A



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|----------------|--|-----------------------|----------------------|
| Offer Name: | Logistics and Technology Division | | |
| Offer Number: | 5 | Department | |
| Lead | | Offer Rank: | 5 of 7 |
| Department: | Fire Department | Collaboration: | Y X N |
| Administrator: | Fire Chief Lamar Flint | | |
| Offer Cost: | \$1,440,894 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Offer 5 – Logistics and Technology Division

“The Chattanooga Fire Department is dedicated to protecting life, property and community resources through prevention, preparation, response and mitigation.” (CFD Mission Statement, 2001)

In support of the mission of the Chattanooga Fire Department (CFD), this offer requests funding for the Logistics and Technology Division, including personnel, position support, and operating expenses pertinent to its function. This division purchases, maintains and manages the inventory of virtually all CFD equipment and materials, supports on-scene emergency operations 24-hours per day when additional equipment is needed to mitigate an incident, supplies personal protective equipment (PPE) and ensures SCBA are operable, provides skilled employees for the maintenance of equipment and facilities, supplies fuel for apparatus and equipment, manages CFD’s comprehensive database and other technology initiatives, works with City Purchasing division to ensure bid and purchasing processes are adhered to, and a wide range of other supportive activities.



City of Chattanooga

FY15 Offers

Logistics and Technology Division – Results Areas and Desired Outcomes

Primary – Safer Streets

1) Increase the sense of safety in the City – The sense of safety in the City increases when victims, families and neighbors experience and/or witness life-saving and property-conserving response by thoroughly trained and equipped responders. Citizens have a reasonable expectation to feel protected regardless of the emergency's nature. Equipping occurs through this division

Budget Strategies Realized: In order to maintain safe and secure streets, facilities and public spaces, the department must provide efficient and effective emergency response, which cannot occur without being adequately equipped.

Secondary – High Performing Government

1) Best utilize available City resources – A “High Performing Government” is one that works within its available resources.

Budget Strategies Realized: This offer seeks to effectively manage all inventory and assets in the most efficient and effective ways. This occurs through inventory management, bid and purchasing processes, efficient delivery of equipment and maintaining equipment and buildings in cost effective ways. In particular, a new inventory management system will assist the department in more efficient inventory and audit processes, increased asset reporting capability, and better tracking of CFD asset issuance, which provides better accountability.

Logistics and Technology Division – Staffing

Summary – This offer seeks to maintain funding and personnel costs, including salaries, benefits, applicable uniform allowances and applicable longevity bonuses for ten (10) FTEs and “unfreeze” one (1) FTE, at a cost of \$700,724. This portion of the offer supports the vital work being done by the CFD Logistics and Technology Division. Each position is briefly described in this section.

Logistics and Technology Chief (1) – Sworn position that provides a wide range of oversight of all CFD assets and inventories, from purchase and delivery of toilet paper to the construction, operation and maintenance of all CFD buildings; oversees department contracts, and manages bidding, purchasing and procurement processes; uses operational experience to work with Fire Chief and Deputy Chiefs to determine apparatus and equipment needs; works directly with Purchasing Division of Finance Department to ensure taxpayer dollars are spent with discretion; oversees vendor interaction; assists in specification writing process for apparatus and equipment; oversees all information technology assets and endeavors; manages supervision of all Resource Division personnel, including Maintenance, Logistics and Information Technology (IT) positions; also serves as liaison to City's Fleet Services to ensure proper maintenance and repair are adequately provided for all apparatus, vehicles and trailers; reports directly to Deputy Chief of Administration

***This offer seeks to “unfreeze” this position that was “frozen” during the FY2014 budget.** As seen in the description, this position is critical to the function and service of the Chattanooga Fire Department.

Maintenance Supervisor (1) – Civilian position that performs as experienced, working supervisor to Maintenance Personnel; oversees all maintenance and repair projects for the department's existing buildings; oversees maintenance and repair of CFD small-engine equipment; reports to Logistics and Technology Chief

Maintenance Personnel (4) – Civilian positions that provide all minor construction and maintenance projects for the department's existing facilities; on-call for emergency maintenance issues; maintain and repair CFD small-engine equipment, such as chainsaws or lawn equipment; report directly to Maintenance Supervisor



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Logistics Personnel (3) – Civilian positions that disseminate equipment, materials and supplies on daily basis; on-call 24-hours per day for emergency scene support; schedule and provide fueling service for CFD fleet without ready access to City fuel stations; oversee equipping apparatus; perform inventory for all department equipment, materials and supplies; perform SCBA maintenance and repair; also provide expert evaluation of CFD structural firefighting gear according to NFPA standards; report directly to Logistics and Technology Chief

Inventory Technician (1) – Civilian position that assists in administrative tasks of Logistics and Technology Division, including management of division schedules, materials and supply inventories; works with Logistics and Technology Chief and Purchasing Department for bidding and purchasing processes; also performs filing, vendor interaction, assembly of division reports and other administrative duties; responsible for inventory of department assets, materials and supplies; reports directly to Logistics and Technology Chief

Fire Systems and Database Specialist (1) – Civilian position that provides and maintains Information Technology (IT) needs for department, including but not limited to, computer software, computer hardware, networks, maintenance, audio visual needs, stationary electrical generators and uninterruptible power supply (UPS) systems; maintains, supports and builds reports from FDM (CFD's database management system) and all department servers; acts as technology liaison to Hamilton County 911, and other city departments; assists in troubleshooting CAD issues; ensures proper operation of all notification or "knockout system" devices and components at fire stations; project manager for technology related projects; trains staff on technology devices and software; provides primary helpdesk services for entire department; provides insight into the practicality of adapting new technologies to the fire service; reports directly to Logistics and Technology Chief

Staffing Support – In addition to the requested positions, this offer also maintains funding for support equipment, materials and supplies, including but not limited to, work stations with computers and/or laptops and desk phones, assigned take-home passenger vehicles for daily function and response when needed, cell phone stipends, and additional personnel costs such as uniform allowance as mandated by City Charter Title 13, Section 13.14., and longevity pay as it applies to City personnel.

Logistics and Technology Division – Operating Expenses

In addition to staffing for this division, this offer also seeks to maintain minimal operating expenses at a cost of \$740,170. These expenses include daily operating expenses for all department divisions, including equipment, materials and supplies not covered in the Renewal and Replacement (R&R) budget.

Logistics and Technology Division – Overall Performance Metric

- **Inventory Management System** – To enhance the department's ability to effectively and efficiently manage resources and streamline inventory and audit processes.
 - **CFD Current:** CFD currently maintains inventory by manually counting physical pieces causing the necessary support services this division provides to be shut down for three days
 - **CFD Goal:** Reduce process and time taken to perform inventory by implementing new inventory management system (due to be in service by July 2014) to 1 day
 - **Tabulation:** Perform simple analysis of the time taken to inventory and report

Note: The inventory management system also provides a platform for detailed reporting that was not previously available. In addition, it also tracks the "who, what, when and where" of equipment and asset issuance for accountability.



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Logistics and Technology Division – Collaborative Offers

Collaboration Summary – The CFD Logistics and Technology Division seeks to continue interdepartmental collaboration by assisting other departments in various ways. While these collaborations do not share funding and are simple means of working together, they do provide minimal cost savings to taxpayers, as City departments continually work together to provide expertise, training and assistance.

Department of Public Works / Moccasin Bend Sewage Treatment Plant – This offer seeks to continue collaboration with the Department of Public Works and the Waste Water Treatment Agency for continued mask fit-testing performed by the CFD Logistics and Technology Division at no additional cost

- **Collaboration Metrics** – Simple tabulation of number of Public Works masks fit-tested

Police Department – In addition, the Logistics and Technology Division seeks to continue collaboration with the Police Department to continue to provide air cylinder fill up.

- **Collaboration Metrics** – Simple tabulation of number Police air cylinders filled
-

Logistics and Technology Division – Mandates, Standards and Recommendations

- **NFPA 1500, Standard on Fire Department Occupational Safety and Health Program** – This standard recommends policies and guidelines to ensure safe practices and procedures during emergency operations. This standard is foundational for fire departments to be proactively safe in policy and operationally safe in reactive response.
 - **OSHA 1910.134** – Overall regulation ensures the respiratory protection for emergency responders in IDLH atmospheres (Immediately Dangerous to Life and Health); OSHA standard mandating emergency rescue teams for emergency operations (“two in-two out” rule)
 - **OSHA 1910.120.1200** – Provides regulations for hazard communications
 - **OSHA 1910.146, Permit Required Confined Spaces** – This OSHA regulation ensures that entry and work in confined spaces are only performed by trained and permitted individuals and teams.
 - **OSHA 49cfr180.205** – This regulation requires the “periodic requalification” of cylinders, including SCBA cylinders used for respiratory protection during emergency response.
 - **NFPA 1911, Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus** – Requires annual pump testing for CFD engine, quint and squad apparatus, and annual aerial ladder testing for CFD ladder and quint apparatus.
 - **City Charter – Title 13, Section 13.14.** Uniform and equipment allowance, the City of Chattanooga shall provide in each fiscal budget a uniform and equipment allowance to all sworn fire personnel.
 - **City Code – Chapter 16 Fire and Police Departments** – general parameters for employees
 - **City Ordinance – Longevity Pay** – Pursuant to the City’s annual ordinance renewal to provide incremental bonus pay based on a fulltime employee’s years of continuous service
-

Logistics and Technology Division – Offer Conclusion

In conclusion, the Fire Chief and the Chattanooga Fire Department would like to thank Mayor Berke and the Leadership Team for the opportunity to submit this offer to maintain and enhance the excellent service the CFD provides to Chattanooga. As the CFD mission states, we are truly dedicated to protecting life, property and community resources. It is an honor to serve our citizens and guests on what is undoubtedly one of the worst days of their lives. This offer simply seeks to continue that excellence of service. Again, thank you for the opportunity.



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Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

*See Results Area/Desired Outcomes section above for more thorough information regarding each of the Desired Outcomes this offer hopes to impact.

1. Increase the sense of safety in the City – The sense of safety in the City increases when victims, families and neighbors experience and/or witness life-saving and property-conserving response by thoroughly trained and equipped responders. Citizens have a reasonable expectation to feel protected regardless of the emergency’s nature.

2. Best utilize available City resources – A “High Performing Government” is one that works within its available resources.

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|--|--|------------------|--------------------|---------------|------------------|
| Fire – Logistics and Technology Division | \$700,724 | \$740,170 | \$1,444,894 | 100% | 11 |
| Total | \$700,724 | \$740,170 | \$1,440,894 | 100% | 11 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? XYes No \$95,000 Amount – Key Card Entry Systems for Fire Stations/Buildings

**Please prepare and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| N/A | N/A |

PERFORMANCE DATA

Measurement 1: Inventory Management System – To enhance the department’s ability to effectively and efficiently manage resources and streamline inventory and audit processes.

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|---------------------------------|---------------------------------|---------------------------------|---|
| Inventory Down Time – 3 Days | Inventory Down Time – 3 Days | Inventory Down Time – 3 Days | Inventory Down Time Goal: 1 Day |

Return on Investment:

How do citizens benefit? The sense of safety in the City increases when victims, families and neighbors experience and/or witness life-saving and property-conserving response by thoroughly trained and equipped responders. While personnel are the CFD’s greatest asset, highly skilled workers are not able to fulfill their life-saving and property-conserving duties without the apparatus, tools and equipment to perform the work.



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Citizens have a reasonable expectation through their tax dollar investment to feel protected regardless of the emergency's nature. Simply put, the equipping of responders with these necessary tools cannot occur without this division. Another way to look at this offer is that if it is not supported, then firefighters cease to be able to respond with apparatus, tools and equipment, and ultimately, our citizens cease to have adequate emergency response.

Therefore, as this offer is funded, citizens can continue to anticipate outstanding emergency response from firefighters, who are not only well-trained, but also well-equipped to perform life-saving and property-conserving work. In addition, as noted in the "Overall Performance Metric" section, citizens can now expect more efficient and effective resource management through the new inventory management system due to be implemented by July 2014.

Does this activity leverage other financial resources? No.

How does this decrease costs over time? It does not, with the exception of continued interdepartmental service of mask fit-testing and air cylinder refill. Though there is a relatively minimal cost involved, this function and ability would have to be contracted out to the fire protection industry. So, there is some annual, recurring savings to taxpayers.

Chattanooga Fire Department

Offer 5 – FY2015 BFO Feedback Response

Forward

There is no better means the Chattanooga Fire Department can provide as an indicator, highlight or emphasis to the Mayor's leadership priorities and concern for the citizens of Chattanooga than when life-saving service is provided or when catastrophic fires are prevented or minimized. That is how the Chattanooga Fire Department can best support the Mayor's vision, by providing excellent service through highly trained, highly skilled men and women, who are adequately equipped and supported to perform the vast range of duties for life safety, incident mitigation and property conservation.

The following response was composed in direct response to specific questions regarding the department's six BFO offers.

Logistics and Technology Division

Fire Department

\$1,440,894

- Why is a sworn position needed to purchase toilet paper? Is that the best use of our taxpayers' resources?

As stated on page 2 of Offer 5 – Logistics and Technology Division, the Logistics and Technology Chief is a “Sworn position that provides oversight to all CFD assets and inventories, from purchase and delivery of toilet paper to the construction, operation and maintenance of all CFD buildings.” The department attempted to apply a bit of creative language to show, in brevity, that the wide range of oversight of this position far transcends the purchasing of toilet paper.

Again, similar to the question of whether the functions performed by the Tactical Services Officer should be “sworn,” the value of operational expertise cannot be underestimated. If this position was only about toilet paper and asset management, then a civilian could indeed bring enough knowledge, skill and ability to adequately perform in this position. However, it is so much more.

To expound on the range of oversight and duties outlined on page 2 of this offer, the Logistics and Technology Chief also oversees the specification, bidding, purchasing and implementation for Personal Protective Equipment (PPE) that keep firefighters safe in atmospheres defined by OSHA as Immediately Dangerous to Life and Health (IDLH). Just a few months ago, three of our firefighters were burned in a fire, two of them hospitalized with second-degree burns. For no fault of their own, they were burned in the performance of their job. Without question, their gear performed as designed and saved their lives. That gear was implemented under the direction of the Logistics and Technology Chief, who provides experienced decision making regarding this vital responsibility.

Similarly, this Chief Officer oversees the specification, bidding, purchase and implementation of fire apparatus, which are a firefighter's main asset to extinguish fires and respond to emergencies. Again, because of this Chief's operational understanding, he or she is able to make prudent and experienced decisions to best meet the needs of emergency response in our community. There are many other

Chattanooga Fire Department

Offer 5 – FY2015 BFO Feedback Response

examples of equipment designed to assist firefighters as they safely perform the duties of their jobs. This position is about supporting the men and women who serve and sacrifice for our community.

Another aspect of why this position should be sworn is the example given by the former Chief over this division, who shared a story of a company attempting to sell the department a “fire sledgehammer.” The “fire sledgehammer” was listed at \$85 and slated to be purchased in an equipment order for a new apparatus that had been purchased. The Chief went through the list item by item, and found this item. The “fire sledgehammer” turned out to be a simple \$25 sledgehammer that the company marked up by adding the word “fire.” Without a fundamental operational understanding, this and countless other examples could have been costly to the taxpayers. This is obviously a simple example of one small piece of equipment, but the premise is true, and the operational understanding of how tools and equipment work has ultimately saved taxpayer dollars.

Formerly, this position was called the “Resource Chief.” However, in addition to the logistical functions performed, this position has assumed increased duties by overseeing all technological advances for the department, including the records management system, computer hardware and software needs, and other automated equipment to increase the efficiency and effectiveness of the department. As an example, the Logistics and Technology Chief is leading the implementation of the mobile data project, in which all response apparatus will be equipped with laptops and Automatic Vehicle Location (AVL) technology.

- Why should sworn personnel oversee construction?

In contrast to the reasoning provided for the previous question, construction could indeed be overseen by a civilian. However, since this person is responsible to oversee all of the other duties that should be performed by a sworn individual, it makes sense that this portion of the Logistics and Technology duties remain, particularly when the job has been performed well and with prudence for so many years. It would not make sense to hire a person to only oversee the construction process for fire stations when construction projects occur with relative infrequency, and when it is being performed well by an existing position that can experientially do so much more.

- Specify whether the positions listed are sworn or unsworn, and state why.

This will be corrected in the final submission of BFO Offer 5 – Logistics and Technology on pages 2 and 3. The short answer, however, is that the Logistics and Technology Chief is the only sworn position in the Logistics and Technology Division. All other positions, including the Maintenance Supervisor, Maintenance Personnel, Logistics Personnel, Inventory Technician and Fire Systems and Database Specialist, are civilian positions.

With regard to “why,” please refer to the previous two questions for insight.

Chattanooga Fire Department

Offer 5 – FY2015 BFO Feedback Response

- General
 - What are the most significant changes you propose and why?

The most significant change requested under the offer for the Logistics and Technology Division is the request to “unfreeze” the Logistics and Technology Chief position, which is not a newly requested position. It’s the most significant change, because it is vital to the functional support of the fire department at literally every level and service provided.

- If there are no significant changes, why not?

N/A



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|----------------|-------------------------------|-----------------------|----------------------|
| Offer Name: | Response Operations | | |
| Offer Number: | 1 | Department | |
| Lead | | Offer Rank: | 1 of 7 |
| Department: | Fire Department | Collaboration: | Y X N |
| Administrator: | Fire Chief Lamar Flint | | |
| Offer Cost: | \$35,266,176 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: (What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)

Offer 1 – Response Operations

“The Chattanooga Fire Department is dedicated to protecting life, property and community resources through prevention, preparation, response and mitigation.” (CFD Mission Statement, 2001)

Life safety, incident stabilization and property conservation are the core reasoning for efficient and effective emergency response. Operations personnel provide the backbone for the fire department’s service to our citizens and guests, and adequate staffing is vital to citizen and firefighter safety. Therefore, this offer requests funding for the operational personnel, fire stations, apparatus and equipment to maximize response, which increases the sense of safety in the City and reduces fire risk.

While the priority and vast majority of this division’s work is reactive in nature, much time is spent in preparation to ensure that any emergency response is effective and efficient. Beyond emergency response, 24-hour shifts are filled with daily proactive preparation and activities including:

- Daily training
- District review
- Hydrant maintenance
- Preplanning commercial occupancies



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- Participation in community events and fundraisers for outstanding community causes, including fundraising for the MDA, The Ronald McDonald House, The Chattanooga-Hamilton County Area Food Bank, Go-Fest!, and others
- Accommodating educational opportunities through visitors at the stations, school and daycare visits and participating in Read Across America.

Though there has been an overall reduction in fires through fire prevention efforts, there is still great need for firefighters. The Center for Disease Control (CDC) reported in 2010 that someone dies in a fire every 169 minutes and fire injuries occurred every 30 minutes (CDC website, Fire Deaths and Injuries: Fact Sheet, 2011). Unfortunately, Tennessee still ranks toward the top of the list for annual fire deaths. At home, Chattanooga has seen an average of almost three fire deaths per year over the last five years. So, the need is still great for our men and women to be thoroughly trained, equipped and ready to respond to fire emergencies. However, though called “firefighters,” members of the CFD provide so much more than only firefighting. As seen in the response data below, the department provides a wide range of service. Over the past 15 years, the CFD has increased the types and level of service provided. Firefighters are now better trained and better equipped to mitigate incidents, including emergencies involving hazardous materials, water, EMS and incidents involving the technical rescue disciplines of confined space, collapsed structure, high/low angle, and trench.

Table 1: CFD Incident Response Data

| CFD Incident Response Data | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------|
| Incident Type | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | |
| Structure Fire | 207 | 203 | 221 | 219 | 185 | 177 | 1.12% |
| False Alarms/Good Intention | 2461 | 2762 | 3258 | 2976 | 3047 | 3076 | 19.53% |
| Vehicle Fires | 183 | 163 | 179 | 191 | 190 | 179 | 1.14% |
| Vegetation Fires | 177 | 159 | 187 | 170 | 162 | 94 | 0.60% |
| EMS/BLS Response | 4693 | 5508 | 6524 | 6986 | 7297 | 6595 | 41.87% |
| Vehicle Accidents w/o Extrication | 1101 | 1045 | 1052 | 1027 | 1124 | 1043 | 6.62% |
| Vehicle Extrications | 32 | 27 | 40 | 44 | 42 | 41 | 0.26% |
| Rescue | 216 | 197 | 228 | 257 | 292 | 135 | 0.86% |
| Hazardous Conditions/Materials | 1708 | 1694 | 1793 | 2119 | 1547 | 1573 | 9.99% |
| Service | 480 | 613 | 751 | 861 | 968 | 1157 | 7.34% |
| Other | 1130 | 1351 | 1500 | 1673 | 1704 | 1683 | 10.68% |
| Totals | 12388 | 13722 | 15733 | 16523 | 16558 | 15753 | |

Incidents are combined into Federal Emergency Management Agency (FEMA) categories for response

Response Operations – Results Areas and Desired Outcomes

Primary – Safer Streets

1) Increase the sense of safety in the City – The sense of safety increases when citizens and guests experience or witness life saving and property conserving response from thoroughly trained, equipped and ready emergency responders.

Budget Strategies Realized: Occurs through providence of coordinated services to respond efficiently and effectively to emergencies; Maintain safe and secure streets, facilities, and public spaces for all citizens by providing excellent trained, equipped and ready service at all levels.

2) Reduce fire risk – Fire risk is reduced upon efficient and effective emergency response. Fire risk is also reduced at the removal or improvement of vacant structures that pose a fire hazard due to



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homeless occupants setting fires for warmth, as outlined in the collaborative offer with the Department of Economic and Community Development (ECD) on page 10.

Budget Strategies Realized: Occurs through providence of coordinated services to respond efficiently and effectively to emergencies; Maintain safe and secure streets, facilities, and public spaces for all citizens by providing excellent trained, equipped and ready service at all levels, and by reducing number of vacant structures to burn as outlined in the collaborative offer with ECD.

Secondary – Stronger Neighborhoods

1) Reduce the number of blighted properties in the City – In collaborative effort with ECD, reduction will occur as fire company officers recognize and report vacant and blighted properties in their districts. See “Response Operations – Collaborative Offer” on page 10 for further details.

Budget Strategies Realized: Occurs when abandoned structures are safely demolished, refurbished or otherwise secured.

Secondary – Growing Economy

1) Maintain healthy economy and employment – Virtually everyone knows someone who has been impacted by a devastating fire. Even when no one is home or employees exit safely, fires can devastate homes and commercial buildings. When a homeowner or renter is consumed with after-the-fire needs, he or she must take time off from work. Likewise, when a business is severely damaged by fire, employees cannot work and daily bills cannot get paid. Fire can devastate every level of one’s life.

Budget Strategies Realized: This offer seeks to save not only lives, but minimize the impact of fire on property, where people live and work. This can occur by maintaining effective and efficient fire and emergency response.

Response Operations – Staffing

Summary – This offer seeks to maintain funding and personnel costs, including salaries, benefits, applicable uniform allowances and applicable longevity bonuses for 387 FTEs, and the addition of 14 FTES at a total cost of \$32,662,013. It maintains and adds well-trained, well-equipped emergency responders to mitigate a wide range of fire, EMS and rescue emergencies. Without question, people are any organization’s greatest asset. This is particularly true in the fire service where engagement is often more physically, emotionally and mentally demanding than most careers, especially considering that the CFD’s call volume has increased by almost 20% since 2008. From the deputy chief overseeing all operational service to the firefighter on the hose line, these men and women serve our citizens on what may well be the worst day of their lives by providing life safety, incident stabilization and property conservation, and doing so with excellence and compassion. While those reasons are most important, this offer also seeks to comply with NFPA 1710 on proper staffing for fire and EMS responses, which provides a standard of four responders per apparatus. Therefore, this offer seeks to maintain funding for each of the sworn, rank positions listed below. In the interest of brevity, the descriptions are summaries and not intended to be all-inclusive to the functions, tasks and duties performed by each position or rank.

Executive Deputy Chief or Deputy Chief of Operations (1) – Sworn position providing executive level function, oversight and leadership for department; provides direct leadership to Operations Division for consistency of service, and guides overall direction to ensure excellent service through emergency response; ultimately responsible to ensure staffing is adequate, and that knowledge, skills and abilities of men and women are adequate to meet challenges of emergency response; works with Logistics and Technology Chief in specification writing, bidding and purchasing processes for all firefighting apparatus and equipment and on



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construction of fire stations; provides direct leadership and supervision to the following positions: Battalion Chiefs, Training Chief, Tactical Services Chief, and Administrative Support; reports directly to Fire Chief

Administrative Support (1) – Civilian position that works in front office of Administration; manages personnel files for all employees; assists administrative employees in arranging schedules and meetings; greets guests and answers fire department’s main phone line; directs inquiries and calls accordingly; provides fire reports and permits for construction/remodel process; reports directly to Executive Deputy Chief

Battalion Chief (9) – Sworn positions that manage operational personnel and support incident mitigation in each of CFD’s three districts (1, 2 and 3) on each of CFD’s three shifts (Red, Blue and Green); provide direct supervision and leadership to Captains within respective districts; ensure adequate staffing by performing comprehensive review of leave and training of personnel in their districts; provide experiential leadership during emergency response through Incident Command System (ICS); ensure Fire Chief’s vision and objectives are being administered throughout all ranks of Operational Division; report directly to Executive Deputy Chief

Captain (78) – Sworn positions that provide frontline leadership and management to each of the 26 fire crews on each of the three shifts, including lieutenants, senior firefighters and firefighters; oversee and direct emergency responses, management of station and apparatus needs, as well as daily duties, such as training, district review, district hydrant maintenance, preplanning commercial buildings and station cleaning and maintenance; responsible to ensure that daily staffing per crew is adequate; some captains serve as “station coordinators”; senior and experienced captains provide “acting” leadership when battalion chief is on leave; report directly to district Battalion Chief

Lieutenant (81) – Sworn positions that primarily drive, operate and maintain apparatus and equipment during emergency responses for each fire crew on each of three shifts (Ladder 5 requires a second lieutenant because of rear driving operation of tiller); provide secondary level of leadership and management to senior firefighters and firefighters; assist with management of personnel and station when captains are unavailable; report directly to Captain

Senior Firefighters (171) – Sworn positions that are experienced firefighters trained and certified to drive and operate apparatus; position offers firefighters opportunity to progress in rank and grow in career; when lieutenants are away from station, senior firefighter is driver/operator and equipment manager for day; also perform all duties associated with “firefighter” position; report directly to Captain or Lieutenant

Firefighters (46) – Sworn entry level, but well-trained position fundamental to service provided; along with senior firefighters, these men and women provide the hands and feet of emergency operations, such as performing CPR, operating hose line in structure, vehicle or brush fire, operating extrication equipment and “jaws of life” during vehicle extrications, staffing high-line for high angle rescue, diking or damming a chemical spill, etc.; also assist with daily station duties and work with other crew members to ensure adequate staffing; report directly to Captain or Lieutenant

***Additional Firefighters (14)** – In addition to maintaining the 46 firefighter positions above, this offer also seeks to fund 14 firefighter positions to fully staff Squad apparatus. As the hands and feet of emergency response, firefighter positions are critical to the response and service that the CFD Response Operations provide the community. Specifically, all but one Squad on each of the three shifts are only budgeted with four personnel. As seen in Table 2 on the following page, all other apparatus are functionally staffed with five, to ensure that fire crews are able to respond with four, which meets the NFPA 1710 standard and is foundational to meeting OSHA regulations for fire operations.



City of Chattanooga

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Table 2: CFD Current and Requested Budgeted Staffing

| Current Budgeted Staffing | | | | | | Requested Budgeted Staffing | | | | | |
|---------------------------|----------------|----------------|----------------|------------------|----------------|-----------------------------|----------------|----------------|----------------|------------------|----------------|
| Red Shift | | Green Shift | | Blue Shift | | Red Shift | | Green Shift | | Blue Shift | |
| Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats | Budgeted Seats |
| Q1 | 5 | Q1 | 5 | Q1 | 5 | Q1 | 5 | Q1 | 5 | Q1 | 5 |
| L1 | 5 | L1 | 5 | L1 | 5 | L1 | 5 | L1 | 5 | L1 | 5 |
| S1 | 5 | S1 | 4 | S1 | 4 | S1 | 5 | S1 | 5 | S1 | 5 |
| Q2 | 5 | Q2 | 5 | Q2 | 5 | Q2 | 5 | Q2 | 5 | Q2 | 5 |
| Q3 | 5 | Q3 | 5 | Q3 | 5 | Q3 | 5 | Q3 | 5 | Q3 | 5 |
| E4 | 5 | E4 | 5 | E4 | 5 | E4 | 5 | E4 | 5 | E4 | 5 |
| E5 | 5 | E5 | 5 | E5 | 5 | E5 | 5 | E5 | 5 | E5 | 5 |
| L5 | 5 | L5 | 5 | L5 | 5 | L5 | 5 | L5 | 5 | L5 | 5 |
| Q6 | 5 | Q6 | 5 | Q6 | 5 | Q6 | 5 | Q6 | 5 | Q6 | 5 |
| Q7 | 5 | Q7 | 5 | Q7 | 5 | Q7 | 5 | Q7 | 5 | Q7 | 5 |
| S7 | 4 | S7 | 4 | S7 | 4 | S7 | 5 | S7 | 5 | S7 | 5 |
| Q8 | 5 | Q8 | 5 | Q8 | 5 | Q8 | 5 | Q8 | 5 | Q8 | 5 |
| E9 | 5 | E9 | 5 | E9 | 5 | E9 | 5 | E9 | 5 | E9 | 5 |
| Q10 | 5 | Q10 | 5 | Q10 | 5 | Q10 | 5 | Q10 | 5 | Q10 | 5 |
| E12 | 5 | E12 | 5 | E12 | 5 | E12 | 5 | E12 | 5 | E12 | 5 |
| Q13 | 5 | Q13 | 5 | Q13 | 5 | Q13 | 5 | Q13 | 5 | Q13 | 5 |
| S13 | 4 | S13 | 4 | S13 | 4 | S13 | 5 | S13 | 5 | S13 | 5 |
| Q14 | 5 | Q14 | 5 | Q14 | 5 | Q14 | 5 | Q14 | 5 | Q14 | 5 |
| E15 | 5 | E15 | 5 | E15 | 5 | E15 | 5 | E15 | 5 | E15 | 5 |
| Q16 | 5 | Q16 | 5 | Q16 | 5 | Q16 | 5 | Q16 | 5 | Q16 | 5 |
| Q17 | 5 | Q17 | 5 | Q17 | 5 | Q17 | 5 | Q17 | 5 | Q17 | 5 |
| Q19 | 5 | Q19 | 5 | Q19 | 5 | Q19 | 5 | Q19 | 5 | Q19 | 5 |
| S19 | 4 | S19 | 4 | S19 | 4 | S19 | 5 | S19 | 5 | S19 | 5 |
| S20 | 4 | S20 | 4 | S20 | 4 | S20 | 5 | S20 | 5 | S20 | 5 |
| Q21 | 5 | Q21 | 5 | Q21 | 5 | Q21 | 5 | Q21 | 5 | Q21 | 5 |
| E22 | 5 | E22 | 5 | E22 | 5 | E22 | 5 | E22 | 5 | E22 | 5 |
| 126 | | 125 | | 125 = 376 | | 130 | | 130 | | 130 = 390 | |

As seen in the following Table 3, due to retirements, other attrition, personal leave, military leave, injured-on-duty cases and training events, the CFD only maintains an average of 3.6 to 3.9 firefighters per apparatus per day, and this is likely to see further decline this year due further retirements at the end of 2013.

Table 3: 2013 CFD Average Monthly Staffing Per Apparatus

| 2013 CFD Average Monthly Staffing Per Apparatus | | | | | | | | | | | | |
|---|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|--|
| January | February | March | April | May | June | July | August | September | October | November | December | |
| 3.78 | 3.70 | 3.69 | 3.81 | 3.81 | 3.71 | 3.86 | 3.96 | 3.96 | 3.67 | 3.72 | 3.76 | |

The CFD cannot function without trained, skilled and equipped personnel. This is particularly true for Squad units. Generally speaking, Squad personnel are the highest trained and skilled workers due to the nature of emergencies to which Squads respond. While they also respond to fires and EMS calls, their primary function involves technical responses, including hazardous materials incidents and technical rescues (see the Squad description below in “Response Operations – Maintenance of Apparatus and Response Vehicles”). Not only do these calls for service require high skill, training, and specialty equipment, but they are also labor intensive. The funding of these positions would provide more efficient and effective service. Therefore, this offer seeks to fund these 14 positions to bring these highly necessary emergency crews up to five personnel. See the CFD Executive Summary for further information.

Staffing Support – In addition to the requested positions, this offer also maintains funding for support equipment, materials and supplies, including but not limited to, work stations with computers and/or laptops and desk phones, assigned take-home passenger vehicles for daily function and response when needed, cell phone stipends, three shared cell phones for each shift of Battalion Chiefs, and additional personnel costs such as uniform allowance as mandated by City Charter Title 13, Section 13.14., and longevity pay as it applies to City personnel.



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Response Operations – Operating Expenses

In addition to the staffing request for this division, this offer also seeks to maintain minimal operating expenses at a cost of \$2,604,163. This includes operating expenses for Apparatus and Response Vehicles and Fire Stations described in the following sections.

Response Operations – Apparatus and Response Vehicles

Summary – This offer also requests funding to maintain the City’s fire and emergency response apparatus and vehicles, included in the Operating Expenses above. To accomplish the mitigation of the wide range of emergencies to which the CFD responds, the CFD operates frontline, staffed apparatus, including quints, engine/pumpers, squads and a ladder truck. These carry personnel, equipment and materials for the functions of life safety, incident mitigation and property conservation.

Over the past 15 years, much of the frontline fleet has been upgraded to become vastly more versatile, meaning that most frontline apparatus have dual functionality. Department leadership has strategically located the different types of apparatus to ensure the most efficient and effective incident response to all areas in the City. See Table 4 to see where frontline apparatus are located.

Table 4: CFD Frontline Apparatus and Locations

| Frontline Apparatus - Located Throughout City | | | |
|---|-----------------------------|----------------------------|----------------------------|
| Engine/Pumper | Quint (<76') | Ladder (>75') | Squad/Pumper |
| Engine 4 - East Chattanooga | Quint 1 - Downtown | Ladder 1 - Downtown | Squad 1 - Downtown |
| Engine 5 - Highland Park | Quint 3 - Cummings Highway | Quint 2 - Downtown | Squad 7 - Enterprise South |
| Engine 9 - East Lake | Quint 6 - Bonny Oaks/Hwy 58 | Ladder 5 - Highland Park | Squad 13 - Brainerd |
| Engine 12 - North Chattanooga | Quint 8 - Hickory Valley | Quint 7 - Enterprise South | Squad 19 - Hixson |
| Engine 15 - Eastdale | Quint 10 - Amnicola Highway | | Squad 20 - Lookout Valley |
| Engine 22 - West Hixson | Quint 13 - Brainerd | | |
| | Quint 14 - St. Elmo | | |
| | Quint 16 - Rivermont | | |
| | Quint 17 - Signal/Mtn Creek | | |
| | Quint 19 - Hixson | | |
| | Quint 21 - East Brainerd | | |

Engine/Pumpers (6) – Engine/pumpers have the ability to move water from the hydrant system or a static water source to a fire. These apparatus can pump 1,500 gallons per minute (gpm) to “attack” a fire through the trained deployment of firefighters and hoselines or other stream devices. Engines also have ground ladders, EMS equipment, tank water, hand tools and other functional equipment for typical emergency deployment.

Ladder Trucks (4) – Ladder trucks have an aerial device (large, mounted ladder) to affect multiple story rescues and perform ventilation operations. Often referred to as a “hook and ladder,” the CFD has one ladder-tiller truck remaining in frontline service. This truck has steering capability at the rear of the long apparatus and requires two drivers. The other CFD frontline apparatus considered ladder trucks by FEMA-definition (i.e. having an aerial device 76’+ in length), include two 109’ quints and one 104’ platform quint (i.e. an aerial with a bucket attached to the end for further rescue capability). Ladder trucks also have a larger cache of ground ladders, EMS/rescue equipment, hand tools, salvage tarps and ventilation equipment.

Quints (11) – The CFD deploys an apparatus called a “quint,” which entails engine/pumper capabilities as well as an aerial device, which gives the CFD great versatility. Though staffed with the same amount of personnel,



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the quint gives the Incident Commander more flexibility and speed to deploy aerial devices for rescue, firefighting or ventilation operations. Quints can also pump 1,500 gpm of water, and hold the same equipment and tools as an engine or ladder truck, and have tank water, as well. These apparatus have been strategically placed to best accommodate aerial coverage throughout the City.

Squads (5) – The CFD also provides dual functionality through its squad apparatus. The squad’s primary functions are for vehicle extrications, hazardous materials incidents and rescues. The squads carry more equipment specific to these functions than other apparatus. Generally speaking, most of the men and women assigned to squad units have undergone and maintain technical rescue training. However, they offer dual functionality in that they also serve and perform as fully functioning engine/pumpers with their own tank water supply, depending on the needs of the incident.

Secondary Response Apparatus and Vehicles – In addition to funding for the operation of frontline apparatus, funding to maintain operation of all “secondary” response apparatus and vehicles is requested. These vehicles and apparatus are not “staffed,” but available to Incident Commanders for additional equipment and capabilities. These apparatus and vehicles are strategically placed throughout the City and outlined in Table 5.

Table 5: CFD Secondary Response Apparatus, Vehicles and Trailers

| 1 | Downtown 218 E. Main St | 3 | Cummings Hwy 5 Francis St | 6 | Bonny Oaks/58 Hwy 4500 Bonny Oaks Dr | 7 | Enterprise South 6911 Discovery Dr | 8 | Hickory Valley 2130 Hickory Valley Rd | Other: Airport Building Airport Property |
|------------------------|---|----------------------|---|-------------------------|--|---------------------------|--|-------------------------|---|---|
| HM 1 | | Tanker 3 | | Mass Casualty Bus | | USAR 3 | | Tanker 8 | | Mass Casualty Trailer |
| HM 2 | | | | Mass Casualty Trailer | | ATV w/ Trailer (open) | | | | |
| Decon Shower Trailer | | | | Generator/Light Trailer | | Battalion Chief Truck (3) | | | | |
| Battalion Chief Truck | | | | | | | | | | |
| 10 | Amnicola 910 Wisdom St | 12 | North Chattanooga 906 Forrest Ave | 13 | Brainerd 5201 Brainerd Rd | 14 | St. Elmo 1009 W. 39th St | 16 | Rivermont 3423 Lupton Dr | CFD Resource Building 3901 N. Belle Arbor Ave |
| Fireboat 1 | | Decon Shower Trailer | | Decon Response Trailer | | Decon Response Trailer | | Hazmat Response Trailer | | HM 3 |
| Brush Truck 10 | | | | | | | | Battalion Chief Truck | | USAR Generator Trailer |
| Communications Trailer | | | | | | | | | | USAR Lumber Trailer |
| ATV w/ Trailer (open) | | | | | | | | | | Compressor Trailer |
| 17 | Signal/Mtn Creek 628 Signal Mountain Rd | 19 | Hixson 5400 Brunswick Ln | 20 | Lookout Valley 3003 Cummings Hwy | 21 | East Brainerd 7700 E. Brainerd Rd | 22 | W. Hixson 6144 Dayton Blvd | |
| Tanker 17 | | USAR 1 | | Brush Truck 20 | | Tanker 21 | | Tanker 22 | | Chainsaw Trailer |
| Hose Truck 17 | | USAR 2 | | ATV w/ Trailer (open) | | Hazmat Response Trailer | | Brush Truck 22 | | |
| | | | | | | | | Mass Casualty Trailer | | |

Location of secondary response apparatus and vehicles

Fuel – This offer also requests funds to maintain fuel costs for all frontline and reserve apparatus, and department vehicles. All of our response apparatus operate on diesel fuel, which is provided at City pump stations or in several instances, is transferred through the CFD Fuel Trucks. All other response vehicles operate on gasoline, which is also provided at the two City fuel stations (Amnicola and Onion Bottom). This request also includes all “take-home” response passenger vehicles, trucks and SUVs, including those used by personnel requested in other offers, to provide prompt emergency support or other expertise needed on scene.

Apparatus and Vehicle Fleet Maintenance – The CFD’s apparatus and equipment are its lifeline. Firefighters cannot perform their duties without properly working apparatus and equipment. This portion of the offer requests funding to maintain the CFD Fleet, which includes all frontline and reserve apparatus, secondary and specialty apparatus and vehicles, and equipment trailers. This request also includes all “take-home” response passenger vehicles, trucks and SUVs, including those used by personnel requested in other offers.



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Response Operations – Fire Station Maintenance, Materials and Supplies

Summary – This offer also requests funding to maintain the City’s fire stations, which is included in the **Operating Expenses on page 6**. Emergency response occurs from 19 strategically located fire stations and is supported by several other fire department buildings. At Chattanooga’s current population, on average that is more than 9,000 citizens served per station. Station placement is crucial for efficient response. CFD fire stations serve over 140 square miles of area. Partially due to that large area, the department has struggled to meet national standards for “Travel Time,” which states that the first arriving fire company must be on scene within four minutes. See Table 7 on the following page for further information.

Fire Station and Building Expenses – As with any business or place of residence, typical expenses are incurred. These include, but are not limited to, building service utilities, cleaning supplies, general maintenance needs and towel service. Fire stations, in particular, are staffed around the clock, and sworn personnel “live” at the station during their shifts. CFD stations are also visible community reminders of the City’s outstanding service and investment into the safety of its citizens and guests, who are welcome to visit at any time. During emergency situations, fire stations are “safe havens” for citizens who need immediate attention. Some of our stations and buildings also have diesel back-up generators, which can provide power for essential building services and radio communications. During inclement weather or power outages, this allows firefighters and guests to remain safe. See Table 6 for station locations.

Map and Table 6: CFD Strategic Station Locations



| | | | | | | | |
|------------|---|--|--|---|---|--|--|
| District 1 | 1 Downtown 218 E. Main St 8-Bay* | 3 Cummings Hwy 5 Francis St 4-Bay* | 5 Highland Park 809 S. Willow St 2-Bay | 9 East Lake 3701 6th Ave 1-Bay | 14 St. Elmo 1009 W. 39th St 2-Bay | 20 Lookout Valley 3003 Cummings Hwy 3-Bay | |
| District 2 | 6 Bonny Oaks/58 Hwy 4500 Bonny Oaks Dr 3-Bay | 7 Enterprise South 6911 Discovery Dr 6-Bay* | 8 Hickory Valley 2130 Hickory Valley Rd 2-Bay | 13 Brainerd 5201 Brainerd Rd 5-Bay | 15 Eastdale 912 Shallowford Rd 1-Bay | 21 East Brainerd 7700 E. Brainerd Rd 3-Bay* | |
| District 3 | 4 East Chattanooga 2181 Curtis St 4-Bay* | 10 Amnicola 910 Wisdom St 6-Bay* | 12 North Chattanooga 906 Forrest Ave 4-Bay | 16 Rivermont 3423 Lupton Dr 3-Bay* | 17 Signal Mtn/Mtn Creek 628 Signal Mountain Rd 3-Bay | 19 Hixson 5400 Brunswick Ln 4-Bay | 22 W. Hixson 6144 Dayton Blvd 4-Bay |

**Stations that have a back-up generator capable of sustaining all important systems and building services*



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Station Replacement – Station replacement is necessary to ensure tax dollars are wisely spent and employees have a safe environment in which to work, and in the case of fire stations, live. Station 9 is undergoing construction for replacement now, and in a Capital Request, Station 5 will be sought for replacement, as well.

Response Operations – Overall Performance Metrics

- **Evaluation of Turnout Time** (time between “Dispatched” and “Enroute” to incident) to ensure firefighters are responding efficiently from station; standard is for fire company to receive call for service, and respond within 80 seconds on fire and 60 seconds for EMS responses from the station based on NFPA 1710
 - **CFD Currently meets 80 second goal 43.7% of the time**
 - **CFD Goal: Increase overall efficiency of response by meeting standard and getting out station in 80 seconds, 90% of time**

- **Evaluation of Travel Time** (time between “Enroute” to “Arrival” on scene) to ensure firefighters are responding safely and efficiently; standard is for first fire company to arrive within four minutes 90% of the time, and for first alarm assignment (all responding apparatus) to arrive on scene within eight minutes 90% of the time based on NFPA 1710 (See Table 7 above for current CFD times)
 - **CFD Currently meets 4 minute goal (1st Due) 80% and 8 minute goal (Alarm) 85.6% of the time**
 - **CFD Goal: Increase overall efficiency of response by meeting standard 90% of time**

Table 7: CFD Travel Times Per District

| 2013 CFD Travel Times | | |
|-----------------------|--------------------|------------------|
| Month | 1st Due Compliance | Alarm Compliance |
| January | 80.0% | 63.3% |
| February | 60.0% | 83.3% |
| March | 80.0% | 80.0% |
| April | 80.0% | 66.7% |
| May | 100.0% | 100.0% |
| June | 60.0% | 66.7% |
| July | 100.0% | 73.3% |
| August | 80.0% | 93.3% |
| September | 100.0% | 100.0% |
| October | 100.0% | 100.0% |
| November | 100.0% | 100.0% |
| December | 20.0% | 100.0% |
| Totals | 80.0% | 85.6% |

| | |
|---------|-------------------|
| 90-100% | Meets Goal |
| 75-89% | Borderline |
| <75% | Needs Improvement |

**Figures based on sampled incidents*



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Response Operations – Collaborative Offer

- **Summary** – As part of this overall offer, CFD company officers will work with CFD Administration and the Department of Economic and Community Development’s (ECD) Neighborhood Services Division to reduce the number of “blighted properties,” which will reduce fire risk and increase safety for citizens.
- **Problem** – Throughout the City stand vacant structures, that while considered “blighted” and even dangerous by most citizens, offer shelter to our homeless population, especially during times of inclement weather. Whether sheltering from rain or the cold, vacant homes and other structures offer an enticing reprieve. Unfortunately, a warming fire can turn into a dangerous situation for the occupant and for responding firefighters.

ECD’s Neighborhood Services has the authority and responsibility to recognize and attempt to rectify these situations. While neighborhood code inspectors work diligently with property owners, sometimes owners are simply unable or unwilling to comply, and there are many of these properties throughout the City. So, through this collaborative effort, the CFD will assist Neighborhood Services in recognizing these properties, and hopefully quell the potential for fires. The target is to identify 25.

- **Plan** – As fire crews are reviewing their districts, which are located throughout the City, fire company officers will report properties appearing to be vacant or in serious disrepair to the department’s Executive Officer, who will in turn, provide the information to ECD Deputy Administrator. As “blighted properties” are rectified, whether improved or torn down, Neighborhood Services will tabulate this information and report back to the CFD Executive Officer.
- **Cost** – This collaboration does not share any funding for personnel or resources, and therefore is performed at no additional cost to citizens. This is simply a collaborative effort to “Reduce the number of blighted properties in the City,” within the Stronger Neighborhoods and Safer Streets Results Areas.
- **Collaboration Metrics**
 - **Goal:** Decrease number of “blighted” properties in the coming months and years; target is 25
 - **Measure:** Could be tabulated in a simple spreadsheet to ensure movement toward goal
 - 1) Tabulate number of “blighted properties” reported by company officers quarterly
 - 2) Tabulate number of properties remediated quarterly – includes those torn down or improved

- **Table 8: Example of Table for CFD-ECD Reduction of Blighted Properties**

| CFD-ECD Reduction of Blighted Properties | | | | |
|---|----------------------------|----------------------------|-----------------------------|-----------------------|
| | Properties Reported | Properties Improved | Properties Torn Down | Quarter Totals |
| Quarter 1 | 0 | 0 | 0 | 0 |
| Quarter 2 | 0 | 0 | 0 | 0 |
| Quarter 3 | 0 | 0 | 0 | 0 |
| Quarter 4 | 0 | 0 | 0 | 0 |
| 2014 Totals | 0 | 0 | 0 | 0 |

Tabulation could be provided in a simple table such as this example



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Response Operations – Mandates, Standards and Recommendations

- **NFPA 1500, Standard on Fire Department Occupational Safety and Health Program** – This standard recommends policies and guidelines to ensure safe practices and procedures during emergency operations. This standard is foundational for fire departments to be proactively safe in policy and operationally safe in reactive response.
- **NFPA 1710, Standard for Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations and Special Operations to the Public by Career Fire Departments** – This standard provides recommendations for operational staffing for fires and other responses, and sets parameters for timeliness of response at all points.
- **OSHA 1910.120** – This OSHA regulation ensure the respiratory protection for emergency responders in IDLH atmospheres (Immediately Dangerous to Life and Health).
- **OSHA 49cfr180.205** – This regulation requires the “periodic requalification” of cylinders, including SCBA cylinders used for respiratory protection during emergency response.
- **NFPA 1911, Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus** – Requires annual pump testing for CFD engine, quint and squad apparatus, and annual aerial ladder testing for CFD ladder and quint apparatus.
- **City Charter – Title 13, Section 13.14.** Uniform and equipment allowance, the City of Chattanooga shall provide in each fiscal budget a uniform and equipment allowance to all sworn fire personnel.
- **City Code – Chapter 16 Fire and Police Departments** – general parameters for employees
- **City Ordinance – Longevity Pay** – Pursuant to the City’s annual ordinance renewal to provide incremental bonus pay based on a fulltime employee’s years of continuous service

Response Operations – Offer Conclusion

In conclusion, the Fire Chief and the Chattanooga Fire Department would like to thank Mayor Berke and the Leadership Team for the opportunity to submit this offer to maintain and enhance the excellent service the CFD provides to Chattanooga. As the CFD mission states, we are truly dedicated to protecting life, property and community resources. It is an honor to serve our citizens and guests on what is undoubtedly one of the worst days of their lives. This offer simply seeks to continue that excellence of service. Again, thank you for the opportunity.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

***See each section above for more thorough information regarding each of the Results Areas and Desired Outcomes this offer hopes to impact.**

1. Increase the sense of safety in the City – Sense of safety increases when victims, families and neighbors witness life saving and property conserving response from thoroughly trained and equipped emergency responders.

2. Reduce fire risk – When effectiveness and efficiency is increased, there is a reduction in fire risk.

3. Reduce the number of blighted properties in the City – Through a collaborative effort with ECD’s Neighborhood Services, fire company officers will provide information on properties that have the potential to be fire hazards.



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BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|----------------------------|--|--------------------|---------------------|---------------|------------------|
| Fire – Response Operations | \$32,662,013 | \$2,604,163 | \$35,266,176 | 100% | 401 |
| Total | \$32,662,013 | \$2,604,163 | \$35,266,176 | 100% | 401 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? XYes No \$1,500,000 \$Amount – SCBA
Capital Budget Impact? XYes No \$2,862,000 \$Amount – Operational Plan for Station 5 / Station 11
Capital Budget Impact? XYes No \$1,075,000 \$Amount – Apparatus Replacement Plan
Capital Budget Impact? XYes No \$114,000 \$Amount – Station Generator Plan

**Please prepare and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| N/A | N/A |

PERFORMANCE DATA

Measurement 1: Turnout Time (see page 9 for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|---------------------------------|---------------|
| N/A | N/A | 43.7% (NFPA goal=90%) | 75% |

Measurement 2: Travel Time (see page 9 for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|---|---------------|
| N/A | N/A | 1st Due Engine – 80% (NFPA goal=90%) Full Alarm – 85.6% (NFPA goal = 90%) | 90% |

Measurement 3: Decrease in Number of Blighted Properties (see page 10 for further)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|-----------------------------------|
| N/A | N/A | N/A | Establishing Baseline - 25 |

Return on Investment:

How do citizens benefit? The CFD seeks to maintain excellent emergency service. Each citizen has a reasonable expectation to be protected by the CFD if there is a fire, need for rescue, or need for EMS assistance. Chattanooga’s citizens and guests expect efficient and effective emergency service at the hands of our firefighters. It is in fact our mission, “The Chattanooga Fire Department is dedicated to protecting life, property



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and community resources through prevention, preparation, response and mitigation.” If this offer is not provided, the converse is also true. The CFD will not be able to provide life safety, property conservation or incident mitigation.

Therefore, as this offer is funded, citizens can continue to anticipate outstanding emergency response from firefighters, who are highly skilled and well-equipped to perform life-saving and property-conserving work. In addition, as noted in the “Overall Performance Metric” section, citizens can now expect a more efficient response as the CFD seeks ways to decrease Turnout Times and Travel Times. In addition, citizens can hope to see fewer “blighted properties” throughout the City, as CFD company officers work in partnership with the Department of Economic and Community Development.

Does this activity leverage other financial resources? While there are not significant amounts of funding leveraged outside of the department’s operating budget, this offer seeks to collaborate with ECD, which would provide taxpayers with minimal savings through combined efforts, but also provides High Performing Government through interdepartmental collaboration.

How does this decrease costs over time? In the “Operational Plan for Station 5 / Station 11” Capital Request, the offer moves 15 current positions from Station 5 to staff Station 11. Generally, this occurs through funding 15 additional FTEs, which would have been included in CFD’s Offer 1. So, this inventive strategy provides an overall annual savings of salaries and benefits for 15 personnel, which is approximately \$1 million per year.

***IMPORTANT NOTE – If the “Operational Plan for Station 5 / Station 11” does NOT occur, the department will need to request fifteen (15) additional FTEs to staff Station 11, which would increase the total number of additional FTEs requested in Offer 1 from 14 to 29 FTEs.**

To refresh the reader on this plan, here is a synopsis:

Operational Plan for Station 5 / Station 11 – Capital Request

This request for Capital funding seeks funding for the replacement construction of Station 5 at an approximate cost of \$1.725 million, a 75’ quint apparatus for the new Station 5 that if purchased at contract pricing (ends January 2015) is \$662,000, AND an engine/pumper apparatus for Station 11 at an approximate cost of \$475,000. This Capital Request seeks to enhance the safety of Chattanooga streets, and provide an inventive platform for exceptional resource management at a total Capital request of \$2.862 million.

The plan seeks to replace Highland Park’s Station 5, which currently houses two crews, Engine 5 and Ladder 5, and was constructed in 1962. The station is old, inefficient and due to limitations of the structure, cannot accommodate modern quint apparatus. With the construction of the new Station 5, a 75’ quint apparatus would be purchased to replace the engine (19 years old) AND ladder-tiller truck (29 years old), both slated to be replaced. In addition, this plan also provides a new engine for the new station (“Station 11”) already funded for construction in the North Hixson area. The plan uses Engine 5’s crew to staff the new quint which will continue to cover the Highland Park/Missionary Ridge area, and seeks to staff Station 11’s engine crew with current personnel from Ladder 5, which means that the department is seeking to use current sworn positions to staff a new station, instead of requesting the addition of fifteen (15) additional FTEs to staff Station 11.

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

Forward

There is no better means the Chattanooga Fire Department can provide as an indicator, highlight or emphasis to the Mayor's leadership priorities and concern for the citizens of Chattanooga than when life-saving service is provided or when catastrophic fires are prevented or minimized. That is how the Chattanooga Fire Department can best support the Mayor's vision, by providing excellent service through highly trained, highly skilled men and women, who are adequately equipped and supported to perform the vast range of duties for life safety, incident mitigation and property conservation.

The following response was composed in direct response to specific questions regarding the department's BFO offers.

Response Operations

Fire Department

\$35,266,176

- General
 - What are the most significant changes you propose and why?

The most significant change under the Response Operations offer is to fully staff all frontline apparatus, which has not occurred for a number of years. Fourteen firefighters are needed to fully staff the Squad fire crews. This is detailed in pages 4 and 5 of Offer 1 – Response Operations, but basically, the requested positions fill a crew that performs highly skilled and labor intensive rescue work. While most crews are budgeted to staff with five personnel, most of the Squad crews are only budgeted with four personnel. The standard per NFPA 1710 is to respond all frontline apparatus with four personnel. To accommodate that standard, it is necessary to budget and staff each apparatus with five. As seen in Table 3 on page 5, *“due to retirements, other attrition, personal leave, military leave, injured-on-duty cases and training events, the CFD only maintains an average of 3.6 to 3.9 firefighters per day, and this is likely to see further decline...”* Though, we are not meeting the nationally recognized standard and it would be virtually impossible to accomplish this every day of every month, this offer seeks to close that gap.

- If there are no significant changes, why not?

N/A

- It is difficult to tell what improvements you are proposing, given the lump-sum proposal.

It is understood that it is difficult to ascertain “improvements” under what is a large proposal. Unfortunately, that is the nature of the needed organizational structure within the fire department, and with consultation from PFM, this offer, though large, was determined to be the best course of action for the operational portion of the department's funding. The improvement is simply to provide a response closer to national standards, which ultimately means a safer fire and emergency response for our citizens, as well as our firefighters.

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

- "24-hour shifts are filled with daily proactive preparation and activities including..."
Please quantify how much of each shift is allocated to each activity.

Due to the nature and uncertain timing of emergency response, it is difficult to quantify or outline a particular schedule for the activities of fire crews beyond response. In addition to response, company officers manage the additional duties of:

- **District Review** – Occurs daily
- **Certified Driver Training** – Occurs daily (1 hour per month per driver; new drivers must drive more hours; State requirement)
- **Station School** – Company level training 3 hours every day; NFPA standard and Insurance Services Office (ISO) required
- **Periodic Drill Tower Training** – Occurs periodically at Fire Training Center; NFPA standard and ISO required
- **Annual State In-Service Training** – Occurs annually for all sworn – 40 hours; State required
- **Specialty Training** – If certified, members must perform/attend/participate monthly (USAR, hazardous materials, EMS refresher, etc. – some licenses are State required)
- **Hydrant Maintenance** – Occurs bi-annually; multiple days of servicing district hydrants; local and ISO required to ensure hydrants operable
- **Pre-fire Planning District Commercial Buildings** – Occurs almost daily; Goal is to perform one new and ten updates per month; NFPA standard and ISO required
- **Periodic Community and School Visits** – Scheduled upon school's request
- **Daily Station Duties** – Occurs daily; includes maintenance of fire hall, apparatus and equipment

- Is there are more efficient way to accomplish some of this?

Due to the nature and uncertain timing of emergency response, company officers must be flexible in ensuring all of these tasks are accomplished. Though there is not a "more efficient" way to accomplish all of the tasks that need to be performed, often times, these duties are prudently performed and even combined after responding to an emergency. For instance, being cognizant of fuel consumption and wear-and-tear on the apparatus, the fire crew might accomplish district review, pre-fire planning and/or driver training on the way back to the station after responding to an incident, if timing is appropriate.

- Is there time left to accomplish other goals of our city?

Again, due to the nature and uncertain timing of emergency response, it would be difficult to accomplish other goals for the city. However, as stated on page 10 of Offer 1 – Response Operations, the department is seeking a collaborative opportunity of service with the Department of Economic and Community Development to provide information concerning "blighted" properties. As fire crews are returning from emergencies, performing district review or driver training, or maintaining hydrants, they *"will report properties appearing to be vacant or in serious disrepair."* These properties will be turned over to ECD's Neighborhood Services, who will work with property owners to rectify "blighted" properties. This offer strengthens our neighborhoods, as well as reduces the potential for fires in vacant structures, which primarily puts firefighters at risk.

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

- E.g., is there time to help with Chattanooga VRI or another city priority? What help would firefighters provide?

On top of the primary emergency response duties, firefighters are already engaged in so many activities throughout the day in preparation of an efficient and effective emergency response. There is a misconception that began years ago regarding the activities and perceived “downtime” of firefighters at the station. While there is some time every day when firefighters are not responding to or otherwise engaged in mitigating an emergency, the time is filled with the other preparatory activities as mentioned in the question above concerning “24-hour shifts,” particularly during normal business hours.

However the collaborative initiative the department has put forth to help with recognition and mitigation of blighted property will help the Violence Reduction Initiative (VRI). It is widely recognized throughout the country that blight and decay is an invitation to violent as well as property crime. In addition, arson is considered a “violent crime,” and our Fire Investigators work hard, with assistance from company officers, to maintain a high conviction rate, which of course, reduces violent crime and indirectly “helps” the VRI.

- False alarms continue to rise. What are you doing about that with this offer? You say that calls have increased by 20% since 2008. What are you doing to reduce that?

In Table 1: CFD Incident Response Data on page 2 of Offer 1 – Response Operations, the various calls for service are categorized by FEMA standards. There are actually hundreds of response categories that are further condensed into what is seen in this table. It’s important for the reader to understand that while False Alarms and Good Intention responses are lumped together in this particular FEMA-defined category, and therefore this table, they are two very different responses. False Alarms can range from “Alarm system activation, no fire, unintentional” to a “Malicious, mischievous false call”. Good Intention calls can refer to calls such as, “Smoke scare, odor of smoke” or “Steam, other gas mistaken for smoke, other” or “Smoke from barbeque, tar kettle.” If it is deemed important by the BFO Leadership Team, these categories can be further differentiated for future local measure and comparison. Again, these were FEMA-defined, so that is what was used for a metric.

The CFD is addressing the issue of False Alarms by requesting to fund a Fire Public Educator to help educate the public on the “do’s and don’ts” of fire safety. Whether at home or at work unattended cooking or heating of food, unsupervised open flames, and misuse of heating devices are general causes of unintentional false alarms. The more we educate the public in this area, the fewer false alarms should occur. In addition, the department is requesting to fund Fire Inspectors, who have the authority to ensure that fire protection systems are operating correctly, which would ultimately reduce the number of “false alarm” responses. However, under current staffing of the Fire Prevention Bureau inspectors do not have the time to inspect all commercial properties within the City. See page 5 of Offer 3 for further detail regarding the needed number of inspectors.

- You respond to more car fires than structure fires. Has your training changed to reflect that?

No. It is not necessary to change training regarding car fires. Though similar, there are far more hazards associated with structure fires. NFPA standards and OSHA regulations place structure fire training at a much higher level. However, training for car fires requires many of the same protections, such as the

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

required use of SCBA and full Personal Protective Equipment (PPE) to ensure firefighters are operating safely. This training will continue to occur, if Offer 6 – Fire Training Division is funded.

- How can you respond to EMS/BLS situations more efficiently? Is there any way to reduce the number of such calls?

The EMS protocols were revised a number of years ago to only include “life-threatening” responses, such as difficulty breathing calls, choking calls, CPR-in-progress calls, accidents involving trauma, heart attacks, drowning responses, etc. The department no longer responds to minor EMS responses. Unfortunately, the only way to reduce EMS calls is to stop responding to the life threatening incidents listed above which would lessen our citizen and visitors’ chances of survival.

There is one caveat to this, in that there are a number of “assist-a-citizen” responses every year. These calls are generally not life-threatening, but highlight a citizen who has a desperate need, and did not know who else to call for help. In many instances, however, these can be preventative in nature. For instance, if we respond non-emergency to assist an elderly lady off the floor, who otherwise would not have been able to get up by herself, then we have prevented a situation in which she could have expired from dehydration. Many of our elderly citizens simply don’t have anyone else to call for assistance. We try to work with other agencies, such as Adult Protective Services or private caregivers, but have had very little success in involving other agencies, and these calls occur multiple times per month. It would be preferable to find a workable solution to this type of call for assistance, because it removes a fire company from service, and could hinder response to an actual emergency. But until means are available, it presents the department an opportunity to serve individuals who have otherwise been neglected by society.

The department hopes to initiate a pilot program to respond more efficiently to EMS/BLS situations. We have asked for two (2) fuel efficient vehicles to respond to these type calls, instead of responding in a full size fire apparatus. If the vehicles are funded in our capital request, and the pilot program proves to be more efficient, we plan to acquire additional vehicles in future budget request to expand the response program.

- What will you do about removal or improvement of vacant structures that pose a fire hazard?

As detailed on page 10 of Offer 1 – Response Operations, a collaborative plan is being presented as a cost effective means to reduce the number of “blighted” properties. As noted, *“This collaboration does not share any funding for personnel or resources, and therefore is performed at no additional costs to citizens.”* Essentially, the company officers will provide information concerning vacant or otherwise “blighted” properties to Neighborhood Services, which has the authority and responsibility to attempt to rectify these properties by either requiring property owners to comply or have the structures torn down at the property owner’s expense. As a result, these vacant structures that pose a fire hazard would be reduced.

- What will we gain by adding 14 new firefighters? Are there activities presently being done by sworn personnel that civilians could do? Why focus on spending more money on responding to non-fire calls instead of finding ways to reduce the number of calls?

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

The focus is not to spend more money; the department has always focused on doing things more efficiently, and to ensure that the CFD is responding to all emergency incidents with appropriate staffing. Fourteen firefighters are needed to fully staff the Squad fire crews. This is detailed in pages 4 and 5 of Offer 1 – Response Operations. Basically, the requested positions fill crews that perform highly skilled and labor intensive rescue work. While most crews are budgeted to staff with five personnel, most of the Squad crews are only budgeted with four personnel. The standard per NFPA 1710 is to staff all frontline apparatus with four personnel. To accommodate that standard it is necessary to budget each apparatus with five. As seen in Table 3 on page 5, “due to retirements, other attrition, personal leave, military leave, injured-on-duty cases and training events, the CFD only maintains an average of 3.6 to 3.9 firefighters per day, and this is likely to see further decline...” Though, we are not meeting the nationally recognized standard and it would be virtually impossible to accomplish this every day, this offer seeks to close that gap.

There are not currently any emergency response activities that civilians could perform, which are now achieved by highly trained and well equipped firefighters. There are OSHA regulations and NFPA standards to adhere to, and many liabilities associated with emergency response. With the exception of public service activities, such as participation in Read Across America, school visits or attending festivals such as GoFest!, which are all wonderful outreach opportunities, most activities performed by firefighters on a daily basis are directly related to either responding to emergencies or preparing to respond to emergencies, and therefore, could not be performed by civilians.

Lastly, it is not within present means to “reduce the number of calls,” with the exception of quelling the number of “False Alarms,” which was discussed at length in response to an earlier question.

- Why do you need to assign five to an apparatus in order to respond with four?

As stated on pages 4 and 5 of Offer 1 – Response Operations, and earlier in this document, the standard per NFPA 1710 is for all frontline apparatus to respond with four personnel. To accommodate that standard, it is necessary to staff and budget each apparatus with five. As seen in Table 3 on page 5, “*due to retirements, other attrition, personal leave, military leave, injured-on-duty cases and training events, the CFD only maintains an average of 3.6 to 3.9 firefighters per day, and this is likely to see further decline...*” Though, we are not meeting the nationally recognized standard and it would be virtually impossible to accomplish this every day and every month, this offer seeks to close that gap.

- How often have we used the ladder trucks? If the vast majority of our calls are not structure fires, and the vast majority of the structure fires are not high-rise buildings, are the four ladder trucks the best use of taxpayer dollars?

In 1997, a comprehensive “City of Chattanooga Fire Department Management Study” was conducted by the University of Tennessee’s Municipal Technical Advisory Service (MTAS). This study addressed all aspects of how the Chattanooga Fire Department provides service to the City, including staffing, equipment placement, equipment replacement, station location, training, and several other points of management.

To the question, the study suggested the implementation of the Quint apparatus, which provides a much more versatile and effective response. “Ladder trucks” (such as current Ladder 5) are not capable

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

of providing pump operations and therefore, limit “truck crews” to aerial and traditional truck company operations (ventilation, salvage, overhaul, rescue, etc.), which is not the best use of taxpayer dollars, though these functions are still important to incident mitigation. With the change to the suggested Quint concept, the department is far more versatile. Quints provide aerial rescue possibilities, aerial master-stream capability, and pumper operations. In estimation, aerial devices are used on perhaps 10% of structure fires, particularly commercial occupancies.

Recently, several Quints were used in the gas-fed fire in Lookout Valley to protect exposures from the radiant heat, and again in late March on a vacant commercial structure on Dodds Avenue. Had those elevated master-streams not been available and quickly in place, several of the surrounding structures would have been involved and more citizens and businesses would have been affected. In another recent example, the elevated master-streams and aerial operations were very necessary at the Carriage Parc Apartments fire, which affected many City residents, but could have affected many, many more if not for the viable response.

In addition, the MTAS study centered on Insurance Services Officer (ISO), which provides communities with a Public Protection Classification (PPC). The classification provides statistical information to the insurance industry based on the fire protection capabilities of the community. ISO standards suggest that all properties protected by a municipality be within 1.5 miles of an engine-pumper company and within 2.5 miles of a ladder truck company. The Quint concept has allowed the CFD to “double-dip” on these requirements, and therefore bolsters the PPC. Currently, there are very few portions of the City outside these standards. There are a few, some of which are being addressed through the CFD Capital Budget offers. Ultimately, because this plan was implemented and continually worked toward, it has provided a more efficient and effective response to our citizens.

In 2004, the CFD increased its PPC or “rating” to an ISO Class 2 fire department, which very few departments have attained nationwide. Later this year, the department is reportedly slated to undergo the PPC again. The PPC also entails other measures of fire department response defined by NFPA standard, such as staffing levels, response times, training hours, etc.

- Regarding the collaborative offer with ECD, how much time do you have to dedicate to these efforts? Are there other personnel resources you can devote to collaborative efforts with other departments?

As stated in on page 10 of Offer 1 – Response Operations, and above in response to another question, company officers and fire investigators, who are also sworn police officers, will provide information to Neighborhood Services by identifying “blighted” properties within their response districts. They will not dedicate more time to the effort, but as they are performing necessary response preparation, such as district review, driver training or hydrant maintenance, they will take note of any properties of concern. The only additional time taken will be for the company officer to provide an email detailing any of these properties to the Deputy Fire Marshal / Executive Officer, who works at Fire Administration. This person will be the point of contact to and for Neighborhood Services. He or she will forward potential properties to the ECD Deputy Administrator, who will provide the information to Neighborhood Services.

- How is funding for the offer going to achieve the goals you have set for response time, etc.?

Chattanooga Fire Department

Offer 1 – FY2015 BFO Feedback Response

As noted on page 9 of Offer 1 – Response Operations, the performance measures that will be monitored are NFPA 1710 standards of two components of overall response times: Turnout Time (time between “Dispatched” to “Enroute”) and Travel Time (time between “Enroute” to “Arrival”). The goal for Turnout Time set forth in the standard, states that 90% of the time, the fire crew will turnout in 60 seconds or less on EMS calls, and 80 seconds or less on fire calls. The goal for Travel Time is that 90% of the time, the initial fire company will be on scene in 4 minutes and the full alarm assignment (all companies on the first alarm) will be on scene in 8 minutes or less.

Currently, the CFD doesn’t meet either of these standards. Though, we are closer to the Travel Time standard, there is still work to be done. The department is constantly seeking to improve its response, but frankly, until the last 10 years or so, response times were not really considered a metric of concern, though the department feels as though it has always responded fairly quickly. In the last two years, we have paid closer attention to these two time measures in preparation for ISO’s PPC, which now classifies fire departments on NFPA 1710 standards, and now for the BFO process. We realize that our performance has not been where it should be. So, we are taking steps to educate company officers to perform with excellence in all aspects of their duties, including responding as quickly and safely as possible. This is also addressed through the development of a Company Officer Training Program. We have also identified some reporting issues that are currently being addressed by our records management vendor. In addition, the department is in the process of implementing a mobile data project that will give company officers more control and capability in capturing accurate response times, which is currently performed by very busy dispatchers at Hamilton County 911. Due to the control that company officers will have on the time stamps of response, the department anticipates that this numbers will increase to a much higher percentage of meeting the standards.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|------------------|-----------------------------------|------------------------|----------------------|
| Offer Name: | Tactical Services Division | | |
| Offer Number: | 4 | Department Offer Rank: | 4 of 7 |
| Lead Department: | Fire Department | Collaboration: | Y X N |
| Administrator: | Fire Chief Lamar Flint | | |
| Offer Cost: | \$321,557 | Primary Results Area: | Safer Streets |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

Offer 4 – Tactical Services Division

“The Chattanooga Fire Department is dedicated to protecting life, property and community resources through prevention, preparation, response and mitigation.” (CFD Mission Statement, 2001)

In support of the mission of the Chattanooga Fire Department (CFD), this offer seeks to enhance the services provided by the Tactical Services Division. In addition to 24-hour response duties, this division is responsible for overseeing and administrating Federal grant funding through Metropolitan Medical Response System (MMRS) and the Department of Homeland Security (DHS). Through this Federal funding distributed through District 3 of Tennessee Department of Homeland Security, advanced and specialized apparatus, equipment and training has been provided to establish and maintain the Tennessee Task Force 4 (TNTF4), often referred to locally as the “Urban Search and Rescue or USAR Team.” The CFD provides the principal leadership and staffing for the Task Force, but also works collaboratively with county emergency managers and leadership from area fire departments and rescue organizations to provide tactical services and special operations to the southeast Tennessee 10-county region, which includes Hamilton, Bradley, Polk, Meigs, McMinn, Bledsoe, Rhea, Grundy, Marion and Sequatchie counties.



City of Chattanooga

FY15 Offers

In addition to the oversight and administration of these funds, this division oversees personnel, equipment and apparatus utilized for all operational activities outside of firefighting, including EMS responses, water rescue or fire emergencies, hazardous materials responses, vehicle extrication, and technical rescue disciplines, such as high/low angle, trench, collapsed structure and confined space. In conjunction with the Fire Training Division, the Tactical Services Division provides specialized training for all of these disciplines. The personnel in this division also routinely provide invaluable emergency response assistance and expertise to mitigate incidents.

While the above description may seem like more than enough work for a two-person division, the Tactical Services Division also performs the following additional functions for the CFD:

- Provides annual, OSHA-mandated Hazardous Waste Operations and Emergency Response (HAZWOPER) refresher training to multiple corporate partners through the Hamilton County Local Emergency Planning Commission (LEPC)
- Coordinates with Water Quality officials to protect local waterways during spills and motor vehicle collisions
- Serves as expert representatives (ESF-4 Fire, ESF-9 Rescue, and ESF-10 Hazardous Materials) to the Hamilton County Emergency Operations Center (EOC) during large-scale response incidents and events
- Provides Trench and Excavation Awareness/Operations Training to Department of Public Works
- Represents CFD in Regional Healthcare Planning Committee
- Represents CFD in Community Health and Emergency Preparedness Committee
- Represents CFD in Campus Safety and Emergency Response Committee
- Represents CFD in TDOT transportation meetings and Intelligent Traffic Systems (ITS) meetings

Tactical Services – Results Areas and Desired Outcomes

Primary – Safer Streets

1) Increase the sense of safety in the City – The Tactical Services Division increases the sense of safety in the City when victims, families and neighbors experience and/or witness life-saving rescue responses by thoroughly trained and equipped responders. They feel protected regardless of the emergency's nature, which is especially true for technical rescue disciplines which require advanced training and special equipment. In addition, through collaboration with the Department of Public Works, this division will ensure that confined space entries and work are performed safely.

Budget Strategies Realized: Maintains safe and secure streets, facilities, and public spaces for all citizens by providing life-saving rescue capability. Through the collaboration, the CFD seeks to provide proactively coordinated services with Public Works to respond as quickly as possible to emergencies during the confined space entries and work.

Secondary– High Performing Government

1) Best utilize available City resources – A “High Performing Government” is one that works within its available resources when possible. This collaborative offer continues that premise.

Budget Strategies Realized: This offer seeks to effectively manage all inventory and assets (for the CFD and Public Works) in a way that does not require an outside contractor to perform necessary, OSHA-mandated confined space entry stand-by.



City of Chattanooga

FY15 Offers

Tactical Services – Staffing

Summary – This offer seeks to maintain funding and personnel costs, including salaries, benefits, applicable uniform allowances and applicable longevity bonuses, for one (1) FTE, and “unfreeze” two (2) FTEs, at a cost of \$320,247. These highly trained personnel work hard to ensure that CFD personnel are equipped and trained for any rescue, hazardous material and other specialized event.

Tactical Services Chief (1) – Sworn position that oversees training and response for all emergencies requiring special operations to mitigate an incident; also manages specialized equipment inventory; works with the Logistics and Technology Chief in specification writing, bidding and purchasing processes of specialized apparatus and equipment; responds to provide expertise, knowledge, skill and ability to Incident Commander; oversees management of Metropolitan Medical Response System (MMRS) grant funding; reports directly to Executive Deputy Chief

Tactical Services Officer (2) – Sworn positions that assist Tactical Services Chief in training and equipping other responders in all tactical services; provide classroom lectures and hands-on training to assist company officers and firefighters in growing tactical services knowledge, skill and ability; respond to provide expertise, knowledge, skill and ability to Incident Commander; maintain air monitoring equipment; assists in managing specialized equipment inventory; report directly to Tactical Services Chief

***“Unfreeze” Tactical Services Officers (2) – This offer seeks to “unfreeze” two positions “frozen” during the FY2014 budget.** One of the requested positions was “frozen” from the Tactical Services Division, and the other from a “frozen” Fire Prevention Bureau position. Instead of requesting “additional” positions, the department prudently seeks to utilize positions already established.

Additional Information: This brings the total requested Tactical Services Officer positions to two (2), which more closely aligns with the true needs of this division, the department and therefore, the community. Currently, it is difficult for this division to manage, not only the advanced training and emergency response needs, but also oversee the large inventory of equipment, tools and materials established and maintained with Federal dollars. With the addition of this position, the work would be much more manageable. See the CFD Executive Summary for further information.

Staffing Support – In addition to the requested positions, this offer also maintains funding for support equipment, materials and supplies, including but not limited to, work stations with computers and/or laptops and desk phones, assigned take-home passenger vehicles for daily function and response when needed, cell phone stipends, and additional personnel costs such as uniform allowance as mandated by City Charter Title 13, Section 13.14., and longevity pay as it applies to City personnel.

Tactical Services – Operating Expenses

In addition to the staffing request for this division, this offer also seeks to maintain minimal operating expenses at a cost of \$1,310. These expenses include internet service capability for HM-1, a secondary hazardous materials response apparatus, and State licensure for having radioactive material detection equipment.



City of Chattanooga

FY15 Offers

Tactical Services – Overall Performance Metrics

- **Training Hours for Technical Disciplines** – To ensure firefighters are receiving adequate technical training in addition to regular station school training.
 - **CFD Current:** USAR Team members currently receive opportunity for at least 4 hours of monthly USAR training
 - **CFD Goal:** Maintain monthly USAR training contact hours
 - **Tabulation:** Training events documented through sign-in sheets at each training event and reported in spreadsheet and FDM (fire department’s records database)
 - **Increase Tennessee Task Force 4 Training and Informational Meetings with 10-County Region** – To ensure all counties are aware of available USAR resources and expected roles during real events.
 - **CFD Current:** CFD does not have routinely scheduled meetings with necessary participants in the 10-county region
 - **CFD Goal:** Increase training and informational meetings through quarterly scheduled meetings
 - **Tabulation:** Sign-in sheet would provide documentation of training or meeting, and would be tabulated into an annual report provided to the Fire Chief and the City’s Leadership Team
-

Tactical Services – Collaborative Offer

Summary – As part of this overall offer, the CFD Tactical Services Division seeks to continue to collaborate with Department of Public Works by providing highly trained and specially equipped personnel to stand-by during inspections requiring confined space entry and work for Public Works employees and/or contractors. Trained and equipped personnel are required by OSHA for all permit-required confined space entries. Instead of hiring an outside contractor, the Department of Public Works would provide budgeted funding for the overtime pay for each of the selected personnel required to stand-by. **This offer seeks to fund these stand-by operations, which are estimated to occur three to four times per year at an estimated cost of \$750 per event for a total budgeted collaboration of \$2,250-\$3,000.**

- **Problem/Issue** – The Department of Public Works periodically must perform work or contract work to be performed in OSHA-defined confined spaces. While this is a relatively minimal engagement of cost for Public Works, last year, Public Works chose to work with the highly skilled members of the CFD “USAR team,” instead of paying an outside contractor, which ultimately saved taxpayer dollars.
 - **Plan** – To ensure compliance with OSHA regulations, the Department of Public Works will coordinate with the CFD Tactical Services Division to provide trained, stand-by personnel and equipment.
 - **Cost** – This collaboration only shares funding for overtime personnel costs. The Tactical Services Division will select “off duty” personnel to stand-by with necessary apparatus and equipment. Public Works will provide the overtime salaries through Payroll. Currently, Public Works estimates each contracted entry to cost about \$2,500. At only around \$750 per event, this will save taxpayer dollars. The overall annual cost is projected to be minimal, around \$2,250-\$3,000.
 - **Collaboration Metrics**
 - **Goal:** Continue collaborative effort between CFD and Public Works to utilize off-duty, USAR personnel for permit-required confined space stand-by, instead of more expensive contractors
 - **Measure:** Hours and cost tabulated in simple spreadsheet to ensure movement toward goal
-



City of Chattanooga

FY15 Offers

Tactical Services – Mandates, Standards and Recommendations

- **Federal Emergency Management Agency (FEMA)** – Task Force 4 Regional Response Team plan and mandate (issued through TEMA); Federal funds used to establish, train, equip and maintain team (issued through TEMA)
- **State of Tennessee/TEMA** – Task Force 4 Regional Response Team plan and mandate
- **NFPA 1021, Standard for Professional Qualifications for Fire Instructor** – Provides standard for fire department instructors, which also applies to this division as they perform in the instructor role often
- **NFPA 1006, Standard for Technical Rescuer Professional Qualifications** – provides standard and guideline for training and qualifications for technical rescue responders or “technicians”
- **NFPA 1670, Standard for Operations and Training for Technical Rescue Incidents** – provides standard for operational activity for all technical rescue disciplines
- **NFPA 1500, Standard on Fire Department Occupational Safety and Health Program** – This standard recommends policies and guidelines to ensure safe practices and procedures during emergency operations. This standard is foundational for fire departments to be proactively safe in policy and operationally safe in reactive response.
- **NFPA 1710, Standard for Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations and Special Operations to the Public by Career Fire Departments** – This standard provides recommendations for operational staffing for fires and other responses, and sets parameters for timeliness of response at all points.
- **OSHA 1910.120, Department of Health and Human Services 85-115 “Occupational Safety and Health Guidance Manual for Hazardous Waste Site Activities”** – gives regulations for HAZWOPER training
- **OSHA 1910.134** – Overall regulation ensures the respiratory protection for emergency responders in IDLH atmospheres (Immediately Dangerous to Life and Health); OSHA standard mandating emergency rescue teams for emergency operations (“two in-two out” rule)
- **OSHA 1910.120.1200** – Provides regulations for hazard communications
- **OSHA 1910.146, Permit Required Confined Spaces** – This OSHA regulation ensures that entry and work in confined spaces are only performed by trained and permitted individuals and teams.
- **OSHA 49cfr180.205** – This regulation requires the “periodic requalification” of cylinders, including SCBA cylinders used for respiratory protection during emergency response.
- **NFPA 1911, Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus** – Requires annual pump testing for CFD engine, quint and squad apparatus, and annual aerial ladder testing for CFD ladder and quint apparatus.
- **City Charter – Title 13, Section 13.14.** Uniform and equipment allowance, the City of Chattanooga shall provide in each fiscal budget a uniform and equipment allowance to all sworn fire personnel.
- **City Code – Chapter 16 Fire and Police Departments** – general parameters for employees
- **City Ordinance – Longevity Pay** – Pursuant to the City’s annual ordinance renewal to provide incremental bonus pay based on a fulltime employee’s years of continuous service

Tactical Services – Offer Conclusion

In conclusion, the Fire Chief and the Chattanooga Fire Department would like to thank Mayor Berke and the Leadership Team for the opportunity to submit this offer to maintain and enhance the excellent service the CFD provides to Chattanooga. As the CFD mission states, we are truly dedicated to protecting life, property and community resources. It is an honor to serve our citizens and guests on what is undoubtedly one of the worst days of their lives. This offer simply seeks to continue that excellence of service. Again, thank you for the opportunity.



City of Chattanooga

FY15 Offers

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

*See Results Area/Desired Outcomes section above for more thorough information regarding each of the Desired Outcomes this offer hopes to impact.

1. Increase the sense of safety in the City – The Tactical Services division increases the sense of safety in the City when victims, families and neighbors experience and/or witness life-saving rescue responses by thoroughly trained and equipped responders. They feel protected regardless of the emergency’s nature, which is especially true for technical rescue disciplines which require advanced training and special equipment.

2. Best utilize available City resources – A “High Performing Government” is one that works within its available resources when possible. This collaborative offer continues that premise. This offer seeks to effectively manage all inventory and assets (for the CFD and Public Works) in a way that does not require an outside contractor to perform necessary, OSHA-mandated confined space entry stand-by.

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|-----------------------------------|--|----------------|------------------|---------------|------------------|
| Fire – Tactical Services Division | \$320,247 | \$1,310 | \$321,557 | 100% | 3 |
| Total | \$320,247 | \$1,310 | \$321,557 | 100% | 3 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes XNo \$Amount

**Please prepare and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|------|--------|
| N/A | N/A |

PERFORMANCE DATA

Measurement 1: Training Hours for Technical Disciplines (see Tactical Services – Overall Performance Metrics above for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|-----------------|
| N/A | N/A | N/A | 4 hours / month |

Measurement 2: Increase Tennessee Task Force 4 Training and Informational Meetings with 10-County Region (see Tactical Services – Overall Performance Metrics above for further detail)

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| N/A | N/A | N/A | Quarterly |

Return on Investment:



City of Chattanooga

FY15 Offers

How do citizens benefit? The Tactical Services Division increases the sense of safety in the City when victims, families and neighbors experience and/or witness life-saving rescue responses by thoroughly trained and equipped responders. They feel protected regardless of the emergency's nature, which is especially true for technical rescue disciplines which require advanced training and special equipment.

Citizens have a reasonable expectation through their tax dollar investment to feel protected regardless of the emergency's nature. Simply put, the advanced emergency response for which this division provides training, specialty equipment and support cannot occur without this highly skilled, highly motivated staff. Since this division provides advanced technical training and specialty equipment, if this offer is not supported, then firefighters cease to be able to respond to advanced and technical emergencies, and ultimately, our citizens cease to have adequate emergency response.

Therefore, as this offer is funded, citizens can continue to anticipate excellent emergency response service on special operations or technical rescues. In addition, as noted in the "Overall Performance Metric" section, citizens can now expect a more effective Tactical Services Division by the "unfreezing" of two "frozen" positions, who will be able to better meet Federal grant obligations, better support tactical service responses and better educate other responders in the 10-county region for which the CFD is responsible.

Does this activity leverage other financial resources? Yes, some equipment and training has been maintained through MMRS (Federal) funding. Otherwise, the division is funded through the CFD's operating budget.

How does this decrease costs over time? Through the collaborative offer with the Department of Public Works, this offer will substantially decrease what were contracted expenses. Since there are about three or four events annually in which CFD services will be needed, at a cost around \$2,250-\$3,000, it is estimated to save taxpayers between \$5,250 and \$7,000 per year.

Chattanooga Fire Department

Offer 4 – FY2015 BFO Feedback Response

Forward

There is no better means the Chattanooga Fire Department can provide as an indicator, highlight or emphasis to the Mayor's leadership priorities and concern for the citizens of Chattanooga than when life-saving service is provided or when catastrophic fires are prevented or minimized. That is how the Chattanooga Fire Department can best support the Mayor's vision, by providing excellent service through highly trained, highly skilled men and women, who are adequately equipped and supported to perform the vast range of duties for life safety, incident mitigation and property conservation.

The following response was composed in direct response to specific questions regarding the department's six BFO offers.

Tactical Services Division

Fire Department

\$321,557

- Are there other agencies in the county that provide these same training opportunities? How are ours different?

No. As stated on page 1 of Offer 4 – Tactical Services Division, *“This division is responsible for overseeing and administering Federal grant funding through the Metropolitan Medical Response System (MMRS) and the Department of Homeland Security (DHS). Through this Federal funding distributed through District 3 of Tennessee Homeland Security, advanced and specialized apparatus, equipment and training has been provided to establish and maintain the Tennessee Task Force 4 (TNTF4), often referred to as the ‘Urban Search and Rescue or USAR Team.’ The CFD provides the principal leadership and staffing for the Task Force, but also works collaboratively with county emergency managers and leadership from area fire departments and rescue organizations to provide tactical services and special operations to the southeast Tennessee 10-county region...”* The USAR Team provides technical rescue and special operations mitigation, which include such rescue operations as confined space, collapsed structure, trench, and high/low angle, which is also stated on page 2 of the same offer.

Basically, the City of Chattanooga, and particularly the Chattanooga Fire Department, accepted the principle funding for the initial train-the-trainer instruction, equipment, apparatus, trailers, necessary response materials and other assets and ultimately, and therefore, also accepted the responsibility to provide these tactical rescue services and special operations for the 10-county region. With the acceptance of this equipment, training and responsibility, the CFD is allowed to use these assets in our day-to-day operations. After several years in operation, CFD personnel are the “experts” and provide not only the response, but also the training for all technical rescue disciplines in the southeast Tennessee region.

- How often have these disciplines been deployed in recent years?

Since the USAR Team's inception in 2006, the members trained for USAR response have responded to several technical rescue emergencies:

Chattanooga Fire Department

Offer 4 – FY2015 BFO Feedback Response

- **July 2009** – *Chattanooga, TN* – high-angle rescue from crane
 - **July 2010** – *Collegedale, TN* – trench collapse rescue
 - **February 2011** – *Chattanooga, TN* – collapsed structure rescues and search following tornado event
 - **April 2011** – *Chattanooga, Hamilton County, and Bradley County, TN, and Catoosa County, GA* – collapsed structure, and search and rescue following multiple tornado events
 - **March 2012** – *Harrison, TN* – recon, command assistance, search and rescue and collapse structure assistance
 - **August 2013** – *Signal Mountain, TN* – low angle rescue
 - Additionally, TEMA requested TNTF4 to standby for Jackson and Kimball, TN tornado events, but the team was not deployed on those events.
- Why do the unfrozen positions need to be filled by sworn personnel?

If the positions sought only provided grant and asset management, then a civilian could provide the necessary skills and abilities. However, these positions provide so much more that requires emergency operations experience. They must be able to provide tactical services and special operations instruction, operational expertise and consultation to assist incident commanders make educated decisions for incident mitigation, as well as expertise, representation and liaison duties to water quality officials, Emergency Operations Center, and several other agencies outline on page 2 of the Offer 4 – Tactical Services Division.

Note: Similar to the previous “Notes,” to keep the reader from having to read this reasoning multiple times, the perspective provided in the feedback response for Offer 3 – Fire Prevention Bureau (page 2) provides further insight regarding the need for sworn positions.

- How much would the City save by agreeing to fund the Collaborative Offer?

As stated on page 4 of Offer 4 – Tactical Services Division, the approximate cost of continued collaboration for confined space entry permitting and standby is estimated at about \$750 per event. The Department of Public Works was paying a contractor for the same standby service a total of \$2,500 per event. So, the CFD can provide the expertise, staffing and equipment for about one-third the cost.

- General
 - What are the most significant changes you propose and why?

The most significant changes proposed in this offer, is the unfreezing of one Tactical Services Officer position, and the request to unfreeze and reallocate a fourth Fire Investigation position. While a fourth Fire Investigator would be a welcomed addition to the Fire Investigation Division, the department is prudently attempting to best use the staffing assets available. The current Tactical Services Chief and Tactical Services Officer currently work long hours and are overwhelmed by the volume of necessary work performed by this division. The funding of the current position and reallocation of unfrozen funding for another Tactical Services Officer would provide a significant boost in this division’s effectiveness.

Chattanooga Fire Department

Offer 4 – FY2015 BFO Feedback Response

- If there are no significant changes, why not?

N/A



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | | |
|----------------|--|-----------------------|-------------------------------------|
| Offer Name: | Transportation - Traffic Operations (TT0) | | |
| Offer Number: | 4 | Department | |
| Lead | | Offer Rank: | 1 - CORE |
| Department: | Transportation | Collaboration: | Y__ N_X__ |
| Administrator: | Blythe Bailey | | |
| Offer Cost: | \$2,204,416 | Primary Results Area: | Higher Performing Government |
| | (excludes SSA-see below) | | |

RESULTS AREA

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

The Core Traffic Operations Division offer will provide the installation and maintenance of all of the City’s traffic control devices- traffic signs, signals, and pavement markings.

The Signal Shops will continue to install and maintain: traffic signals, school flashers, warning flashers, signalized crosswalks, speed radar signs, and overhead signing. They will maintain the City’s Intelligent Transportation Signal System which has recently been installed city-wide using the fiber optic mesh network. Moving forward, expansion of the system does not rely on the mesh network and can be installed with fiber connectivity. We are coordinating heavily with IT to make sure that we are prepared for either decision about future expansion of connectivity for the city (fiber or mesh).

The Signs and Markings Shop will continue to install and maintain: traffic signs (most manufactured in our shop), painted street centerlines, lane lines, edge lines, stop lines, crosswalks, directional arrows, railroad crossing street markings, painted curbs & islands, road reflectors, reflectorized rubber posts, and in-street pedestrian warning devices.

This shop will be tasked with upgrading all signs not meeting the retro-reflectivity requirements. An inventory of the city’s traffic signs is currently being compiled by 3M. When completed, the inventory will enable our staff to establish a systematic approach to schedule replacement of non-conforming signs.



City of Chattanooga

FY15 Offers

The Front Office Administrative Support Assistant will continue to record all work order data into the City Works software program and provide data to the manager for needed monthly, quarterly, and fiscal year reports. She will file the hard copies for future reference for documentation purposes. She will answer the phone, radio, and computer requests from 311. She will dispatch field crews, as needed.

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Safer Streets - Increase the Sense of Safety in the City
2. Stronger Neighborhoods – More connected neighborhoods
3. High Performing Government - Increase Citizen Satisfaction with Services

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|--------------------|-------------------------------------|-------------------|------------------------|-------------|---------------|
| Traffic Operations | \$1,776,441 | \$427,975 | \$2,204,416 | 96% | 29 |
| Public Works | \$84,305.24 | 0 | \$84,305.24 | 4% | 2 |
| Total | \$ 1,860,746.35 | \$ 427,975 | \$ 2,288,721.35 | 100% | 31 |

**Amounts MUST agree with collaborating Department totals for this offer*

Capital Budget Impact? Yes X No \$Amount

**Please prepare and attach Capital Budget Request Form*

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|---|--------------------|
| See above – SSA funds 2 of our crew workers in Traffic Operations Shop | \$84,305.24 |
| | |
| | |

PERFORMANCE DATA

Measurement 1: Traffic Engineering Sign & Marking Work Orders Completed within 20 Days

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| 72% | 78% | TBD | 95% |

Measurement 2: Traffic Engineering Signal Work Orders Completed within 20 Days

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|--------|--------|--------|---------------|
| NA | NA | NA | 95% |



City of Chattanooga

FY15 Offers

Note our signal system work has traditionally been handled with strict adherence to a work order system. Our technicians in the DRC have had a very good and seamless relationship with our electricians in the Traffic Operations Shop and when a need arises, the need is typically communicated directly by phone or with drawing and/or timing plans. Our most experienced signal technician, Tommy Trotter, served for years in our TO shop, and thus his relationship with our electricians is such that a phone call has been the most efficient way to communicate needs. However, given our new emphasis on records and measurement, we will institute going forward, full use of our work order tracking systems so that we can maintain a good record of completion performance on signal work just like we do on pavement markings and signage.

Measurement 3A: Total Number of Feet of Street Lines Painted.

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|-----------|-----------|-----------------------|---------------|
| 4,066,726 | 2,257,154 | 2,900,000 (Projected) | 4,100,000 |

Measurement 3B: Establish goals to stripe all city streets within expected life cycles for the various types of striping materials used.

| FY2014 | FY2015 | FY2016 | FY2017 |
|--------------------|--------|--------|--------|
| Establish Baseline | TBD | TBD | TBD |

Performance Measurements – Additional Commentary

Through additional offers and ongoing re-organization, our administrative divisions (TTE and TDE) will be applying GIS data tracking to our Operational tasks so that we develop a big picture approach to maintenance and replacement of our traffic control device inventory. Historically, our shop simply completes tasks in a similar way to emergency response; when/if we get a call or become aware of a failed control device (signal, sign, pavement marking, etc), we evaluate in the field and fabricate and repair/replace as soon as possible. Understanding our inventory better – across the board (this work is underway for Sign Inventory) – will enable us to create policy that helps us determine comprehensive strategy that will identify efficiencies in costs of these repairs/replacements. We will develop these performance measurements based on data analysis through the coming year. Measurement 3, as an example, works well to illustrate our changing core functions in terms of performance and measurability. Our Traffic Operations Manager traditionally has maintained hand-written ledgers of our street pavement marking work. While we generally feel like this work has been handled traditionally in an adequate way; certainly getting great value out of budget and personnel to keep our streets safely marked with center lines and edge lines on our major local streets, going forward, with new technology and a stronger, more comprehensive vision and emphasis on paving, we think that our street markings can be transitioned to the longer lasting, more durable, and more lastingly reflective thermoplastic, then our needs for pavement markings, as defined strictly by length of street lines painted, should necessarily decrease. Further as we start to utilize better data tracking into our processes, we will have a firmer grasp of our pavement marking implementation plans. For these long-range changes in core operational function, we hope to transition from a performance measurement which strictly measures quantity (valuable in and of itself as a point of reference from year to year) to one that measures performance and result. Through the course of the next fiscal year, we intend to utilize technology in training our Operations leadership to develop fiscally prudent planning of our regular periodic street maintenance, with the hope being that the efficiencies gained therein will affect better use of tax payer dollars and safer streets.

Return on Investment:



City of Chattanooga

FY15 Offers

How do citizens benefit? Safe and efficient traffic flow throughout the City.

Does this activity leverage other financial resources? Traffic Operation does not directly receive additional funds, but some of the work we do generates Federal and State funds which are added to the general fund. Two staff people are funded from State Street Aid.

How does this decrease costs over time?

Correctly timed and maintained traffic signals, well-placed and maintained traffic signs, and bright street lane markings reduce fuel consumption, air pollution, and time spent in traffic. These devices reduce traffic accidents, which, in turn, reduce medical costs and vehicle repair costs. They help to insure the safety of the walking and biking community, also saving medical costs.

Sign replacements based on a clear and comprehensive inventory of all of our city's signs will be able to be completed in a strategic way, and will result in replacement of all out-of-date signs and should decrease our immediate yearly cost for maintenance and upkeep of non-compliant reflectivity issues.

Prioritizing Offers:

Result teams were formed for each of the five result areas. Result team responsibilities included reviewing and ranking the offers for funding and providing feedback on how to improve offers. Each result team included a member of the leadership team, a budget analyst, two City department administrators or deputy administrators, and a volunteer community member knowledgeable in the result area.

The result teams reviewed all offers and ranked them twice. After the first ranking, the result teams provided feedback to departments and agencies on how to improve their offers. The second ranking was submitted to the leadership team for review, followed by input from the Mayor. The ranking process is subject to change based on the recommendations of all the reviewers until the final budget has been compiled.

The rankings are listed in priority order, with offers likely to achieve the most results at the top of the list and the offers likely to achieve the fewest results at the bottom of the list. The amount of money available for each result area is allocated to the offers beginning at the top of the ranked list until the money runs out. A line is drawn and everything above the line is recommended for funding. Everything below the line is recommended not to be funded. If something below the line needs to be funded, an offer that is currently above the line needs to be adjusted or moved below the line. This process allows decision-makers at each level to see the impact of budget decisions.

The following are Offers for the Safer Streets Result Area that did not receive funding:



City of Chattanooga Nonprofit Funding Request

Cover Letter—Entre Nosotras

The following pages include the required details and materials for La Paz Chattanooga's 2014 request for City of Chattanooga Nonprofit Funding. La Paz Chattanooga is requesting \$105,000 to support the continued efforts of the Entre Nosotras domestic violence initiative, partnering with the city to create safer streets.

Allocation Request: **\$105,000**

Result Area: **Safer Streets**

Organization Name: La Paz de Dios, Inc. (DBA – La Paz Chattanooga)

Contact Person: Stacy Johnson, Executive Director

Email Address: sjohnson@lapazchattanooga.org

Street Address: 1402 Bailey Avenue

City, State, Zip: Chattanooga, TN 37404

Telephone: (423) 624-8414

Fax: (423) 624-0521

Web Address: www.lapazchattanooga.org

Organization's Mission: To empower and engage Chattanooga's Latino community through advocacy, education, and inclusion.



City of Chattanooga Nonprofit Funding Request

Executive Summary—Entre Nosotras

With a decade of community work under its belt, La Paz Chattanooga continues to be the only organization in town whose mission is solely dedicated to the engagement of the fast-growing Latino population.

The mission of La Paz Chattanooga is to empower and engage Chattanooga's Latino population through advocacy, education and inclusion. The size of the Latino community is increasing drastically. The 1990 U.S. Census found that Latinos made up less than one percent of the total Hamilton County population. Casting an eye forward, though, Census estimates forecast that amount will reach twelve percent in Hamilton County by the year 2020, and fifteen percent within the city limits. Evidence of this growth is felt throughout Chattanooga. For example, in the last decade alone, the number of Latino school children enrolled in Hamilton County public schools has more than quadrupled.

Across the state of Tennessee, the booming Latino population is extremely young—more than seventy percent are under the age of thirty-five. There is immense opportunity with such a youthful collection of people. With appropriate services and programming, La Paz Chattanooga hopes to remedy emerging needs of this young demographic, thus ensuring they add strength and contributions to the larger Chattanooga community for generations to come.

Since 2004, La Paz has addressed numerous needs associated with the growth of the Latino community. Keeping an eye and an ear toward recurring issues coming through the doors, La Paz client services staff has developed programs that meet, head on, the most prevalent needs encountered. Operating from that proactive stance, La Paz created its Entre Nosotras domestic violence initiative in 2009.



Over 150 women have received victim services or preventive education on domestic violence in the last two years. Currently seventy-five women regularly participate in the Entre Nosotras program, which promotes healthy families by supporting female heads of households through multiple tactics. Participants in the program attend weekly activities together while selected members participate in leadership-training workshops and eventually take on leadership roles. La Paz enables women to engage in counseling sessions and provides healing from disheartening pasts, including domestic violence and sex trafficking.

Entre Nosotras was launched half a decade ago with financial support from a local foundation. In 2011 the program was able to grow thanks to funding procured from the United States Office of Violence Against Women, however the relationship with the federal government ended at the start of 2014. To continue to serve current Entre Nosotras clients, and grow the program to keep up with demand, La Paz Chattanooga needs a strong partnership with the City of Chattanooga.

La Paz Chattanooga will provide a detailed accounting of how, and for what purposes, city funds are spent. These details will be provided prior to the close of the City of Chattanooga's fiscal budget year and at the close of each succeeding budget year until all municipal funds have been spent by the organization. La Paz will also provide the City of Chattanooga with copies of current annual audits or reviews for each year that it spends funds appropriated to it by the City of Chattanooga.

Together, with the City of Chattanooga, La Paz will continue to engage area's Latino population. Our vision is a trusted network around the Latino community, and La Paz cannot envision a stronger partner in that network than the City itself.

Stacy Johnson
Executive Director

1402 Bailey Avenue Chattanooga, TN 37404
lapazchattanooga.org
423.624.8414

| La Paz de Dios, Inc. Organization Budget | Agency Name: | | La Paz Chattanooga | | | | |
|--|----------------|----------------|--------------------|----------------|-----------------|--------------------------------------|----------------------------------|
| CITY OF CHATTANOOGA | | | | | | | |
| FY 2015 Agency - Funding Financial Form | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
| REVENUES | | | | | | | |
| Contributions | | | | | | | |
| Individuals/Private | \$ 7,662 | \$ 4,622 | \$ 12,806 | \$ 4,812 | \$ 10,000 | \$ 5,188 | 107.8% |
| Corporate/Organizations/Churches | \$ 23,492 | \$ 32,362 | \$ 39,112 | \$ 35,350 | \$ 58,500 | \$ 23,150 | 65.5% |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | \$ 77,437 | | \$ 84,423 | \$ 122,012 | \$ 25,000 | \$ (97,012) | -79.5% |
| State | | \$ 53,249 | | | | \$ - | N/A |
| Hamilton County | | | | | | \$ - | N/A |
| City of Chattanooga | | | | | \$ 105,000 | \$ 105,000 | N/A |
| Other Cities (Please list) | | | | | | \$ - | N/A |
| United Way | | | | | | | |
| Foundations (including grants) | | | | | \$ 25,000 | \$ 25,000 | N/A |
| Gross Proceeds Special Events | | | | | | \$ - | N/A |
| Other UWs/Federations | | | | | | \$ - | N/A |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A |
| UWGC Program Allocation | | | | | | \$ - | N/A |
| UWGC Special Funding | | | | | | \$ - | N/A |
| Membership Dues | \$ 225 | \$ 756 | \$ 5,648 | \$ 8,125 | \$ 8,500 | \$ 375 | 4.6% |
| Program Income | \$ 70 | | | | | \$ - | N/A |
| Governmental Insurance | | | | | | \$ - | N/A |
| Private Insurance | | | | | | \$ - | N/A |
| Contracted Services | | | | | | \$ - | N/A |
| Fee for Services | | \$ 3,560 | \$ 2,700 | \$ 2,321 | \$ 2,500 | \$ 179 | 7.7% |
| Other Program Income - Events | \$ 6,919 | \$ 8,770 | \$ 13,422 | \$ 14,264 | \$ 15,000 | \$ 736 | 5.2% |
| Sales to Public | | | | | | \$ - | N/A |
| Investment Income | \$ 239 | \$ 193 | \$ 134 | \$ 14 | \$ 50 | \$ 36 | 247.7% |
| Miscellaneous | \$ 1,348 | \$ 2,296 | \$ 216 | \$ 236 | \$ 200 | \$ (36) | -15.3% |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A |
| Foundations/Grants Local | \$ 105,100 | \$ 117,300 | \$ 118,850 | \$ 62,550 | \$ 85,000 | | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A |
| Income from Previous Year | | | | | | \$ - | N/A |
| TOTAL REVENUES | \$ 222,492 | \$ 223,108 | \$ 277,311 | \$ 249,684 | \$ 334,750 | \$ 62,616 | 25.1% |
| OPERATIONS | | | | | | | |
| Personnel Expenses | | | | | | | |
| Salaries | \$ 121,133 | \$ 130,135 | \$ 170,192 | \$ 182,709 | \$ 198,000 | \$ 15,291 | 8.4% |

| La Paz de Dios, Inc. Organization Budget | Agency Name: | La Paz Chattanooga | | | | | | |
|---|---------------------|---------------------------|--------------------|--------------------|-------------------|--------------------|------|----------------|
| Fringe Benefits | | | | | | | \$ - | N/A |
| Employee Health | | | | | | | \$ - | N/A |
| Pension/Retirement | | | | | | | \$ - | N/A |
| Payroll Taxes, etc. | \$ 10,560 | \$ 12,545 | \$ 17,018 | \$ 18,051 | \$ 18,200 | \$ 149 | | 0.8% |
| Other (unemployment, life insurance, etc) | \$ 680 | \$ 708 | \$ 742 | \$ 805 | \$ 850 | \$ 45 | | 5.6% |
| Total Personnel Expenses | \$ 132,373 | \$ 143,388 | \$ 187,952 | \$ 201,565 | \$ 217,050 | \$ 15,485 | | 7.7% |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | \$ 11,422 | \$ 11,091 | \$ 53,677 | \$ 49,873 | \$ 33,300 | \$ (16,573) | | -33.2% |
| Utilities | \$ 1,501 | \$ 3,138 | \$ 3,192 | \$ 3,130 | \$ 3,400 | \$ 270 | | 8.6% |
| Other | \$ 1,197 | \$ 6,807 | \$ 310 | \$ 772 | | \$ (772) | | -100.0% |
| Rent | \$ 5,718 | \$ 8,400 | \$ 8,900 | \$ 9,600 | \$ 9,600 | \$ - | | 0.0% |
| Travel/Transportation | \$ 1,470 | \$ 3,488 | \$ 8,635 | \$ 3,133 | \$ 3,500 | \$ 367 | | 11.7% |
| Insurance (not employee health) | \$ 2,796 | \$ 2,151 | \$ 2,676 | \$ 2,465 | \$ 2,944 | \$ 479 | | 19.4% |
| Materials & Supplies | \$ 6,764 | \$ 7,077 | \$ 8,040 | \$ 19,385 | \$ 13,500 | \$ (5,885) | | -30.4% |
| Telephone, Fax, ISP | \$ 3,258 | \$ 2,529 | \$ 2,689 | \$ 2,963 | \$ 2,500 | \$ (463) | | -15.6% |
| Postage and Shipping | \$ 595 | \$ 1,518 | \$ 786 | \$ 1,684 | \$ 800 | \$ (884) | | -52.5% |
| Occupancy/Building/Utilities | | | | | | \$ - | | N/A |
| Equipment Rental and Maintenance (including contracts) | \$ 563 | \$ 1,740 | \$ 807 | \$ 485 | \$ 2,000 | \$ 1,515 | | 312.4% |
| Outside Printing, Art Work, etc. | \$ 2,787 | \$ 1,860 | \$ 1,850 | \$ 2,094 | \$ 1,800 | \$ (294) | | -14.0% |
| Conferences, Conventions, etc. | | \$ 1,714 | \$ 5,973 | \$ 1,404 | \$ 1,200 | \$ (204) | | -14.5% |
| Special Assistance to Individuals | \$ 1,785 | \$ 1,001 | \$ 200 | \$ 1,470 | \$ 5,500 | \$ 4,030 | | 274.1% |
| National Dues/Support Payments | \$ 426 | | | | | \$ - | | N/A |
| Organization Dues (other than above) | \$ 908 | \$ 242 | \$ 22 | \$ 60 | \$ 60 | \$ - | | 0.0% |
| Awards and Grants | | | | | | \$ - | | N/A |
| Fund Raising/Self-Support Activities | \$ 7,109 | \$ 11,077 | | \$ 15,006 | \$ 10,000 | \$ (5,006) | | -33.4% |
| Miscellaneous | | \$ 514 | \$ 166 | | \$ 200 | \$ 200 | | N/A |
| Equipment Purchases (incl. capital expenses) | \$ - | \$ 486 | \$ 15,716 | | | \$ - | | N/A |
| Depreciation | \$ 624 | \$ 1,781 | \$ 1,632 | \$ 1,157 | \$ 1,200 | \$ 43 | | 3.7% |
| Other Expenses (Please list separately any major item) | \$ 1,100 | \$ 750 | \$ 645 | \$ 355 | \$ 1,000 | \$ 645 | | 181.3% |
| | | | | | | \$ - | | N/A |
| Operating Expenses Total | \$ 50,023 | \$ 67,364 | \$ 115,915 | \$ 115,036 | \$ 92,504 | \$ (22,532) | | -19.6% |
| | | | | | | | | |
| TOTAL OPERATIONS | \$ 182,396 | \$ 210,752 | \$ 303,867 | \$ 316,601 | \$ 309,554 | \$ (7,047) | | -2.2% |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ 40,096 | \$ 12,355 | \$ (26,556) | \$ (66,917) | \$ 25,196 | \$ 69,663 | | -104.1% |
| | | | | | | | | |
| **La Paz FY is January - December. Actuals and Budgets are presented so as to reflect La Paz' reality. | | | | | | | | |

**CHARTER
La Paz de Dios, Inc.**

FILED
SECRETARY OF STATE
RECEIVED
STATE OF TENNESSEE
2004 MAY -3 AM 8:53

Pursuant to Section 48-60-106 of the Tennessee Nonprofit Corporation Act, the following Charter is hereby adopted by the Board of Directors of La Paz de Dios, Inc.:

1. The name of the corporation is La Paz de Dios, Inc.
2. The corporation is a public benefit corporation.
3. The corporation is not a religious corporation.
4. a. The address of the initial registered office of the Corporation in Tennessee is 1 Stonehaven Drive, Signal Mountain, TN. 37377. The initial registered office is located in Hamilton County.

b. The name of the registered agent who is located at the registered office listed in 4 a. is Lynn V. Schmissrauter.
5. The name and complete address of the incorporator is Lynn V. Schmissrauter, 1 Stonehaven Drive, Signal Mountain, TN 37377. The principal office will be at the same address.
6. The corporation is a nonprofit corporation.
7. The corporation will have no members.
8. The corporation is organized for the purpose of providing resources to the Hispanic community in the Hamilton County and surrounding area. The corporation is organized exclusively for charitable, religious, educational and scientific purposes.
9. The corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status as a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.
10. No part of the net earnings of the corporation shall inure to the benefit of any director, officer or any other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in paragraph 8 above.

11. To the fullest extent permitted by the Tennessee Nonprofit Corporation Act, a director of the corporation shall not be liable to the corporation or its members thereof for any monetary damages for breach of fiduciary duty as a director. If the Tennessee Nonprofit Corporation Act is amended after the date hereof to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Nonprofit Corporation Act, as so amended from time to time. Any repeal or modification of this Paragraph 11 of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification or with respect to events occurring prior to such time.

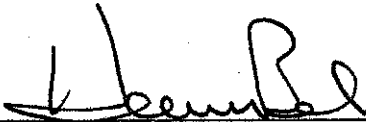
12. Upon dissolution of the corporation, after paying or making provision for the payment of all liabilities of the corporation, the Board of Directors shall distribute the assets for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding section of any future Federal tax code) or shall distribute such assets to the Federal, state or local government for a public purpose. Only such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the organization is then located, exclusively for such purposes.

13. This Charter shall be effective upon filing by the Secretary of State.

Adopted this 30th day of April, 2004.

La Paz de Dios, Inc.

By:



Herm Bel, Chair of the Board of Directors



Lynn Schmissrauter, Secretary of the Board of Directors and Incorporator

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 03 2005

LA PAZ DE DIOS
C/O LYNN SCHMISSRAUTER
ONE STONEHAVEN DR
SIGNAL MOUNTAIN, TN 37377

Employer Identification Number:
20-1115026
DLN:
17053115005015
Contact Person:
JOHN J KOFSTER ID# 31361
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
MAY 3, 2004
Contribution Deductibility:
YES
Advance Ruling Ending Date:
DECEMBER 31, 2008

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2066 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.



Tennessee Corporation Annual Report Form

AR Filing #: 04032318
SUBMISSION PENDING

File online at: <http://TNBear.TN.gov/AR>

Due on/Before: 04/01/2014

Reporting Year: 2013

Return completed form within 30 days to:

Tennessee Secretary of State
Attn: Annual Reports
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Annual Report Filing Fee Due:

\$20 if no changes are made in block 3 to the registered agent/office, or
\$40 if any changes are made in block 3 to the registered agent/office

SOS Control Number: 468833
Corporation Non-Profit - Domestic

Date Formed: 05/03/2004

Formation Locale: TENNESSEE

(1) Name and Mailing Address:
LA PAZ DE DIOS, INC.
1402 BAILEY AVE
CHATTANOOGA, TN 37404-2903

(2) Principal Office Address:
1402 BAILEY AVE
CHATTANOOGA, TN 37404-2903

(3) Registered Agent (RA) and Registered Office (RO) Address:
LA PAZ DE DIOS, INC.
1402 BAILEY AVE
CHATTANOOGA, TN 37404-2903

Agent Changed: No
Agent County: HAMILTON COUNTY

(4) Name and business address (with zip code) of the President, Secretary and other principal officers.

| Title | Name | Business Address | City, State, Zip |
|--------------------|-----------------|----------------------|-----------------------|
| Executive Director | Stacy J Johnson | 1402 BAILEY AVENUE | CHATTANOOGA, TN 37404 |
| President | Andres Fraga | 166 Timberland Trail | Ringgold, GA 30736 |
| Secretary | Brian Frye | 636 Callaway Court | Chattanooga, TN 37421 |

(5) Board of Directors names and business address (with zip code). ___ None, or listed below.

| Name | Business Address | City, State, Zip |
|-------------------|----------------------------|----------------------------|
| Brittany Thomas | 806 BRYNEWOOD PARK LANE | CHATTANOOGA, TN 37415 |
| James McKissick | 1402 BAILEY AVE | CHATTANOOGA, TN 37404-2903 |
| Abbie Tilley | 1402 BAILEY AVE | CHATTANOOGA, TN 37404-2903 |
| Carlos Garcia | 2638 CHIRCHILL DOWNS CIR | CHATTANOOGA, TN 37421 |
| Carlos Calderin | 633 CHESTNUT ST, SUITE 600 | CHATTANOOGA, TN 37405 |
| Brian Frye | 636 Callaway Court | Chattanooga, TN 37421 |
| Marisol Jimenez | 1625 Berkley Circle | Chattanooga, TN 37405 |
| Walter Leinberger | 211 West 6th Street | Chattanooga, TN 37403 |
| Andres Fraga | 423 Spring St | Chattanooga, TN 37405 |

(6) This section applies to non-profit corporations ONLY.

- A. Our records reflect that your non-profit corporation is a public benefit or a mutual benefit corporation as indicated.
If blank or incorrect, please check appropriately: Public ___ Mutual
- B. If a Tennessee religious corporation, please check here if blank: ___ Religious

(7) Signature: _____

(8) Date: _____

(9) Type/Print Name: Stacy Johnson

(10) Title: Executive Director

Instructions: Legibly complete the form above. Enclose a check made payable to the Tennessee Secretary of State in the amount of \$20.00. Sign and date this form and return to the address provided above.

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 5.x products, uncheck the "Shrink oversized pages to paper size" and uncheck the "Expand small pages to paper size" options, in the Adobe "Print" dialog. When using Acrobat 6.x and later products versions, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

CLIENT'S COPY

July 1, 2013

Ms. Stacy Johnson
La Paz De Dios, Inc.
1402 Bailey Avenue
Chattanooga, TN 37404

Dear Stacy:

Enclosed are the original and one copy of the 2012 Exempt Organization return, as follows...

2012 FORM 990

The original should be dated, signed and filed in accordance with the filing instructions. The copy should be retained for your files.

The Tennessee Charitable Solicitation forms will be prepared by DeMoss Accounting and will be provided to you under a separate transmittal letter.

We have enclosed a pre-addressed envelope for your convenience in filing the return.

We sincerely appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax return.

Yours very truly,

Kimberly A. Bales, CPA
For the Firm

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

December 31, 2012

| | |
|---|--|
| Prepared for | Ms. Stacy Johnson La Paz De Dios , Inc. 1402 Bailey Avenue Chattanooga, TN 37404 |
| Prepared by | Joseph Decosimo and Company, PLLC 1100 Tallan Financial Center Chattanooga, TN 37402 |
| Amount due or refund | Not applicable |
| Make check payable to | Not applicable |
| Mail tax return and check (if applicable) to | Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0027 |
| Return must be mailed on or before | August 15, 2013 |
| Special Instructions | The return should be signed and dated. |

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning and ending

| | | |
|---|---|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization LA PAZ DE DIOS, INC. Doing Business As LA PAZ CHATTANOOGA Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1402 BAILEY AVENUE City, town, or post office, state, and ZIP code CHATTANOOGA, TN 37404 F Name and address of principal officer: STACY JOHNSON SAME AS C ABOVE | D Employer identification number 20-1115026 E Telephone number 423-624-8414 G Gross receipts \$ 286,343. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | |
| J Website: ▶ WWW.LAPAZCHATTANOOGA.ORG | | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | L Year of formation: 2004 |
| M State of legal domicile: TN | | |

Part I Summary

| | | | |
|-----------------------------|---|----------------------------------|---------------------|
| | 1 Briefly describe the organization's mission or most significant activities: TO EMPOWER AND ENGAGE CHATTANOOGA'S LATINO POPULATION THROUGH ADVOCACY, EDUCATION AND | | |
| Activities & Governance | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 8 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 8 |
| | 5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) | 5 | 7 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 84 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| | b Net unrelated business taxable income from Form 990-T, line 34 | 7b | 0. |
| Revenue | | Prior Year | Current Year |
| | 8 Contributions and grants (Part VIII, line 1h) | 208,289. | 269,827. |
| | 9 Program service revenue (Part VIII, line 2g) | 3,560. | 5,944. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 193. | 135. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 5,506. | 1,403. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 217,548. | 277,309. |
| Expenses | | | |
| | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 1,001. | 200. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0. | 0. |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 141,680. | 187,211. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0. | 0. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 10,205. | | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 60,359. | 110,764. |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 203,040. | 298,175. |
| | 19 Revenue less expenses. Subtract line 18 from line 12 | 14,508. | <20,866.> |
| Net Assets or Fund Balances | | Beginning of Current Year | End of Year |
| | 20 Total assets (Part X, line 16) | 157,981. | 141,552. |
| | 21 Total liabilities (Part X, line 26) | 1,807. | 6,244. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 156,174. | 135,308. |

Part II Signature Block

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

| | | |
|-------------------------------|--|--|
| Sign Here | Signature of officer STACY JOHNSON, EXECUTIVE DIRECTOR Type or print name and title | Date |
| Paid Preparer Use Only | Print/Type preparer's name KIMBERLY A. LAWRENCE | Preparer's signature |
| | Date | Check if self-employed <input type="checkbox"/> PTIN P00542365 |
| | Firm's name ▶ JOSEPH DECOSIMO AND COMPANY, PLLC | Firm's EIN ▶ 62-0852719 |
| | Firm's address ▶ 1100 TALLAN FINANCIAL CENTER CHATTANOOGA, TN 37402 | Phone no. 423-756-7100 |

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: THE MISSION OF LA PAZ IS TO EMPOWER AND ENGAGE CHATTANOOGA'S LATINO POPULATION THROUGH ADVOCACY, EDUCATION AND INCLUSION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [X] Yes [] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 93,330. including grants of \$ 200.) (Revenue \$ 5,944.) GENERAL CLIENT ASSISTANCE & EDUCATION-PROVIDED PRACTICAL AID TO THE LATINO COMMUNITY. ORGANIZED LUNCHEONS, EVENTS & OPPORTUNITIES TO EDUCATE THE CHATTANOOGA AREA ON THE LATINO CULTURE. PARTNERED WITH THE GUATEMALAN CONSULATE FROM ATLANTA TO HOST A SECOND ANNUAL VISIT TO CHATTANOOGA WHERE APPROXIMATELY 650 DOCUMENTS WERE PROCESSED FOR THE LOCAL GUATEMALAN COMMUNITY, INCLUDING PASSPORTS, OFFICIAL IDENTIFICATION AND REGISTRO CIVIL FOR CHILDREN. HOSTED THE LATINO HEALTH FAIR, A MAJOR HEALTH EVENT REACHING MORE THAN 400 FAMILIES WITH THE GOAL OF PROVIDING IMPORTANT HEALTH SCREENINGS AND EDUCATION ON THE IMPORTANCE OF PREVENTATIVE HEALTH AND THE VALUE OF STAYING HEALTHY. MORE THAN 35 COMMUNITY AGENCIES PROVIDED SCREENINGS AND EDUCATIONAL MATERIALS. THERE WERE 8 SPONSORS FOR THE EVENT.

4b (Code:) (Expenses \$ 90,861. including grants of \$) (Revenue \$) ENTRE NOSOTRAS IS A CLIENT LED WOMEN'S GROUP THAT MEETS SEVERAL TIMES A WEEK, FOCUSING ON HEALTHY LIVING AND THE CULTIVATION OF STRONG RELATIONSHIPS. ENTRE NOSOTRAS ALSO HAS AN INITIATIVE TO CREATE AWARENESS AROUND THE ISSUES OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT. THE PROGRAM ALSO STRIVES TO PROVIDE SUPPORTIVE SERVICES TO VICTIMS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT. IT IS OUR HOPE TO EDUCATE SOCIAL SERVICE PROVIDERS ON THE POSSIBLE BARRIERS TO SERVICE FOR IMMIGRANT SURVIVORS OF ABUSE. 26 WOMEN ARE IN THE GROUP AND 23 VICTIMS OF DOMESTIC VIOLENCE HAVE BEEN SERVED THROUGH THIS INITIATIVE.

4c (Code:) (Expenses \$ 27,882. including grants of \$) (Revenue \$) LYNDHURST GRANT-IMPLEMENTED AN AWARENESS CAMPAIGN TO EDUCATE THE PUBLIC ON THE MOST PRESSING ISSUES RELATING TO LOCAL LATINOS. LA PAZ HOSTED 4 LUNCHEON EVENTS FEATURING EXPERT GUEST SPEAKERS COVERING IMMIGRATION, HEALTH CARE, EDUCATION AND LATINO YOUTH. APPROXIMATELY 200 PEOPLE ATTENDED AND 93% OD THOSE SURVEYED GAINED INFORMATION ON THE TOPICS ADDRESSED. LATINO LEADERSHIP AWARDS WERE PRESENTED-15 LATINO LEADERS WERE RECOGNIZED. 200 COMMUNITY MEMBERS REPRESENTING CORPORATE, NON-PROFIT AND FAITH-BASED ORGANIZATIONS ATTENDED THE EVENT. CULTURAL COMPETENCY TRAINING WAS ALSO PROVIDED. THE EXECUTIVE DIRECTOR AND STAFF HAVE PRESENTED 5 TRAININGS AND 5 PRESENTATIONS IN THE COMMUNITY. INCLUDED WERE CHURCHES, HOSPITALS, STUDENT GROUPS, POLICE,

4d Other program services (Describe in Schedule O.) (Expenses \$ 42,501. including grants of \$) (Revenue \$)

4e Total program service expenses 254,574.

Part IV Checklist of Required Schedules

| | Yes | No |
|--|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | X | |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? | X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | | X |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> | | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> | | X |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | X | |
| b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | | X |
| c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | | X |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | | X |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> | | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> | | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> | | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | | X |
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | | X |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | | X |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> | | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | | X |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Input box for Schedule O response

Main table with columns for question number, description, sub-questions (1a-14b), and Yes/No columns. Includes questions about Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed TN
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
DECOSIMO ACCOUNTING & BOOKKEEPING SVCS, LLC - 423-267-2326
2 UNION SQUARE, SUITE 1100, CHATTANOOGA, TN 37402

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation.
List all of the organization's current key employees, if any. See instructions for definition of "key employee."
List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

X Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Rows include BRIAN FRYE, ED CANLER, WALTER LEINBERGER, ANDRES FRAGA, MARISOL JIMENEZ, THOMAS CAUSEY, RICHARD MATHIS, and SARA DEYOUNG.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| 1b Sub-total | | | | | | | 0. | 0. | 0. | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | 0. | 0. | 0. | |
| d Total (add lines 1b and 1c) | | | | | | | 0. | 0. | 0. | |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

| | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | | X |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | | X |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

| | | | (A) | (B) | (C) | (D) | |
|--|---|--|---------------------------|------------------------------------|----------------------------|---|--------|
| | | | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512, 513, or 514 | |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a | Federated campaigns | 1a 161,000. | | | | |
| | b | Membership dues | 1b 6,685. | | | | |
| | c | Fundraising events | 1c 11,066. | | | | |
| | d | Related organizations | 1d | | | | |
| | e | Government grants (contributions) | 1e 90,860. | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f 216. | | | | |
| | g | Noncash contributions included in lines 1a-1f: \$ | | | | | |
| | h | Total. Add lines 1a-1f | | 269,827. | | | |
| | Program Service Revenue | 2 a | EVENT REGS | Business Code 900099 | 3,244. | 3,244. | |
| b | | CLIENT SERVICES | Business Code 900099 | 2,700. | 2,700. | | |
| c | | | | | | | |
| d | | | | | | | |
| e | | | | | | | |
| f | | All other program service revenue | | | | | |
| g | | Total. Add lines 2a-2f | | 5,944. | | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 135. | | 135. | |
| | 4 | Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 | Royalties | | | | | |
| | 6 a | Gross rents | (i) Real (ii) Personal | | | | |
| | | Less: rental expenses | | | | | |
| | | Rental income or (loss) | | | | | |
| | | Net rental income or (loss) | | | | | |
| | 7 a | Gross amount from sales of assets other than inventory | (i) Securities (ii) Other | | | | |
| | | Less: cost or other basis and sales expenses | | | | | |
| | | Gain or (loss) | | | | | |
| | | Net gain or (loss) | | | | | |
| | 8 a | Gross income from fundraising events (not including \$ 11,066. of contributions reported on line 1c). See Part IV, line 18 | a | 10,437. | | | |
| | | Less: direct expenses | b | 9,034. | | | |
| | | Net income or (loss) from fundraising events | | | 1,403. | | 1,403. |
| | 9 a | Gross income from gaming activities. See Part IV, line 19 | a | | | | |
| Less: direct expenses | | b | | | | | |
| Net income or (loss) from gaming activities | | | | | | | |
| 10 a | Gross sales of inventory, less returns and allowances | a | | | | | |
| | Less: cost of goods sold | b | | | | | |
| | Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | | | Business Code | | | | |
| 11 a | | | | | | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | All other revenue | | | | | |
| | e | Total. Add lines 11a-11d | | | | | |
| 12 | Total revenue. See instructions. | | 277,309. | 5,944. | 0. | 1,538. | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX X

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22 | 200. | 200. | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 44,584. | 39,947. | 3,203. | 1,434. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 125,609. | 121,942. | 2,622. | 1,045. |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | | | | |
| 10 Payroll taxes | 17,018. | 14,323. | 2,487. | 208. |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 372. | | 372. | |
| c Accounting | 10,537. | 3,600. | 6,937. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 36,060. | 34,755. | 735. | 570. |
| 12 Advertising and promotion | 914. | 519. | 275. | 120. |
| 13 Office expenses | 2,281. | | 2,152. | 129. |
| 14 Information technology | 9,360. | 3,000. | 360. | 6,000. |
| 15 Royalties | | | | |
| 16 Occupancy | 14,778. | 7,042. | 7,706. | 30. |
| 17 Travel | 8,645. | 8,644. | 1. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 6,228. | 5,724. | 480. | 24. |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 1,781. | | 1,781. | |
| 23 Insurance | 3,418. | | 3,418. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a PROGRAM SUPPLIES | 8,623. | 8,623. | | |
| b TRAINING/EDUCATION | 6,041. | 5,741. | 250. | 50. |
| c PRINTING | 1,056. | 418. | 53. | 585. |
| d POSTAGE | 504. | 96. | 398. | 10. |
| e All other expenses | 166. | | 166. | |
| 25 Total functional expenses. Add lines 1 through 24e | 298,175. | 254,574. | 33,396. | 10,205. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

| | | (A) Beginning of year | | (B) End of year | |
|---|--|--------------------------|-----------|--------------------|--------|
| Assets | 1 Cash - non-interest-bearing | 154,342. | 1 | 71,887. | |
| | 2 Savings and temporary cash investments | | 2 | 49,101. | |
| | 3 Pledges and grants receivable, net | | 3 | 14,163. | |
| | 4 Accounts receivable, net | | 4 | 4,543. | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | | |
| | 7 Notes and loans receivable, net | | 7 | | |
| | 8 Inventories for sale or use | | 8 | | |
| | 9 Prepaid expenses and deferred charges | 700. | 9 | 700. | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 5,344. | | | |
| | b Less: accumulated depreciation | 10b 4,186. | 2,939. | 10c | 1,158. |
| | 11 Investments - publicly traded securities | | 11 | | |
| | 12 Investments - other securities. See Part IV, line 11 | | 12 | | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | | |
| | 14 Intangible assets | | 14 | | |
| | 15 Other assets. See Part IV, line 11 | | 15 | | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | | 157,981. | 16 | 141,552. | |
| Liabilities | 17 Accounts payable and accrued expenses | 1,807. | 17 | 6,244. | |
| | 18 Grants payable | | 18 | | |
| | 19 Deferred revenue | | 19 | | |
| | 20 Tax-exempt bond liabilities | | 20 | | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | | 25 | | |
| | 26 Total liabilities. Add lines 17 through 25 | | 1,807. | 26 | 6,244. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | |
| | 27 Unrestricted net assets | 64,953. | 27 | 19,475. | |
| | 28 Temporarily restricted net assets | 91,221. | 28 | 115,833. | |
| | 29 Permanently restricted net assets | | 29 | | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | | |
| | 33 Total net assets or fund balances | 156,174. | 33 | 135,308. | |
| 34 Total liabilities and net assets/fund balances | 157,981. | 34 | 141,552. | | |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

| | | | |
|----|--|----|-----------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 277,309. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 298,175. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | <20,866.> |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 156,174. |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 0. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 135,308. |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | X | |
| b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | X |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | | X |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | X |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | | |

Form 990 (2012)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

| | |
|---|---|
| Name of the organization LA PAZ DE DIOS, INC. | Employer identification number 20-1115026 |
|---|---|

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

| | Yes | No |
|--|-----|----|
| 11g(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? | | |
| 11g(ii) A family member of a person described in (i) above? | | |
| 11g(iii) A 35% controlled entity of a person described in (i) or (ii) above? | | |
- h Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? | | (v) Did you notify the organization in col. (i) of your support? | | (vi) Is the organization in col. (i) organized in the U.S.? | | (vii) Amount of monetary support |
|------------------------------------|----------|---|---|----|--|----|---|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
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| Total | | | | | | | | | |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|------------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | 102,846. | 225,741. | 213,916. | 208,289. | 269,827. | 1,020,619. |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | 102,846. | 225,741. | 213,916. | 208,289. | 269,827. | 1,020,619. |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | 211,592. |
| 6 Public support. Subtract line 5 from line 4. | | | | | | 809,027. |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|--|--------------------------|----------|----------|----------|----------|------------|
| 7 Amounts from line 4 | 102,846. | 225,741. | 213,916. | 208,289. | 269,827. | 1,020,619. |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 748. | 761. | 239. | 193. | 135. | 2,076. |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | 5,537. | 1,120. | 3,560. | 5,944. | 16,161. |
| 11 Total support. Add lines 7 through 10 | | | | | | 1,038,856. |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | <input type="checkbox"/> | | | | | |

Section C. Computation of Public Support Percentage

| | | | |
|---|-------------------------------------|-------|---|
| 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | 14 | 77.88 | % |
| 15 Public support percentage from 2011 Schedule A, Part II, line 14 | 15 | 82.17 | % |
| 16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | <input checked="" type="checkbox"/> | | |
| b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | <input type="checkbox"/> | | |
| 17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | <input type="checkbox"/> | | |
| b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | <input type="checkbox"/> | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | <input type="checkbox"/> | | |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2011 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2011 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule A Identification of Excess Contributions Included on Part II, Line 5 2012

**** Do Not File ****

***** Not Open to Public Inspection *****

| Contributor's Name | Total Contributions | Excess Contributions |
|---|---------------------|----------------------|
| VOLKSWAGON OF AMERICA | 32,300. | 11,523. |
| LYNDHURST FOUNDATION | 118,400. | 97,623. |
| BENWOOD FOUNDATION | 74,000. | 53,223. |
| RL & KH MACLELLAN FOUNDATION | 70,000. | 49,223. |
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| Total Excess Contributions to Schedule A, Part II, Line 5 | 211,592. | |

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2012

Name of the organization

LA PAZ DE DIOS, INC.

Employer identification number

20-1115026

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

| | |
|---|---|
| Name of organization LA PAZ DE DIOS, INC. | Employer identification number 20-1115026 |
|---|---|

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|---|----------------------------|---|
| 1 | US DEPARTMENT OF JUSTICE-OVW GRANT INVESTIGATIONS DIV, 950 PENNSYLVANIA AVENUE NW WASHINGTON, DC 20530 | \$ 90,860. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small> |
| 2 | RL & KH MACLELLAN FOUNDATION 820 BROAD STREET, SUITE 300 CHATTANOOGA, TN 37402 | \$ 50,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small> |
| 3 | BENWOOD FOUNDATION 736 MARKET STREET, SUITE 1600 CHATTANOOGA, TN 37402 | \$ 40,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small> |
| 4 | GENEROSITY TRUST 736 MARKET STREET, SUITE 1402 CHATTANOOGA, TN 37402 | \$ 20,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small> |
| 5 | VOLKSWAGON GROUP OF AMERICA 605 CHESTNUT STREET CHATTANOOGA, TN 37450 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small> |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small> |

| | |
|---|---|
| Name of organization LA PAZ DE DIOS, INC. | Employer identification number 20-1115026 |
|---|---|

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|------------------------------|--|--|----------------------|
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ _____ | \$ _____ | _____ |

| | |
|---|---|
| Name of organization LA PAZ DE DIOS, INC. | Employer identification number 20-1115026 |
|---|---|

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|--|---------------------|---|-------------------------------------|
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

LA PAZ DE DIOS, INC.

Employer identification number

20-1115026

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|--|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | 5,344. | 4,186. | 1,158. |
| e Other | | | | |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 1,158. |

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Rows include Financial derivatives, Closely-held equity interests, and Other (A-I).

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

Table with 3 columns: (a) Description of investment type, (b) Book value, (c) Method of valuation. Rows numbered 1 through 10.

Part IX Other Assets. See Form 990, Part X, line 15.

Table with 2 columns: (a) Description, (b) Book value. Rows numbered 1 through 10.

Part X Other Liabilities. See Form 990, Part X, line 25.

Table with 2 columns: (a) Description of liability, (b) Book value. Row 1 includes Federal income taxes and rows 2-11 are blank.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

| Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return | | | |
|---|--|-----------|-----------|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains on investments | 2a | |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | | 2e |
| 3 | Subtract line 2e from line 1 | | 3 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | | 4c |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | | 5 |

| Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return | | | |
|--|---|-----------|-----------|
| 1 | Total expenses and losses per audited financial statements | | 1 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | | 2e |
| 3 | Subtract line 2e from line 1 | | 3 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | | 4c |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | | 5 |

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events (add col. (a) through col. (c)) |
|-----------------|---|------------------|--------------|------------------|--|
| | | SANGRIA EVENT | | NONE | |
| | | (event type) | (event type) | (total number) | |
| Revenue | 1 Gross receipts | 21,503. | | | 21,503. |
| | 2 Less: Contributions | 11,066. | | | 11,066. |
| | 3 Gross income (line 1 minus line 2) | 10,437. | | | 10,437. |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Noncash prizes | | | | |
| | 6 Rent/facility costs | 740. | | | 740. |
| | 7 Food and beverages | 3,000. | | | 3,000. |
| | 8 Entertainment | 450. | | | 450. |
| | 9 Other direct expenses | 4,844. | | | 4,844. |
| | 10 Direct expense summary. Add lines 4 through 9 in column (d) | | | | (9,034) |
| | 11 Net income summary. Combine line 3, column (d), and line 10 | | | | 1,403. |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add col. (a) through col. (c)) |
|--|--------------------------------------|---|---|---|---|
| | | 1 Gross revenue | | | |
| Direct Expenses | 2 Cash prizes | | | | |
| | 3 Noncash prizes | | | | |
| | 4 Rent/facility costs | | | | |
| | 5 Other direct expenses | | | | |
| | 6 Volunteer labor | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | |
| 7 Direct expense summary. Add lines 2 through 5 in column (d) | | | | (_____) | |
| 8 Net gaming income summary. Combine line 1, column d, and line 7 | | | | | |

9 Enter the state(s) in which the organization operates gaming activities: _____
a Is the organization licensed to operate gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
b If "Yes," explain: _____

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

LA PAZ DE DIOS, INC.

Employer identification number

20-1115026

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

INCLUSION.

FORM 990, PART III, LINE 2, NEW PROGRAM SERVICES:

ENTRE NOSOTRAS IS A PROGRAM AIMED TOWARDS HISPANIC WOMEN FOCUSING ON
HEALTHY LIVING AND THE PROBLEMS OF DOMESTIC VIOLENCE AND SEXUAL
ASSAULT. THIS PROGRAM IS FUNDED BY A DEPARTMENT OF JUSTICE GRANT.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

IMPLEMENTED AN AWARENESS CAMPAIGN TO EDUCATE THE PUBLIC ON THE MOST
PRESSING ISSUES RELATING TO LOCAL LATINOS, INCLUDING CULTURAL
COMPETENCY TRAINING FOR THE COMMUNITY.

PROVIDED TRANSLATION AND INTERPRETATION SERVICES BY RECRUITING 30
BI-LINQUAL VOLUNTEERS FOR ASSISTANCE IN STUDENT REGISTRATION IN 8 LOCAL
SCHOOLS.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

UNITED WAY. 95% OF THOSE SURVEYED FELT MORE KNOWLEDGEABLE ABOUT LA PAZ,
THE SERVICES OFFERED AND HOW TO BETTER SERVE/MARKET TO THIS GROWING
POPULATION.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

CARE EXPANSION-THE CLIENT SERVICES DEPARTMENT HOSTED 14 COMMUNITY
EDUCATION SESSIONS SERVING AN AVERAGE OF 8 PARTICIPANTS PER SESSION OR
A TOTAL OF 110 CLIENTS.

ONE IMMIGRATION FORUM WAS HELD WITH OVER 100 ATTENDEES TO INFORM

| | |
|--|--|
| Name of the organization LA PAZ DE DIOS, INC. | Employer identification number 20-1115026 |
|--|--|

COMMUNITY ON DEFERRED ACTION.

OVER 30 FAMILIES WERE REACHED THROUGH OUTREACH ACTIVITIES.

EXPENSES \$ 18,850. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

THE PROMOTORES DE SALUD PROGRAM FUNDED BY THE BENWOOD FOUNDATION TO INCREASE SCHOOL ATTENDANCE AND PERFORMANCE BY FOCUSING ON THE HEALTH OF THE LATINO STUDENT AND THEIR PARENTS. THE GOAL WAS TO ELIMINATE POTENTIAL HEALTH-RELATED OBSTACLES AND BEHAVIORS THAT PREVENT LATINO SCHOOL CHILDREN FROM SUCCEEDING, THUS INCREASING ATTENDANCE AND PERFORMANCE RATES THROUGH HEALTH EDUCATION AND HEALTHY BEHAVIOR PRACTICES AMONG CHATTANOOGA'S LATINO POPULATION. THROUGH WORKSHOPS OVER 39 LATINO PARENTS AND 64 STUDENTS LEARNED BEHAVIORAL CHANGES FOR HEALTHY LIVING. THIRTY-TWO CLASSES WERE HELD INCLUDED DIABETES INFORMATION, GARDENING AND SMART SHOPPING INSTRUCTION. OUTREACH EFFORTS AND ACTIVITIES REACHED OVER 600 PARENTS AND CHILDREN. OF THOSE INVOLVED, 87% DEMONSTRATED A CHANGE IN HEALTHY LIVING HABITS INCLUDING BETTER EATING HABITS, PHYSICAL ACTIVITY AND WATER CONSUMPTION.

EXPENSES \$ 18,863. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

YOUTH LEADERSHIP GRANT-PROGRAM DESIGNED TO CREATE LEADERS AMONG THE LATINO COMMUNITY BY ACTIVELY PURSUING AND DEVELOPING RELATIONSHIPS WITH LATINO TEENAGERS AND THEIR PARENTS.

EXPENSES \$ 1,075. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

CHALLENGES AND OPPORTUNITIES GRANT-LA PAZ HAS FORMED RELATIONSHIPS WITH 16 NEW COMMUNITY PARTNERS IN AN EFFORT TO REACH OUR MISSION OF EMPOWERING CHATTANOOGA'S LATINO POPULATION.

| | |
|--|--|
| Name of the organization LA PAZ DE DIOS, INC. | Employer identification number 20-1115026 |
|--|--|

EXPENSES \$ 3,713. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM IS REVIEWED BY THE EXECUTIVE COMMITTEE BEFORE IT IS SIGNED AND FILED.

FORM 990, PART VI, SECTION C, LINE 18: LISTED ON THE CHARITABLE SOLICITATIONS OF TENNESSEE WEBSITE.

FORM 990, PART VI, SECTION C, LINE 19: POLICY AVAILABLE AT THE LA PAZ CHATTANOOGA OFFICES.

FORM 990, PART IX, LINE 11G, OTHER FEES:

OVW-BI-LINQUAL VICTIM ADVOCATES:

| | |
|---------------------------------|---------|
| PROGRAM SERVICE EXPENSES | 34,719. |
| MANAGEMENT AND GENERAL EXPENSES | 0. |
| FUNDRAISING EXPENSES | 0. |
| TOTAL EXPENSES | 34,719. |

COMPUTER SUPPORT:

| | |
|---------------------------------|--------|
| PROGRAM SERVICE EXPENSES | 0. |
| MANAGEMENT AND GENERAL EXPENSES | 490. |
| FUNDRAISING EXPENSES | 570. |
| TOTAL EXPENSES | 1,060. |

BANK & CREDIT CARD FEES:

| | |
|---------------------------------|------|
| PROGRAM SERVICE EXPENSES | 36. |
| MANAGEMENT AND GENERAL EXPENSES | 245. |
| FUNDRAISING EXPENSES | 0. |

Name of the organization
LA PAZ DE DIOS, INC.

Employer identification number
20-1115026

TOTAL EXPENSES 281.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 36,060.

Multiple horizontal lines for additional reporting.

La Paz Chattanooga Board of Directors 2014/15

Richard Mathis—Board Chair (2 years)
Blue Cross Blue Shield of Tennessee
rsmathis@gmail.com

Andres Fraga* (4 years)
Johnson Mental Health Center
fragasito@aol.com

Brian Frye—Vice Chair and Secretary (4 years)
Legal Aid of East TN
bfrye@laet.org

Marisol Jimenez (8 years)
Hamilton Co. Dept. of Education
marisol001@epbf.com

Walter Leinberger —Treasurer* (3 years)
UNUM
WLeinberger@unum.com

James McKissic (1st Term)
Office of Multicultural Affairs
mckissic_james@chattanooga.gov

Carlos Calderin (1st Term)
Calderin & Oliva
carlos@calderinoliva.com

David Ortiz—Former Chair (4 year)
Blue Cross Blue Shield of Tennessee
David_Ortiz@bcbst.com

Carlos Garcia (1st Term)
The Green Squad
logistix@comcast.net

Marco Perez (1st Term)
Chalmers Center
marco@perezincr.com

Jana Eichel (1st Term)
Volkswagen Group of Chattanooga
jana.eichel@live.com

Abbie Tilley (1st Term)
Hunter Museum
tilleycomp@yahoo.com

Brittany Thomas (1st Term)
Grant, Konvalinka and Harrison, P.C.
bthomas@gkhpc.com

** Term expires at end of first quarter, 2014*



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | |
|-----------------------------------|--|
| Offer Name: | La Paz Chattanooga – Domestic Violence/Entre Nosotras Program |
| Lead Agency: | La Paz Chattanooga (aka La Paz de Dios) |
| Collaborating City Department(s): | Office of the Mayor – Public Safety |
| Contact Name: | Stacy Johnson, Executive Director |
| Primary Results Area: | Safer Streets |
| Offer Cost (Funding Request): | \$105,000 |

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime and domestic violence, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

La Paz Chattanooga is requesting funding for the continuation of its Entre Nosotras domestic violence program. La Paz is the only organization in Chattanooga whose full suite of programs and services revolve around the needs of the fast-growing Latino community. Thanks to a decade of engaged client service interaction, La Paz staff is well-versed in addressing the social, psychological, domestic, health, and educational deficiencies of this demographic. La Paz staff provides the most high-quality, culturally specific care for members of the Latino population, many of whom are new not only to Chattanooga, but to the United States.

Entre Nosotras was launched in 2009, and has since grown to an active roster of seventy-five program participants. Just as all La Paz programs have been created, Entre Nosotras is a client led program that proactively battles weighty and prevalent needs in the Latino community, such as domestic violence and human trafficking.

Simply put, there is no other Chattanooga organization that delivers top-tier services around these issues with such a high level of cultural acumen.

To bolster the organization’s impactful and long-standing personal approach to delivering these services, in



City of Chattanooga

FY15 Offers

2012/13 La Paz partnered with the national organization, Casa de Esperanza. This partnership enabled La Paz staff to sharpen best practices through advanced training. Recognizing La Paz's culturally specialized services amongst the area's diverse Latino community, Casa de Esperanza requested La Paz staff to host a national domestic violence webinar series and speak at a national conference held in Austin, Texas.

In the half decade that Entre Nosotras has been operating, this La Paz program has improved the lives of over 150 women and their families. As a testament to the value of this Entre Nosotras, the participant roster continues to grow, though no formal advertising has ever been pursued. In 2013, La Paz added an exciting element to this program—cultivating long term program participants into leaders themselves. Through this initiative, these women are able to go deeper into the Latino community and offer help to women sharing similar circumstances. These clients-turned-leaders will multiply the efforts of La Paz, extending its helpful reach wider across Chattanooga.

Without the support of the City of Chattanooga as a partner, Entre Nosotras faces an uncertain future. This program has grown in size and specialization over the course of five years, and if it ceased to exist a large void would exist in Chattanooga as there would be no organization working to meet these very significant needs in the booming population.

Identify Which Desired Outcomes This Offer Impacts:

1. Reduce incidents of domestic violence
2. Reduce violent crimes
3. Increase the sense of safety in the City

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|----------------|---|-----------------|---------------|------------------|
| Entre Nosotras | \$62,556 | \$42,444 | \$105,000 | 1.75 |

Capital Budget Impact? **Yes** **No** **\$Amount**

Financial Offsets: (Please list other revenues associated with the specific program for which funding is requested)

| Name | Amount |
|----------------------------------|----------|
| Corporate/Organizations/Churches | \$21,000 |
| Client Services | \$3,000 |
| | |

PERFORMANCE DATA

Measurement 1:

After one year, La Paz will have trained and mentored no less than six (6) client leaders on the increasing rates of domestic violence, the available resources and outlets for victims, as well as their potential leadership roles in the community.



City of Chattanooga

FY15 Offers

Historical Comparison Data?

La Paz uses the previous year's outcomes as comparative benchmark. In the past two years, with funding from the Office of Violence Against Women, the Client Services Director has trained and mentored Latinas who have been victims of domestic violence, sexual assault, stalking, and human trafficking. A trusted environment has been created among this group that will enhance and encourage the continuation of the Entre Nosotras project. The leaders are in charge of facilitating activities, coordinating classes, and member recruitment. Leadership topics include: safety planning, group facilitation, personal and cultural identity, leadership and team building. These learned skills are being used to discuss domestic violence and how each leader can express their story to help others in the community.

Measurement 2:

After one year, over seventy-five (75) Latinos will receive victim services or preventative education on domestic violence, sexual assault, stalking and human trafficking.

Historical Comparison Data?

Since 2011, La Paz has hosted weekly workshops and small group support meetings to engage and spur participants towards active discussion. The success of this strategy acts as a catalyst for the participants to open up, share, and be part of a productive healing conversation. La Paz also educates victims of domestic violence, sexual assault, stalking, and human trafficking during private consultation.

Since 2011, La Paz victim services have included: civil legal advocacy, counseling services, criminal justice advocacy, crisis intervention, financial counseling, language services, material assistance, transportation, and victim survivor advocacy.

Measurement 3:

After one year, 85% of client participants will have an increased awareness of domestic violence, sexual assault, stalking and human trafficking within the Latino community, and increased knowledge of existing local programs and resources related to these issues.

Historical Comparison Data?

At each weekly group session, members of Entre Nosotras discuss domestic violence, sexual assault, stalking, and human trafficking. La Paz client services staff distribute resource materials and creates awareness of these issues. Participants are verbally surveyed to assess knowledge and awareness gained. Client leaders are periodically consulted on program methodology to ensure participants are engaged and learning.

Return on Investment:

How do citizens benefit? As the Latino population grows, the Entre Nosotres program will work to eliminate domestic violence and other violent crimes within the Latino community, which will create a stronger and safer Chattanooga.

Does this activity leverage other financial resources? Yes, the City of Chattanooga will be a catalyst for attracting additional funding sources.

How does this activity decrease costs over time for the City? Entre Nosotras works to eliminate and prevent violent crimes. Preventative measures are always more cost effective than corrective measures.

How can this program become sustainable without City funding? It is La Paz's goal to create a diverse funding base, so that eventually no single funder shoulders the entire financial weight of any one program.

Attachment B: Comparative Financial Information

Agency Name: _____ La Paz Chattanooga_____

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|--|---|----------------------------------|
| Chattanooga | 100% | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |
| | | |
| Percent of Services rendered to residents of: | Estimate, if you do not now track this data. | |
| Chattanooga | 100% | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |

La Paz Chattanooga has not received funding from local government. In the event we are granted funding, 100% will be from the city of Chattanooga and will be rendered to the city of Chattanooga residents.

*Population numbers are from 2010 U.S. Census.

Attachment C: Program Beneficiary Statistics

Agency Name: _____ La Paz Chattanooga _____ Program: _____ Direct Assistance

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 Jan-Dec | FY 2014 (YTD) Jan - Feb | FY 2015 (Projected) |
|--|--------------------|-------------------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | | | |
| a) Total Continuing From Previous Fiscal Year | | | |
| b) Total New for the Year | | | |
| c) Total Terminated During the Year | | | |
| 2. Age Group TOTAL | 568 | 71 | |
| a) Infants – Under 5 | 10 | 1 | |
| b) Between 5 and 12 | 9 | 0 | |
| c) Between 13 and 17 | 6 | 3 | |
| d) Between 18 and 29 | 235 | 31 | |
| e) Between 30 and 64 | 179 | 26 | |
| f) 65 and over | 5 | | |
| g) Not Known | 124 | 10 | |
| 3. Sex TOTAL | 568 | 71 | |
| a) Male | 63 | 3 | |
| b) Female | 381 | 58 | |
| c) Not Known | 124 | 10 | |
| 4. Ethnic Background TOTAL | 568 | 71 | |
| a) White | | | |
| b) Black | | | |
| c) Hispanic | 568 | 71 | |
| d) Asian | | | |
| e) Other – Ethnic Minority | | | |
| f) Not Known | | | |
| 5. % Income Level TOTAL | 100% | 100% | |
| a) Below 9,999 | 70% | 72% | |
| b) 10,000 –19,999 | 15% | 12% | |
| c) 20,000 – 29,999 | 8% | 11% | |
| d) 30,000 and Over | | | |
| e) Not Known | 7% | 5% | |
| 6. Location of Residence TOTAL | 100% | 100% | |
| a) Chattanooga | 96% | 100% | |
| b) Outside of Chattanooga | 4% | | |
| c) Not Known | | | |

Attachment E: Major Sources of Funding for the Past Five Years

Agency Name: La Paz Chattanooga

| Program/Project Title | Name of Funding Source | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 (Projected) |
|---|---|---------|---------|---------|---------|---------|---------------------|
| Promotores de Salud (Community Health) | State of TN Children's Care Coordination | 73,988 | 60,393 | | | | |
| Entre Nosotras (Domestic Violence) | Federal Government (OVW) | | | 91,380 | 122,012 | 25,000 | |
| Latino Awareness Series, Cultural Competency, Promotores de Salud | Benwood Foundation | | 34,000 | 40,000 | 34,000 | | |
| Client Services Education | Community Foundation of Greater Chattanooga | | 20,000 | 20,000 | 20,000 | 20,000 | |
| Capacity Building, General Programming | Lyndhurst Foundation | 65,100 | 53,300 | | | | |
| Development | Maclellan Foundation | | 20,000 | 50,000 | | 75,000 | 100,000 |
| Promotores de Salud – Health Fair | Volkswagon of Chattanooga | 3,000 | 13,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| General Programming | Other Corporations/ /NP | | 15,550 | 25,412 | 21,699 | 50,000 | 50,000 |
| General Programming | Churches | 5,960 | 3,812 | 3,700 | 3,650 | 5,000 | 7,500 |
| | | | | | | | |
| Subtotal, Major Funding Sources | | 148,048 | 220,055 | 240,492 | 211,361 | 275,000 | 167,500 |
| Total, All Revenue Sources | | | 223,108 | 277,311 | 249,684 | 309,750 | 361,350 |
| | | | | | | | |

La Paz Chattanooga FY is Jan – Dec and all numbers reflect. In 2014, La Paz is seeking funding from new sources, such as the City of Chattanooga, United Way and Blue Cross Blue Shield of Tennessee. These organizations have not given to La Paz at a substantial level and therefore are not listed above.

| Attachment F Budget Format | Agency Name: | La Paz Chattanooga | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|---|---|--|
| CITY OF CHATTANOOGA | | | | | | | | |
| FY 2015 Agency - Entre Nosotras Program Funding Financial Form | | | | | | | | |
| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget | |
| REVENUES | | | | | | | | |
| Contributions | | | | | | | | |
| Individuals/Private | | | | | | \$ - | N/A | |
| Corporate/Organizations/Churches | | \$ 13,500 | | | | \$ - | N/A | |
| Fees/Grants from Governmental Agencies | | | | | | | | |
| Federal | | | \$ 90,861 | \$ 122,012 | \$ 24,000 | \$ (98,012) | -80.3% | |
| State | | | | | | \$ - | N/A | |
| Hamilton County | | | | | | \$ - | N/A | |
| City of Chattanooga | | | | | \$ 105,000 | \$ 105,000 | N/A | |
| Other Cities (Please list) | | | | | | \$ - | N/A | |
| United Way | | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A | |
| Gross Proceeds Special Events | | | | | | \$ - | N/A | |
| Other UWs/Federations | | | | | | \$ - | N/A | |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A | |
| UWGC Program Allocation | | | | | | \$ - | N/A | |
| UWGC Special Funding | | | | | | \$ - | N/A | |
| Membership Dues | | | | | | \$ - | N/A | |
| Program Income | | \$ 2,000 | | | | \$ - | N/A | |
| Governmental Insurance | | | | | | \$ - | N/A | |
| Private Insurance | | | | | | \$ - | N/A | |
| Contracted Services | | | | | | \$ - | N/A | |
| Fee for Services | | | | | \$ 3,000 | \$ 3,000 | N/A | |
| Other Program Income - Events | | | | | | \$ - | N/A | |
| Sales to Public | | | | | | \$ - | N/A | |
| Investment Income | | | | | | \$ - | N/A | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A | |
| Foundations/Grants Local | | \$ 20,000 | | | | | | |
| Transfers in from other internal budgets | | | | | | \$ - | N/A | |
| Income from Previous Year | | | | | | \$ - | N/A | |
| TOTAL REVENUES | | \$ 35,500 | \$ 90,861 | \$ 122,012 | \$ 132,000 | \$ 9,988 | 8.2% | |
| OPERATIONS | | | | | | | | |
| Personnel Expenses | | | | | | | | |
| Salaries | | \$ 33,332 | \$ 35,642 | \$ 57,480 | \$ 70,000 | \$ 12,520 | 21.8% | |
| Fringe Benefits | | | | | | \$ - | N/A | |

| Attachment F Budget Format | Agency Name: | La Paz Chattanooga | | | | | | |
|---|---------------------|--------------------|-----------|------------|------------|-------------|-----------|--|
| Employee Health | | | | | | \$ - | N/A | |
| Pension/Retirement | | | | | | \$ - | N/A | |
| Payroll Taxes, etc. | | | \$ 2,944 | \$ 4,645 | \$ 6,000 | \$ 1,355 | 29.2% | |
| Other (unemployment, life insurance, etc) | | | | | \$ 850 | \$ 850 | N/A | |
| Total Personnel Expenses | | \$ 33,332 | \$ 38,586 | \$ 62,125 | \$ 76,850 | \$ 14,725 | 23.7% | |
| | | | | | | | | |
| | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | |
| Administration | | | | | | | | |
| Professional Fee & Contract service | | | \$ 38,319 | \$ 34,829 | \$ 20,500 | \$ (14,329) | -41.1% | |
| Utilities | | | \$ 725 | \$ 934 | \$ 2,400 | \$ 1,466 | 156.9% | |
| Other | | | | | | \$ - | N/A | |
| Rent | | | \$ 4,800 | \$ 5,000 | \$ 7,500 | \$ 2,500 | 50.0% | |
| Travel/Transportation | | | \$ 5,199 | \$ 2,999 | \$ 3,500 | \$ 501 | 16.7% | |
| Insurance (not employee health) | | | | | | \$ - | N/A | |
| Program Materials & Supplies | | \$ 1,700 | \$ 1,632 | \$ 12,732 | \$ 9,500 | \$ (3,232) | -25.4% | |
| Telephone, Fax, ISP | | | \$ 867 | \$ 1,592 | \$ 2,160 | \$ 568 | 35.7% | |
| Postage and Shipping | | | \$ 88 | \$ 655 | \$ 500 | \$ (155) | -23.7% | |
| Occupancy/Building/Utilities | | | | | | \$ - | N/A | |
| Equipment Rental and Maintenance (including contracts) | | | | | | \$ - | N/A | |
| Outside Printing, Art Work, etc. | | | | | | \$ - | N/A | |
| Conferences, Conventions, etc. | | | | | | \$ - | N/A | |
| Special Assistance to Individuals | | | | \$ 920 | \$ 5,500 | \$ 4,580 | 497.6% | |
| National Dues/Support Payments | | | | | | \$ - | N/A | |
| Organization Dues (other than above) | | | | | | \$ - | N/A | |
| Awards and Grants | | | | | | \$ - | N/A | |
| Fund Raising/Self-Support Activities/Marketing | | \$ 300 | | \$ 224 | \$ 450 | \$ 226 | 100.6% | |
| Miscellaneous | | | | | | \$ - | N/A | |
| Equipment Purchases (incl. capital expenses) | | | \$ 645 | | | \$ - | N/A | |
| Depreciation | | | | | | \$ - | N/A | |
| Other Expenses (Please list separately any major item) | | | | | | \$ - | N/A | |
| | | | | | | \$ - | N/A | |
| Operating Expenses Total | | \$ 2,000 | \$ 52,275 | \$ 59,886 | \$ 52,010 | \$ (7,876) | -13.2% | |
| | | | | | | | | |
| TOTAL OPERATIONS | | \$ 35,332 | \$ 90,861 | \$ 122,011 | \$ 128,860 | \$ 6,849 | 5.6% | |
| | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | | \$ 168 | \$ - | \$ 1 | \$ 3,140 | \$ 3,139 | 259404.1% | |
| | | | | | | | | |
| **La Paz FY is January - December. | | | | | | | | |
| 2014 and 2015 FY is City FY and includes the funding request. | | | | | | | | |



FATHER TO FATHERLESS

Executive Director:
Vincent J. Boozer

To Whom It May Concern:

Attached please find the submission from Father to Fatherless.

Thank You,

Vincent J. Boozer



FATHER TO FATHERLESS

Executive Director:
Vincent J. Boozer

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- II. Executive Summary
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- V Board Of Directors
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- VII Attachment B—Comparative Financial Information
- VIII Attachment F—Budget template





FATHER TO FATHERLESS

February 12, 2014

Executive Director:
Vincent J. Boozer

Father To Fatherless
Non Profit Organization
180 Frawley Road
East Ridge, TN 37412-4016

To Whom It May Concern:

Thank you for the opportunity to be considered for support by the City of Chattanooga.

Since the founding of our organization, Father to Fatherless has played a major role in the transformation of many young men who are disadvantaged, have had prior gang affiliation; or been previously incarcerated to successfully enter the workplace and return to their community.

The Father to Fatherless mission and goal is to support and assist these young men as they develop interpersonal and work related skills that will assist them in becoming positive, contributing members in their families, their community, and in society as a whole.

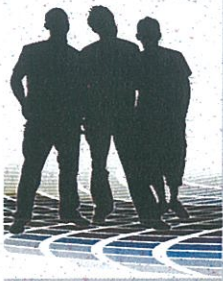
Father to Fatherless is requesting \$268,500 from the City of Chattanooga to support this program that makes a difference in the lives of these young men and our community. A grant of this amount will assist us in implementing our program on a greater scale. We believe that Father to Fatherless is consistent with the mission and interest of the City of Chattanooga, and we hope that you will find it in your budget to support this program.

Sincerely Requested,

A handwritten signature in black ink, appearing to read 'V. Boozer', written over a horizontal line.

Vincent J. Boozer
Executive Director (423) 432-7644





FATHER TO FATHERLESS

Executive Director:
Vincent J. Boozer

EXECUTIVE SUMMARY:

Father to Fatherless is requesting the funding amount of \$268,000 from the City of Chattanooga in order to implement the program and activities established by our non profit organization. The proposed usage for the financial assistance we are requesting is as follows:

| | |
|--|------------------|
| >> Program Capacity-Books, Materials, Software, Phone Service: | \$20,000 |
| >> Office supplies: | \$ 3,000 |
| >> Meals (to supplement in kind donations) | \$ 4,000 |
| >> Computers for Lab (6) | \$ 6,000 |
| >> Administrative Staff | \$110,000 |
| >> Assistance to class participants (to help with legal fees, application fees, emergencies, etc.) | \$ 7,000 |
| >> Contract Labor (office support & support fir job placement) | \$ 15,000 |
| >> Program Staff | \$ 85,000 |
| >> Transportation | \$ 10,000 |
| >> Classroom Space & Furniture | \$ 8,500 |
| >> Total Costs | \$268,500 |

Father to Fatherless (F2F) provides housing; legal service; and educational /vocational programs to empower young men 18-25 who are disadvantaged have had prior gang affiliation, or been previously incarcerated to successfully enter the workplace and return to their community. Our goal is to support and minister to these young men as they develop interpersonal and work related skills that will assist them in becoming positive, contributing members in their families, their community, and in society as a whole.

Upon successful completion of F2F, these men will be equipped to be self-sufficient, productive leaders who in turn can mentor others in the community.





FATHER TO FATHERLESS

Executive Director:

Vincent J. Boozer

ACCOUNTING STATEMENT:

Our chief executive officer, Vincent J. Boozer will work with our accounting department to provide a detailed accounting of how and for what the municipal funds were spent by our non-profit organization. Prior to the close of the City of Chattanooga's fiscal budget year, and at the close of each succeeding fiscal budget year; a full accounting of the municipal funds that have be spent will be submitted to the accounting department of the City of Chattanooga.

F2F will provide a list of the accomplishments and measured progress that have been achieved by the municipal funding. Our chief executive officer will also provide the City of Chattanooga copies of annual audits or reviews (satisfactory to the council's fiscal advisor) of our non-profit organization for each year that we spend funds appropriated by the City of Chattanooga.

Respectfully Submitted,

Vincent J. Boozer
Chief Executive Officer
Executive Director
(423) 432-7644



180 Frawley Road, East Ridge, TN 37412-4016

Phone: (423) 432-7644

Email: vboozerf2f@gmail.com

Father To Fatherless

Attachment F: Budget Format

Agency Name: **FATHER TO FATHERLESS**

CITY OF CHATTANOOGA

FY 2015 Agency Funding Financial Form

| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|
| REVENUES | | | | | | | |
| Contributions | | | | | | | |
| Individuals/Private | | | | 5,000 | | \$ - | N/A |
| Corporate/Organizations/Churches | | | | 10,000 | | \$ - | N/A |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | | | | | | \$ - | N/A |
| State | | | | | | \$ - | N/A |
| Hamilton County | | | | | | \$ - | N/A |
| City of Chattanooga | | | | 268,500 | | \$ - | N/A |
| Other Cities (Please list) | | | | | | \$ - | N/A |
| United Way | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A |
| Gross Proceeds Special Events | | | | | | \$ - | N/A |
| Other UW's/Federations | | | | | | \$ - | N/A |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A |
| UWGC Program Allocation | | | | | | \$ - | N/A |
| UWGC Special Funding | | | | | | \$ - | N/A |
| Membership Dues | | | | | | \$ - | N/A |
| Program Income | | | | | | \$ - | N/A |
| Governmental Insurance | | | | | | \$ - | N/A |
| Private Insurance | | | | | | \$ - | N/A |
| Contracted Services | | | | | | \$ - | N/A |
| Fee for Services | | | | | | \$ - | N/A |
| Other Program Income | | | | | | \$ - | N/A |
| Sales to Public | | | | | | \$ - | N/A |
| Investment Income | | | | | | \$ - | N/A |
| Miscellaneous | | | | | | \$ - | N/A |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A |
| Transfers in from other internal budgets | | | | | | \$ - | N/A |
| Income from Previous Year | \$ - | \$ - | \$ - | \$ 283,500 | \$ - | \$ - | N/A |
| TOTAL REVENUES | | | | | | | |

Father To Fatherless

| Attachment F: Budget Format | Agency Name: FATHER TO FATHERLESS | | | | | | | | |
|--|-----------------------------------|----|--|--|--|--|--|--|-----|
| OPERATIONS | | | | | | | | | |
| Personnel Expenses | | | | | | | | | |
| Salaries | 110,000 | | | | | | | | N/A |
| Fringe Benefits | | | | | | | | | N/A |
| Employee Health | | | | | | | | | N/A |
| Pension/Retirement | | | | | | | | | N/A |
| Payroll Taxes, etc. | | | | | | | | | N/A |
| Other (unemployment, life insurance, etc) | | | | | | | | | N/A |
| Total Personnel Expenses | \$ 110,000 | \$ | | | | | | | N/A |
| OPERATING EXPENSES | | | | | | | | | |
| Administration | 85,000 | | | | | | | | N/A |
| Professional Fee & Contract service | 15,000 | | | | | | | | N/A |
| Utilities | | | | | | | | | N/A |
| Other | 20,000 | | | | | | | | N/A |
| Rent | | | | | | | | | N/A |
| Travel/Transportation | | | | | | | | | N/A |
| Insurance (not employee health) | | | | | | | | | N/A |
| Materials & Supplies | 3,000 | | | | | | | | N/A |
| Telephone, Fax, ISP | | | | | | | | | N/A |
| Postage and Shipping | | | | | | | | | N/A |
| Occupancy/Building/Utilities | 8,500 | | | | | | | | N/A |
| Equipment Rental and Maintenance (including contracts) | 10,000 | | | | | | | | N/A |
| Outside Printing, Art Work, etc. | | | | | | | | | N/A |
| Conferences, Conventions, etc. | | | | | | | | | N/A |
| Special Assistance to Individuals | | | | | | | | | N/A |
| National Dues/Support Payments | 7,000 | | | | | | | | N/A |
| Organization Dues (other than above) | | | | | | | | | N/A |
| Awards and Grants | | | | | | | | | N/A |
| Fund Raising/Self-Support Activities | | | | | | | | | N/A |
| Miscellaneous | 4,000 | | | | | | | | N/A |
| Equipment Purchases (incl. capital expenses) | | | | | | | | | N/A |
| Depreciation | | | | | | | | | N/A |
| Other Expenses (Please list separately any major item) | 6,000 | | | | | | | | N/A |
| Operating Expenses Total | \$ 158,500 | \$ | | | | | | | N/A |
| TOTAL OPERATIONS | \$ 268,500 | \$ | | | | | | | N/A |
| REVENUE OVER/ (UNDER) OPERATIONS | + \$ 15,000 | \$ | | | | | | | N/A |

CHARTER NONPROFIT CORPORATION (ss-4418)

Page 1 of 2



Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee

312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$100

For Office Use Only

Control # 000725542
FILED: Jul 16, 2013 8:36AM
DLN # A0192-1125.001
Tre Hargett,
Secretary of State

The undersigned, acting as Incorporator(s) of a nonprofit corporation under the provisions of the Tennessee Nonprofit Corporation Act, adopt the following Articles of Incorporation.

1. The name of the corporation is: Father to the Fatherless, Inc.

2. Name Consent: (Written Consent for Use of Indistinguishable Name)

This entity name already exists in Tennessee and has received name consent from the existing entity.

3. This company has the additional designation of:

4. The name and complete address of its initial registered agent and office located in the State of Tennessee is:
VINCENT JUNIOR BOOZER
180 FRAWLEY RD
EAST RIDGE, TN 37412-4016
HAMILTON COUNTY

5. Fiscal Year Close Month: December Period of Duration: Perpetual

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:
Aug 1, 2013 12:00AM (Not to exceed 90 days)

7. The corporation is not for profit.

8. Please complete all of the following sentences by checking one of the two boxes in each sentence:

This corporation is a public benefit corporation / mutual benefit corporation.

This corporation is a religious corporation / not a religious corporation.

This corporation will have members / not have members.

9. The complete address of its principal executive office is:

180 FRAWLEY RD
EAST RIDGE, TN 37412-4016

HAMILTON COUNTY

(Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.)

CHARTER NONPROFIT CORPORATION (SS-4418)



Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee

312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$100

For Office Use Only

Control # 000725542
FILED: Jul 16, 2013 8:36AM
DLN # A0192-1125.002
Tre Hargett,
Secretary of State

The name of the corporation is: Father to the Fatherless, Inc.

10. The complete mailing address of the entity (if different from the principal office) is:

180 FRAWLEY RD
EAST RIDGE, TN 37412-4016

11. List the name and complete address of each Incorporator:

| Title | Name | Business Address | City, State, Zip |
|--------------|------------------|------------------|----------------------|
| Incorporator | Vincent J Boozer | 180 FRAWLEY ROAD | EAST RIDGE, TN 37412 |
| | | | |
| | | | |
| | | | |

12. School Organization: (required if the additional designation of "School Organization - Exempt" is entered in section 3.)

- I certify that pursuant to T.C.A. §49-2-611, this nonprofit corporation is exempt from the \$100 filing fee required by T.C.A. §48-51-303(a)(1).
- This nonprofit corporation is a "school support organization" as defined in T.C.A. §49-2-603(4)(A).
- This nonprofit corporation is an educational institution as defined in T.C.A. §48-101-502(b).

13. Insert here the provisions regarding the distribution of assets upon dissolution:

In the event of dissolution of the Corporation, all assets will be distributed to another nonprofit organization with a similar purpose.

14. Other Provisions:

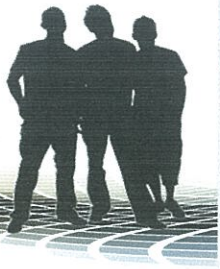
(Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.)

Jul 16, 2013 8:36AM
Signature Date

Electronic
Incorporator's Signature

Vincent J Boozer
Incorporator's Name (printed or typed)

FATHER TO FATHERLESS



Executive Director:

Vincent J. Boozer

BOARD OF DIRECTORS

- I. Steve Marsh**
- II. Thomas Evans**
- III. Elaine Toney Hill**
- IV. Eric Jones**

180 Frawley Road, East Ridge, TN 37412-4016

Phone: (423) 432-7644

Email: vboozef2f@gmail.com

Steve Marsh

Biography

Steve Marsh is the Senior Vice President of Real Estate Banking at Regions Bank. He attends The Mission Church in Chattanooga. He is also an active member of Chattanooga's Southside Neighborhood Association where he, his wife, Rebecca, and two sons reside.

Steve grew up in Chattanooga and is committed to the transformation of our city through the reconciling power of Jesus.

Thomas Evans

Biography

Thomas Evans, a 36 year old native of Chattanooga, TN. He has lived here is entire life. He grew up in the Eastdale/ Brainerd community and attended the neighborhood schools. Mr. Evans graduated from Brainerd High School in 1996. In 1999 he received an Associate of Science in Health and Physical Education from Chattanooga States Technical Community College. Mr. Evans has also taken classes and early childhood education. He was an Assistant Coach with Dalewood Middle School's football team for three years. He also assisted with Brainerd High School's football team for five years. Mr. Evans has over ten years of experience working with youth. In his young adult years, Thomas was a member of the Unity Group. Mr. Evans was a co-founder and member of the Heritage Group, which was a non-profit organization that was geared toward mentoring young adult males, teaching them to be respectable members of society and teaching them life skills. He is also co-founder and co-owner of the Andre' McKlaire clothing line. Mr. Evans has also been involved with the Young Professionals.

Thomas' hobbies include watching sports, traveling, reading and the performing arts. Thomas has performed in several stage plays to include Don't Suffer in Silence, God's Choice, and A Raisin in the Sun. Mr. Evans aspires to write a book and stage play in the near future based on his life experiences. Thomas is a believer in Jesus Christ and believes that every day he awakens is an example of God's grace and mercy.

Elaine Toney Hill

Elaine Toney Hill has been employed at Chattanooga State Community College since 1976 in various positions. Currently she serves as the Executive Assistant for Academic Affairs which oversees all academic aspects of the College. She attended Alabama A& M University majoring in English.

Throughout her 35 plus years in Higher Education, she has taken a hands-on approach in a variety of initiatives impacting student success which she has received numerous acknowledgments and awards. In 2007, she was the recipient of the "Eye of the Tiger" award, given by Chattanooga State in recognition of outstanding efforts in celebrating and promoting students. Most recently, in May 2013, she was bestowed the honor of the "Debbie Waggoner Above and Beyond" award, in honor of her unwavering commitment and support to the College and her mentorship to the students. She is presently involved in implementing a wide variety of initiatives surrounding college completion.

Her most recent affiliations includes serving on the Advisory Board for B.O.S.S (Building Outstanding Student Scholars), Board member for International Students, Chairman of the Financial Aid Appeals Committee and a member of the Scholarship Committee for Siskin Steele and Supply Company.

Elaine has served as an Elder of her church, Christian Fellowship Cumberland Presbyterian Church in America, since August, 2009.

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IF YOU NEED TO SAY ANYTHING ABOUT Eric Jones IT IS "JESUS LOVES HIM AND HE LOVES JESUS"!

After a twenty-two year association with St. James C.P.C.A, he became the Senior Pastor of Mount Cumberland Presbyterian Church in America, located in Sweetwater TN. Where he served for nine years.

His association with St. James Church began in August of 1959, when he was christened as a child. After a lengthy break, he began attending service in October 1981, and officially joined the church in May of 1982. He was recognized for consistently demonstrating leadership skills by being ordained as an elder in the church. He was called into the ministry on September 10, 1995. Preached his first sermon on October 29, 1995. He was later ordained as a Minister of Youth on April 25, 1997.

Pastor Jones has served with distinction as Youth Pastor. He has held a number of youth-related positions, including Minister of Youth to the Hiwassee Presbytery, Youth Director, and Camp Director, in 1995. As Camp Director, he managed

300 youth representatives in ten East Tennessee churches. He was a board member of Haven Place Youth Outreach Center in Cleveland, Tennessee.

Pastor Jones served as Moderator of the Hiwassee Presbytery.

He is a thirty-year employee of Whirlpool Cleveland Cooking Products in the Research and Development department. Pastor Jones attended Alabama A&M University in Huntsville, Alabama, majoring in Computer Science. He later graduated from Washington Holmes Vocational School in Chipley, Florida, ranking in the top three of his class. He is a graduate of Precept Ministries of Chattanooga with a Bible study teaching certificate. He also holds an Associate of Theology degree from Interdenominational Theological Center of Atlanta, Georgia and is pursuing a Bachelor of Theology degree from Christian Life School of Theology in Cleveland, Tennessee.

Rev. Eric Jones was installed as senior pastor of Christian Fellow C.P.C.A., 3619 Seminary Street, Chattanooga, Tennessee, Sunday, November 13, 2011 at 3:00 p.m..

Pastor Eric K. Jones is married to Minister Trana L. Jones. Their eleven-year marriage has produced two daughters, Jaylyn K. Jones, age ten years, and Jael L. Jones age six years.

According to John 3:28, there is a spirit in man that receives inspiration from the Almighty or instructions from the Almighty. It is time for the Body of Christ to wake up. PUT THE WORD ON EVERYTHING YOU ARE DEALING WITH and you will begin to FLOW IN THE SUPERNATURAL. Your life will be followed by signs, wonders and miracles.

Attachment A: Offer

Agency Name **FATHER TO FATHERLESS (F2F)**
 Offer Name _____
 Collaborating City Departments/Agencies _____
 Total Number of Offers Submitted by Agency **1**

Result Area: (to which result is this most related)

| Choose One | | | | |
|---------------|-------------------------------------|-------------------|------------------------|-----------------------------------|
| Safer Streets | Smarter Students, Stronger Families | A Growing Economy | Stronger Neighborhoods | Efficient & Innovative Government |
| ✓ | | | | |

Identify Which Desired Outcomes This Offer Impacts:

- 1 **REDUCE VIOLENT CRIME**
- 2 **REDUCE GANG AFFILIATION**
- 3 **IMPROVE COMMUNITY STABILITY**

Offer Description

(What is the service/program? How will it be provided? What innovation & sustainability practices does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)

(insert answers here.)
F2F ATTACHED BROCHURE OUTLINES THE PROGRAMS; HOW THEY WILL BE PROVIDED; OUR SUSTAINABILITY PRACTICES; AND THE DIFFERENCE OUR PROGRAM WILL MAKE.

Expenditure Summary

Number of Employees required
 Personnel Costs (including Benefits)
 Operating Costs
 Total Financial/Budget Request

| \$ | Description |
|------------------|---|
| 8 | Administrative and PROGRAM STAFF |
| | |
| \$268,500 | Operations Budget |

Financial Offsets

Grant \$
 Private/Corporate Financial Contributions
 Volunteer Labor (hours projected)

| |
|--------------|
| 5000 |
| 10000 |

Performance Data (how will measure your performance? How will you know if you are achieving the desired outcomes)

| | 2013-2014 | Historical Comparison Data? |
|-----------|----------------------|-----------------------------|
| Measure 1 | SAFER STREETS | ✓ |
| Measure 2 | | |
| Measure 3 | | |

Return on Investment

How do citizens benefit?

Safer Streets and communities

Does this activity leverage other financial resources?

YES

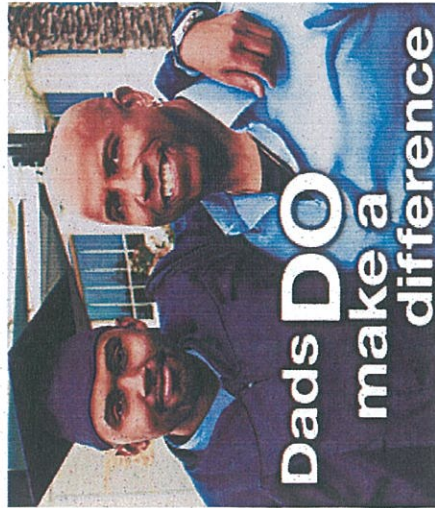
How does this decrease costs over time

Foundational sustainability in our COMMUNITIES

VISION

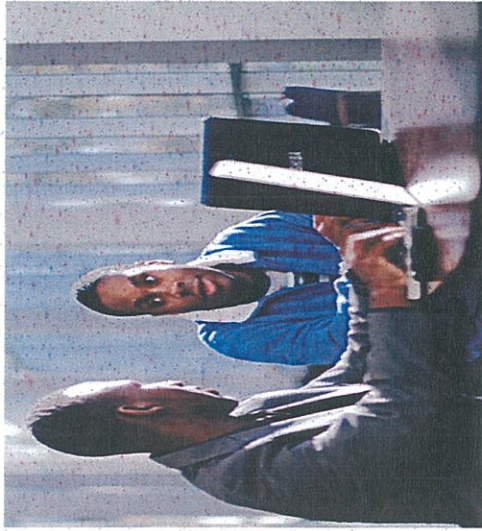
F2F, 180 HAWLEY RD, EAST RIDGE, TN 37412 4016

Father to Fatherless (F2F) provides housing; legal service; and educational/ vocational programs to empower young men 18-25 who are disadvantaged, have had prior gang affiliation, or been previously incarcerated to successfully enter the workplace and return to their community. Our goal is to support and minister to these young men as they develop interpersonal and work related skills that will



assist them in becoming positive, contributing members in their families, their community, and in society as a whole. Upon successful completion of F2F, these men will be equipped to be self-sufficient, productive leaders who in turn can mentor others in the community.

Many young men arrive at adulthood without a family or community support system. Therefore, it is impossible for them to become the positive male role model they have never seen. F2F foundation will serve as the "father" to assist these individuals in becoming responsible, mature and independent young men. Their residential environment will provide; a sense of family and community; emotional support; and Spiritual development. The focus of F2F will be teaching young men life skills such as money management and financial accountability; educational and vocational training; and character development.



Upon entry into the program, young men will be assigned a case manager that will guide them through the program. The case manager will perform an individualized assessment on each young man that will assist in the development of an appropriate plan of care. The plan of care will outline the young man's goals and objectives such as: obtaining a high school diploma or GED; release from parole; job training; resume preparation; or securing employment. The case manager will assist the young man in meeting his goals through direct service delivery, and/or referral to outside community resources, and monitor his progress on a regular basis.



Attachment B: Comparative Financial Information

Agency Name: F2F

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|---|---|----------------------------------|
| Chattanooga | | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |
| Percent of Services rendered to residents of: | Estimate, if you do not now track this data. | |
| Chattanooga | | 49.83% |
| Unincorporated Hamilton County | | 30.22% |
| Hamilton County Government's (General funds) | | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | | |
| | Above percentages should total 100% | |

*Population numbers are from 2010 U.S. Census.



City of Chattanooga

FY15 Offers

OFFER SUMMARY

| | | |
|------------------|--|--|
| Offer Name: | Transportation Safety Programming | |
| Offer Number: | 5 | Department Offer Rank: 3 |
| Lead Department: | Transportation Department | Collaboration: Y_X_N |
| Administrator: | Blythe Bailey | |
| Offer Cost: | \$49,203 | Primary Results Area: Safer Streets |

RESULTS AREA

- Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid rehousing.
- Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
- Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

The Transportation Department is proposing to establish a new Speed Reduction Initiative (SRI) out of the foundation laid by what has formerly been called the Photo Enforcement Fund. The fundamental driver of this new initiative is to transition the fund so that it supports more directly transportation and safety programs and rather than permanent personnel costs. This offer establishes the initial mechanism to reform the formerly named Photo Enforcement fund so that resources are directed towards targeted programs and capital improvements to track data and encourage street safety.

PEF – Photo Enforcement Fund; GF – General Fund

| Existing | New |
|--|---|
| No Current Position | Safety Coordinator (PEF) – Temporary (Classification Equivalency = Recreation Division Manager PG 20) |
| Administrative Support Specialist (PEF) | Administrative Support Specialist (GF) |
| Chattanooga Police Department (PEF) Planning and Enforcement | Chattanooga Police Department (PEF- GF Combination) – Enforcement Only |
| Driver’s Education Contractor (PEF) | Driver’s Education Contractor (PEF) Renegotiated Contract |



City of Chattanooga

FY15 Offers

Narrative:

Perhaps at the essence of any speed reduction initiative, the programs supported by the funds should be easy to fluctuate and modify based on fluctuations in revenue. We are especially aware of this now after a year of volatile and unpredictable revenues, which unfortunately were the result of ineffective placement and not actual speed reduction. Our offer proposes to shift safety programs into the fund that are geared towards lowering speeds and increasing safety. The Safety Coordinator, proposed herein, will be charged with creating a fund that can easily sunset itself through successful implementation. As in, when driving behaviors are improved to foster safer streets, and consequences include reduced revenue, the programs are diminished to reflect the success of the program as well as the reduction in revenue to support them.

The initiative will be geared towards programs that work in parallel with changing fund revenues. Reductions in funds will reflect the success of the programs.

We should resist funding essential personnel through SRI revenues because this indirectly incentivizes us to assure continuation of the funds despite safety conditions in our streets.

This offer proposes to establish a new SRI which moves all revenue away from permanent personnel towards programs that are flexible and that affect safer conditions on our streets. In year one of the new SRI, we propose the following revisions to its organization and funding allocations:

General Fund –

1. Transition permanent staff-person, Administrative Support Specialist I (Caroline Johnson), out of Photo Enforcement and into the general fund and in the process re-emphasize her broader administrative support functions particularly as they relate to safety programming for the department.
2. Fund a new Safety Coordinator – as a temporary, full-time position, geared more towards comprehensive analysis and safety education programming. The candidate would be responsible for developing comprehensive safety programming, such as neighborhood safety initiatives, Police Department enforcement collaboration, and data analysis in determination of efficient use of our resources towards the most valuable and measurable outcomes for safe streets. Included in this work, and inherent to the notion of this position being impermanent, the candidate would be charged with development of a long-term phase-out plan for the SRI, including identifying improvements to funding allocations, tracking measurable outcomes such as driving records of Driver's Ed graduates, and identifying opportunities for additional programs to which to target funding for increased and more robust safety of our streets. The ultimate success of the candidate in this position will be measured by his/her ability to craft programs that are self-sustaining and render a reduction of need for the SRI systems and the revenue they produce.

Speed Reduction (Formerly Photo Enforcement) Fund -

1. Re-emphasize the role of the Chattanooga Police Department towards enforcement only and away from planning and oversight of the SRI. Transportation Department staff – as they have done up to this point – will take on a more explicit leadership role of analysis of street speeds, data, and ongoing engineering evaluations to effectively administer the program to the greatest safety benefit for Chattanooga residents. See attached Offer 5 – Photo Enforcement - CPD Duties.
2. Renegotiate the Driver's Education Contract to free up funding for additional and more robust safety education programming. A key goal of this effort is to craft a more customized, unique safety education program for the city of Chattanooga which retains the basic driver's education functions but builds on them to create a more comprehensive and farther-reaching curriculum.
3. Establish a new capital/project account for traffic calming and traffic control devices that lower speeds and/or increase traffic safety. Such devices include, but are not necessarily limited to, speed and volume counters, speed radar guns, your-speed-is signs, state-law-stop-for-pedestrians-in-crosswalk signs, flexible plastic bollards, rubber speed cushions, pedestrian crossing devices, and, through collaboration with CPD, programs and tools



City of Chattanooga

FY15 Offers

that improve enforcement or that are otherwise used to enhance their abilities to affect more safe traffic behavior on our streets.

The Transportation Department maintains a database of ongoing traffic safety analyses in the field. This work supplements the SRI Fund in the form of analytics that have determined deficiencies in locations and positions of cameras as well as new, proposed locations to lower driving speeds on thoroughfares. Within our Traffic Engineering Division, analysts have used speed and volume counts as well as engineering expertise to evaluate this program. We propose to continue to perform these activities to support the work of the new Safety Coordinator who will be charged with long-range strategy for the Fund to transition from a primarily personnel-supporting fund to a primarily capital/programs-supporting fund.

Additionally, we believe there is justification for a reconsideration of the contractual arrangement with our current Driver's Education vendor. Currently our staff completes much of the administrative tasks, including identifying and organizing volunteer speakers and lecturers, spearheading a multi-modal education session, and generally adding to the curriculum to make it uniquely valuable for Chattanoogaans. Additionally, our program makes use of the city's substantial mailing list and communications networks that the contractor could not possibly replicate without its connection to the city. Because of our organization and communication efforts, we deliver about 400-450 students to the contractor for its driver's ed class at relatively little financial discount in exchange for this work. Through this proposal, we intend to task the Safety Education Coordinator with developing a more robust and favorable, and uniquely Chattanoogaan transportation safety education curriculum.

Lastly, we are proposing to shoulder the responsibilities in the management of the program so that the Police Department can focus entirely on manning photo enforcement mobile van units, citation issuing, court-related duties, and other more strictly police/enforcement functions.

Since the initial budget submittal we have had several meetings and discussions with members of the Police Department. The CPD is willing to take on one of its personnel who is currently funded through the fund, but only if their GF personnel fund is similarly increased to accommodate it. In general, our financial analysis is proposing that capital and other program costs already associated with either the CPD or Transportation Department will be transferred to the new SRI fund in such a way as to avoid net increases in the city's overall budget.

We were unable to identify significant capital resources needed by the CPD, so are proposing to balance the disproportionate gains in Transportation Department funding with proposed additional analysis work within our Traffic Engineering division. Capital expenses proposed to be included with this offer, if accepted, include:

\$33k for new counting devices as listed on Transportation Dept R&R. (approximate)

\$50k for support of FY15 NTMP2.0

Identify Which Desired Outcomes from Request for Offer(s) that this Offer Impacts:

1. Decrease prevailing traffic speeds on targeted streets – Maintain safe and secure streets, facilities, and public spaces for all citizens
2. Develop new expanded public offerings for safe transportation education
3. Increase citizen access to data describing traffic and transportation safety conditions



City of Chattanooga

FY15 Offers

BUDGET REQUEST

Summary: (Please complete based on Dept. Operating Detail and Dept. Personnel Detail Forms)

| Department | Personnel Cost (including Benefits) | Operations | Request | % of offer | FTEs required |
|----------------|-------------------------------------|------------|--------------|------------|---------------|
| Transportation | \$49,203 | | \$49,203 | 31% | 1 |
| CPD** | \$111,486.26 | | \$111,486.26 | 69% | 1 |
| Total | \$160,689.26 | \$ | \$160,689.26 | 100% | |

***Amounts MUST agree with collaborating Department totals for this offer**

**** - CPD only agrees to make this proposal if the funding for the transitioned officer can be added to the Gen Fund for their personnel**

Capital Budget Impact? Yes No \$Amount

***Please prepare and attach Capital Budget Request Form**

Proposal includes equitable reduction from Capital and other funding Requests in the amount of approximately \$160,689.26 so that the net gain to the city's overall budget is negligible.

Financial Offsets: (Please list any Revenue e.g. golf course revenue, Grants, Private/Corporate Contributions, Etc.)

| Name | Amount |
|--|--|
| Photo Enforcement Fund (See Attached Breakdowns) | \$537,559.20 Difference expected in citation revenues as a result of Transportation Dept's recently analysis and modifications of field conditions. (see attached breakdown) |

PERFORMANCE DATA

**Measurement 1&2: Rate of Traffic Crashes and Prevailing Speeds at identified intersections
Germantown Road, Norcross Rd, Mountain Creek Road –**

- 1. CRASH REDUCTION RATE REDUCED 50%**
- 2. PREVAILING SPEED REDUCTION – 75% reduction in # of violations at each location**

CRASH RATES:

Germantown Rd

| FY2012/13 | Baseline per year rate | FY14 (Mar24 –Dec 31) | FY 2015 |
|-----------|------------------------|----------------------|---------|
| 40 | 20 | 7 | 14 |

Norcross Rd

| FY2012/13 | Baseline per year rate | FY14 (Mar24 –Dec 31) | FY 2015 |
|-----------|------------------------|----------------------|---------|
| 17 | 8.5 | 3 | 4 |

Mountain Creek Rd

| FY2012/13 | Baseline per year rate | FY14 (Mar24 –Dec 31) | FY 2015 |
|-----------|------------------------|----------------------|---------|
| 43 | 21.5 | 7 | 10 |



City of Chattanooga

FY15 Offers

Measurement 3: Driver's Ed Student Driving Records; % Citations Moving Violations; % Crashes

| FY2012 | FY2013 | FY2014 | FY2015 Target |
|---------------|---------------|--------------------|---------------|
| Not Available | Not Available | Establish Baseline | |

Return on Investment:

How do citizens benefit? Capacity within our department is geared towards supporting safety programs. Funds from SRI, which are seen as a function of unsafe driving, go towards programs that can be easily dissolved if/when safety improves to a degree that SRI funds decrease.

Does this activity leverage other financial resources?

These activities create structured integration of safety programs supported financially by SRI revenues as well as General Fund through the Transportation Department.

How does this decrease costs over time?

The goal of this new organization as proposed is to shift personnel costs out of SRI, so that it only supports programs and capital improvements. Doing so makes funds additive rather than essential so that funds from SRI are bonuses for our programs rather than necessary to support essential personnel. Structuring our program this way we think creates a better relationship between unsafe conditions of our transportation network, the funds resulting from citations on our streets, and programs designed to enhance the safety. As safety increases, funds may decrease – and this should be structured to be a supporting goal of the program.



Sandra L. Hollett, Chief Executive Officer

Cover Letter

The Power to EmpowerSM

Partnership for Families, Children and Adults Inc.

1800 McCallie Ave

Chattanooga TN 37404

1800 McCallie Avenue
Chattanooga, Tennessee 37404

www.partnershipfca.com

P: 423-697-7130

F: 423-697-3812

Contact Person: Regina McDevitt, Sr. Director

423-755-2701/423-987-2026

300 E 8th Street

Chattanooga TN

Agency Mission: Partnership is a community Impact organization whose mission is to strengthen families and individuals of all ages. Our services provide benefits through an effective array of critical services and collaborative partnerships that continually evolve to meet community needs.

Result Area: Smarter Students Stronger Families

Amount Requested: \$69237

Executive Summary

Partnership for Families, Children and Adults

Prevention Educator

Since 1987, Partnership's Family Violence Center and Rape Crisis Center are the ***only comprehensive programs in Hamilton County, TN providing services to victims of domestic violence and sexual assault.*** Services of the Center include: 24/7 Hotline, shelter, transitional housing, counseling, emotional support, case management, life skills, jobs program, permanent housing, court advocacy, information and referrals, outreach, prevention, forensic exams and other services to victims of sexual assault and domestic violence. The primary goal of the Center is to create victim safety and opportunities to reestablish personal control over her/his life using a trauma informed approach. This is provided through a strong collaborative process coordinating services through its partner agencies on site and off site of the Center. The Center provides high quality support services to victims from all ethnic backgrounds and languages, thereby minimizing the trauma of the crime and improving victims' well-being. Bilingual/bicultural staff provides services in Spanish and are culturally sensitive to the unique needs of victim.

The Partnership is requesting \$69,237 to assist in funding prevention education at the 17 Youth Development Centers in Chattanooga. The dollars will be used for the salary of a Prevention Educator and to cover the cost of approximately 200 plus groups including youth and parents. We will focus prevention efforts on children, youth and families who participate in any of the 17 Chattanooga Youth and Family Development Centers and their communities in providing an age appropriate continuum of prevention education strategies to address domestic violence, dating violence, sexual assault, stalking, bullying, healthy relationships, bystander intervention, and other important issues that Chattanooga children and youth face daily. These strategies will include psycho educational groups; workshops; life skills- Circle of Courage); community awareness; specialized training; coordination of direct services and development of a teen advisory group and peer support groups.

Partnership is offering to provide a Master's Level (or equivalent) Violence Prevention Educator to put together comprehensive awareness, education and training on issues related to prevention education, support, awareness and information on access to direct service opportunities. Many of the collaborators include: Chattanooga Youth and Family Development; Public Safety; HCDE; CPD; Hamilton Sheriff SRO's; LaPaz; South East Legal Services; Legal Aid of First Tennessee; On Point; Children 's Advocacy Center; big Brothers and sisters, girls Inc. YCAP and other agencies with which an existing collaborative relationship is strong.

Established in 1877 as a charitable institution, the Partnership now offers counseling, crisis intervention, residential services and prevention efforts to families and individuals in Hamilton and surrounding Southeast Tennessee counties. Agency wide services include: Family Violence Center; Rape Crisis Center; Services for the Deaf and Hard of Hearing; Counseling Services for Families First recipients; foster care; homeless shelter for women with children; permanent housing for chronically homeless women; Building Stable Lives; ReStart; Career Quest; Consumer Credit Counseling and Services to the Elderly and Homemakers. Partnership touched the lives of over 75,000 area individuals last year and provided prevention, education and training to agencies; religious organizations, law enforcement; schools and universities, etc. in the community.

Partnership has partnered with the City of Chattanooga; Chattanooga Police Department; Department of Public Safety many other agencies for over 27 years. This project will promote parental involvement and encourage more youth to stay in school.

The Partnership will provide a detailed accounting of how and for what purpose municipal funds were spent by Partnership prior to the close of the budget year until all municipal funds have been spent. Partnership will provide a list of the accomplishments scheduled by use of the municipal funding.

The Partnership will provide the City of Chattanooga with copies of annual audits or reviews (satisfactory to the council's fiscal advisor) of Partnership for each year it spends funds appropriated to it by the City of Chattanooga.



Sandra Hollett, CEO

Partnership for Families, Children and Adults



City of Chattanooga

FY15 Offers

OFFER SUMMARY

Offer Name: Crisis Resource Center- Violence Prevention Educator

Lead Agency: Partnership for Families, Children and Adults, Inc.

Collaborating City Department(s): Chattanooga Youth and Family Development Centers

Contact Name: Lurone Jennings

Primary Results Area: Stronger Students, Stronger Families

Offer Cost (Funding Request): \$69,237

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS



City of Chattanooga

FY15 Offers

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

The Partnership for Families, Children, and Adults, Inc. (PFCA) of Chattanooga, Tennessee is a comprehensive social service agency, which, in 2013-2013 touched the lived of over 75,000 persons through their programs: Elder Services, Homemakers, Deaf Services, Youth Services, Family Counseling Services, Consumer Credit Counseling, and the Crisis Resource Center which includes the Family Violence Center and the Rape Crisis Center. The agency endorses a strength-based, culturally competent philosophy supporting its mission of “empowering people to build better lives.”

Few adolescents nationally and locally have positive and meaningful connections and support needed to be ready for school, work, and life, either within their own families or within their surrounding communities. An increasing number of young people are engaging in or suffering from depression, substance abuse, early sexual activity, and violence against self and others. Local data, shown below, is derived from the 2011 National Youth Risk Behavior Survey (YRBS). The information below clearly reveals that Chattanooga and Hamilton County youth engage in similar risk behaviors.

The University of Tennessee at Chattanooga Criminal Justice Department conducted community research in 2011 on adolescent intimate partner abuse and community perceptions. Findings from the study indicated that youth are reluctant to talk to adults about abuse, including teachers and counselors at schools, and that they are more likely to tell their friends. Youth and adults had difficulty distinguishing between “horseplay” and physical abuse and did not often recognize emotional abuse as dating violence. The Ochs Center for Metropolitan Studies’ 2011 Comprehensive Gang Assessment of Hamilton County (2011) asserts that, “Educator respondents also felt the most critical factors influencing kids to join gangs were poverty, lack of parental involvement, and lack of positive role models in the

| <u>Risk Behavior</u> | <u>Overall Outcome</u> | <u>Current and/or Specific Data</u> |
|------------------------------|---|--|
| Depression | 27% report experiencing symptoms of depression | 1 in 10 have seriously considered suicide within the past year |
| Substance Abuse | 7 of 10 have used at least one addictive substance | 41% are classified as current substance users |
| Early Sexual Activity | 46% report having had intercourse 55% reporting they have experienced either sexual intercourse, or oral sex or both | 1 in 3 report they are currently sexually active 8% reported they engaged in sex for the first time before the age of 13 |
| Violence | 32% of high school students were in a physical fight in the past year 18% report being bullied | 11% report being slapped or hit on purpose by a boyfriend or girlfriend 8% report they experienced forced intercourse 22% report having carried a weapon |

lives of youth. They also noted the importance of power and the desire for respect,” (p. 110). Providing opportunities for youth within a community for pro-social activities can reduce the likelihood of gang involvement. Centers offering youth recreation and developmental opportunities, as well as referrals for services



City of Chattanooga

FY15 Offers

that meet personal and family needs help provide a pro-social environment (Howell, 2010). Eleven percent (11%) of Hamilton County youth indicated that they had experienced dating violence in the past year and eight percent (8%) reported that they had experienced forced intercourse. When the associated risks of depression, gang involvement, early sexual activity and substance abuse are added to the youth violence equation, it is clear that Hamilton County must develop a coordinated and comprehensive strategy to address youth violence.

The Partnership's Family Violence Center has been in operation since 1987 and in 1995 the Rape Crisis Center was added. Both are the only comprehensive program in Chattanooga/Hamilton County providing services to victims of domestic violence and sexual assault. The goal of the Center is to create victim safety and opportunities to re-establish personal control over her/his life using a trauma informed approach.

Partnership is offering to provide a Master's Level (or equivalent) Violence Prevention Educator (VPE) to put together comprehensive trainings on issues related to prevention education, support, awareness, and information on access to direct service opportunities. The project will serve children and youth and their parents who participate at their local Chattanooga Youth and Family Development Center. There are 17 sites in Chattanooga which offer an alternative answer to the negative influence in their lives, this include educational opportunities, physical activities, and much more. We have 2 curriculums that the Partnership has been utilizing: the "Be" curriculum and "The Circle of Courage". The "Be" curriculum "gives children the tools they need to avoid dangerous situations by teaching personal boundaries and assertive skills. It tackles the tough issues of guns, gangs, bullying, peer pressure, and internet safety in addition to sexual assault prevention." The Circle of Courage is a "model for reaching and teaching youngsters at high risk for negative life outcomes". The VPE will provide the prevention education at all 17 sites that will provide education to children and youth and engage their parent to take an active role in their children's lives which is essential for the success of their children. It is a proactive stance against violence in Chattanooga. The key is safety for future success.

Identify Which Desired Outcomes This Offer Impacts:

1. Fewer kids dropping out of school
2. More parental involvement

BUDGET REQUEST

Summary: (Please complete based on information contained in Attachment F)

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|------------------------------|---|-----------------|---------------|------------------|
| Violence Prevention Educator | \$38,100 | \$31,137 | \$69,237 | 1 |

Capital Budget Impact? Yes XNo \$Amount

Financial Offsets: (Please list other revenues associated with the specific program for which funding is requested)

| Name | Amount |
|--|--------|
| Please See Leveraging Other Financial Sources Below. | |



City of Chattanooga

FY15 Offers

PERFORMANCE DATA

Measurement 1:

- 80% of adult participants will report an increase in awareness of how to identify, educate, and support their child as it relates to interpersonal violence.

Measurement 2:

- 75% of children and youth will report an increase in interpersonal violence awareness based on a pre/post test.

Return on Investment:

How do citizens benefit? **With this city grant, citizens in the community will benefit as follows:**

- Families and Youth will have a contact within the community to assist with accessing services.
- In preparation for the Family Justice Center (FJC), PFCA is able to offer prevention services to the new FJC facility when needed and operate as a source of information for other organizations within the FJC.
- PFCA can provide specialized trainings specific to the needs of the community or target area. This will help with the development of unique intervention tactics.
- Citizens will benefit from the awareness that helps to alleviate the continual presence of violence within their community.
- The Citizens will also benefit from and increased sense of safety within their community.

Does this activity leverage other financial resources?

Supervision, oversight and occupancy will be provided by multiple grants currently funding services at the Partnership. This activity will leverage participation from community collaborators which include: Chattanooga Youth and Family Development Center, Department of Public Safety, Hamilton County Department of Education, Chattanooga Police Department, Hamilton County Sheriff's School Resource Officers, La Paz, South East Legal Services, Legal Aid of East Tennessee, On Point, Hamilton County Children's Advocacy Center, Big Brothers Big Sisters, Girls Inc., YCAP, and other agencies where an existing collaborative relationship is strong.

How does this activity decrease costs over time for the City?

- By empowering youth and their families, these individuals avoid lost of revenue or accrue medical cost that are typically connected to domestic or sexual violence
- By providing preventative methods of interaction, costs can decrease within the community as it relates to interpersonal violence, by increasing awareness and limiting further increases of violence.
- By providing awareness initiatives aimed at minimizing and preventing violence, the need for law enforcement lessens as communities become more equip to address their own needs for safety.
- By providing services at Chattanooga Youth and Family Development Centers, it is the belief that violence will decrease over time which ultimately saves City money on the prosecutions and/or juvenile justice intervention.
- By empowering children, youth, and families, to recognize interpersonal violence and providing them with tools



City of Chattanooga

FY15 Offers

to be change agents in their own communities, costs that stem from community violence can be minimal.

How can this program become sustainable without City funding? We will continue to search for funding to sustain this position/program for long term success and availability.

Attachment B: Comparative Financial Information

Agency Name: Partnership for Families, Children and Adults

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: Full Agency | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|--|---|----------------------------------|
| Chattanooga | 2% | 49.83% |
| Unincorporated Hamilton County | 0 | 30.22% |
| Hamilton County Government's (General funds) | 4% | |
| Collegedale | | 2.46% |
| East Ridge | | 6.24% |
| Lakesite | | 0.54% |
| Lookout Mountain | | 0.54% |
| Red Bank | | 3.46% |
| Ridgeside | | 0.12% |
| Signal Mountain | | 2.25% |
| Soddy-Daisy | | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | 94% Grants, United Way, Contributions | |
| | Above percentages should total 100% | |
| | | |
| Percent of Services rendered to residents of: Family Violence /Sexual Assault clients | Estimate, if you do not now track this data. | |
| Chattanooga | 46% | 49.83% |
| Unincorporated Hamilton County | 13% | 30.22% |
| Hamilton County Government's (General funds) | 0 | |
| Collegedale | 2% | 2.46% |
| East Ridge | 10% | 6.24% |
| Lakesite | 0 | 0.54% |
| Lookout Mountain | 0 | 0.54% |
| Red Bank | 6% | 3.46% |
| Ridgeside | 0 | 0.12% |
| Signal Mountain | 1% | 2.25% |
| Soddy-Daisy | 2% | 3.78% |
| Walden | | 0.56% |
| Other (Outside Hamilton County) | 20% outside or unknown | |
| | Above percentages should total 100% | |

*Population numbers are from 2010 U.S. Census.

Attachment C: Program Beneficiary Statistics

Agency Name: Partnership for Families, Children and Adults
 Program: Family Violence Center and Rape Crisis Center

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|-------------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 1615 | 608 | 1216 |
| a) Total Continuing From Previous Fiscal Year | 239 | 123 | 246 |
| b) Total New for the Year | 1376 | 485 | 970 |
| c) Total Terminated During the Year | 1077 | 289 | 577 |
| 2. Age Group TOTAL | 1615 | 608 | 1216 |
| a) Infants – Under 5 | 35 | 11 | 22 |
| b) Between 5 and 12 | 25 | 11 | 22 |
| c) Between 13 and 17 | 40 | 45 | 90 |
| d) Between 18 and 29 | 552 | 228 | 456 |
| e) Between 30 and 64 | 877 | 284 | 568 |
| f) 65 and over | 21 | 20 | 40 |
| g) Not Known | 65 | 9 | 18 |
| 3. Sex TOTAL | 1615 | 608 | 1216 |
| a) Male | 279 | 80 | 160 |
| b) Female | 1323 | 527 | 1054 |
| c) Not Known | 13 | 1 | 2 |
| 4. Ethnic Background TOTAL | 1615 | 608 | 1216 |
| a) White | 851 | 266 | 532 |
| b) Black | 503 | 151 | 302 |
| c) Hispanic | 174 | 162 | 324 |
| d) Asian | 9 | 6 | 12 |
| e) Other – Ethnic Minority | 8 | 9 | 18 |
| f) Not Known | 70 | 14 | 28 |
| 5. % Income Level Domestic Violence Shelter Only TOTAL | 142 | 68 | 136 |
| a) Below 9,999 | 126 | 62 | 124 |
| b) 10,000 –19,999 | 7 | 3 | 6 |
| c) 20,000 – 29,999 | 2 | 0 | 0 |
| d) 30,000 and Over | 0 | 0 | 0 |
| e) Not Known | 7 | 3 | 6 |
| 6. Location of Residence TOTAL | 1615 | 608 | 1216 |
| a) Chattanooga | 743 | 280 | 560 |
| b) Outside of Chattanooga | 549 | 208 | 416 |
| c) Not Known | 323 | 120 | 240 |

Attachment D: Schedule of Positions, Salaries & Wages
Agency Name: Partnership for Families, Children and Adults (Family Violence Center, FVC and Rape Crisis Center, RCC)
ALL FINANCIAL INFORMATION TO THE NEAREST DOLLAR. FOR ADDITIONAL EMPLOYEES, COPY THIS FORM AS NEEDED.

Note: List all employees in order of responsibility.

| Title of Position | Last Name, Initial | Full Time or Part Time | Number of Years Employed | Current – FY 2014 | | Projected – FY 2015 | | | |
|------------------------------------|--------------------|------------------------|--------------------------|-------------------|-------------|---------------------|----------------|-------------|----------|
| | | | | Weeks Employed | Annual Rate | Budgeted | Weeks Employed | Annual Rate | Budgeted |
| Senior Director | McDevitt, R | Full Time | 17 yrs. | 52 | \$58,000 | \$58,000 | 52 | \$58,000 | \$58,000 |
| Director of Crisis Services | Hutson, C | Full Time | 3 yrs. | 52 | \$52,000 | \$52,000 | 52 | \$52,000 | \$52,000 |
| Nursing Coordinator; RCC | Russell, A | Part Time | 7 yrs. | 52 | \$53,045 | \$53,045 | 52 | \$53,045 | \$53,045 |
| Child Advocate/Sheleter Supervisor | Wilson, A | Full Time | 4 yrs. | 52 | \$30,000 | \$30,000 | 52 | \$30,000 | \$30,000 |
| Permanent Housing Supervisor | Wright, T. | Full Time | 2 yrs. | 52 | \$30,000 | \$30,000 | 52 | \$30,000 | \$30,000 |
| Front Desk/ New Visions Supervisor | Tazewell, T | Full Time | 1 ½ yrs. | 52 | \$30,000 | \$30,000 | 52 | \$30,000 | \$30,000 |
| Marion Co. Case Manager/Coor | Walker, T | Full Time | 15 yrs. | 52 | \$32,695 | \$32,695 | 52 | \$32,695 | \$32,695 |
| Court Advocate/CM - FVC | Brewer, R | Full Time | 10 yrs. | 52 | \$26,265 | \$26,265 | 52 | \$26,265 | \$26,265 |
| Bilingual Case Manager | Salva, L. | Full Time | 6 yrs. | 52 | \$31,500 | \$31,500 | 52 | \$31,500 | \$31,500 |
| Casemanager/ Advocate RCC | Huffaker, C | Full Time | 2 yrs. | 52 | \$25,000 | \$25,000 | 52 | \$25,000 | \$25,000 |

Attachment D: Schedule of Positions, Salaries & Wages

Agency Name: Partnership for Families, Children and Adults (Family Violence Center, FVC and Rape Crisis Center, RCC)

ALL FINANCIAL INFORMATION TO THE NEAREST DOLLAR. FOR ADDITIONAL EMPLOYEES, COPY THIS FORM AS NEEDED.

Note: List all employees in order of responsibility.

| | | | | | | | | | |
|-----------------------------------|----------------|-----------|---------|-----|-----------|-----------|-----|-----------|-----------|
| Volunteer | Laughlin, J | Part Time | 2 mos. | 52 | \$12,500 | \$12,500 | 52 | \$12,500 | \$12,500 |
| Coordinator | | | | | | | | | |
| Homeless/FV Case Manager | Rucker, S | Full Time | 1 yr. | 52 | \$25,000 | \$25,000 | 52 | \$25,000 | \$25,000 |
| Transitional Housing Case Manager | Mathews, V | Full Time | 2 mos. | 52 | \$25,000 | \$25,000 | 52 | \$25,000 | \$25,000 |
| Case worker Aid | Hamidi, M | Full Time | 6 mos | 52 | \$18,993 | \$18,993 | 52 | \$18,993 | \$18,993 |
| Front Desk | Hill, E | Full Time | 25 yrs. | 52 | \$25,233 | \$25,233 | 52 | \$25,233 | \$25,233 |
| Front Desk Sub | Vandergriff, T | PRN | 2 yrs. | PRN | \$7.25/hr | \$7.25/hr | PRN | \$7.25/hr | \$7.25/hr |
| Front Desk Sub | Martin, A | PRN | 6 mos. | PRN | \$7.25/hr | \$7.25/hr | PRN | \$7.25/hr | \$7.25/hr |
| Front Desk Sub | White, J | PRN | 1 yr. | PRN | \$7.25/hr | \$7.25/hr | PRN | \$7.25/hr | \$7.25/hr |
| Front Desk Sub | Brown, R | PRN | 10 yrs. | PRN | \$7.25/hr | \$7.25/hr | PRN | \$7.25/hr | \$7.25/hr |
| Front Desk Sub | Whiting, C | PRN | 2 yrs. | PRN | \$7.25/hr | \$7.25/hr | PRN | \$7.25/hr | \$7.25/hr |
| Front Desk Sub | Chalmer, S | PRN | 4 mos. | PRN | \$7.25/hr | \$7.25/hr | PRN | \$7.25/hr | \$7.25/hr |

Attachment E: Major Sources of Funding for the Past Five Years

Agency Name: Partnership for Families, Children and Adults, Inc.

| Program/Project Title | Name of Funding Source | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 (Projected) |
|---------------------------------|------------------------|---------|---------|-----------|-----------|---------|---------------------|
| Bryne Grant | US DOJ | 31,422 | | | | | |
| Victim Assist SA | US DOJ | 144,091 | 111,546 | 102,759 | 101,370 | 101,000 | 101,000 |
| Victim Assist DV | US DOJ | 155,292 | 164,590 | 92,669 | 93,586 | 93,000 | 93,000 |
| STOP Grant | USDOJ | 74,089 | 69,379 | 44,767 | 45,304 | 53,438 | 53,438 |
| Family Violence | US -DOJ | 75,429 | 77,196 | 52,318 | 61,512 | 23,043 | |
| Transitional Housing | US - HUD | 22,575 | 11,369 | 25,777 | 25,487 | 20,538 | 23,000 |
| Family Violence | US - HUD | 20,000 | 17,250 | 17,081 | 6,666 | 20,000 | 20,000 |
| Family Violence | State of TN | 119,766 | 122,572 | 121,955 | 120,306 | 122,000 | 122,000 |
| Sexual Assault | Hamilton Co. | 56,522 | 56,522 | | | | |
| TN Coalition - DV | TN Coalition DV | 6,870 | 10,272 | | | | |
| SASP | TN OCJP | | 15,422 | 18,020 | 15,818 | 18,020 | 18,020 |
| TN Coalition SA | TN OCJP | | 12,772 | 22,483 | 12,597 | 8,000 | 8,000 |
| OVW Sarah Project | DOJ - OVW | | 64,514 | 58,993 | 80,155 | 73,000 | 15,000 |
| | | | | | | | |
| Sexual Assault | City of Chattanooga | | | 56,522 | 56,522 | 56,522 | 206,050 |
| | | | | | | | |
| Subtotal, Major Funding Sources | | 706,056 | 733,404 | 613,344 | 619,323 | 588,561 | 651,508 |
| Total, All Revenue Sources | | 925,402 | 950,270 | 1,036,408 | 1,025,096 | 882,802 | 939,000 |

Attachment F: Budget Format

Agency Name:

Partnership for Families, Children and Adults

CITY OF CHATTANOOGA
FY 2015 Agency Funding Financial Form

| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
|--|----------------|----------------|----------------|----------------|-----------------|--------------------------------------|----------------------------------|
| REVENUES | | | | | City Only | | |
| Contributions | \$ 329,987 | \$ 262,350 | \$ 230,052 | \$ 355,213 | | | |
| Individuals/Private | | | | | | \$ - | N/A |
| Corporate/Organizations/Churches | | | | | | \$ - | N/A |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | \$ 349,221 | \$ 347,316 | \$ 401,152 | \$ 386,550 | | \$ (386,550) | -100.0% |
| State | \$ 2,770,478 | \$ 2,593,206 | \$ 2,300,216 | \$ 2,279,206 | | \$ (2,279,206) | -100.0% |
| Hamilton County | \$ 1,139,855 | \$ 195,992 | \$ 199,665 | \$ 201,350 | | \$ (201,350) | -100.0% |
| City of Chattanooga | \$ 37,098 | \$ 92,761 | \$ 70,862 | \$ 74,860 | \$ 69,237 | \$ (5,623) | -7.5% |
| Other Cities (Please list) | | | | | | \$ - | N/A |
| United Way | \$ 1,089,822 | \$ 982,956 | \$ 842,774 | \$ 804,791 | | \$ - | N/A |
| Foundations (including grants) | | | | | | \$ - | N/A |
| Gross Proceeds Special Events | \$ 89,301 | \$ 166,435 | \$ 173,976 | \$ 190,000 | | \$ (190,000) | -100.0% |
| Other UWs/Federations | | | | | | \$ - | N/A |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A |
| UWGC Program Allocation | | | | | | \$ - | N/A |
| UWGC Special Funding | | | | | | \$ - | N/A |
| Membership Dues | | | | | | \$ - | N/A |
| Program Income | \$ 1,562,484 | \$ 1,677,004 | \$ 1,493,303 | \$ 1,453,690 | | \$ (1,453,690) | -100.0% |
| Governmental Insurance | | | | | | \$ - | N/A |
| Private Insurance | | | | | | \$ - | N/A |
| Contracted Services | | | | | | \$ - | N/A |
| Fee for Services | | | | | | \$ - | N/A |
| Other Program Income | | | | | | \$ - | N/A |
| Sales to Public | | | | | | \$ - | N/A |
| Investment Income | \$ 8,105 | | | | | \$ - | N/A |
| Miscellaneous | \$ 34,057 | \$ 23,117 | \$ 17,711 | \$ 19,862 | | \$ (19,862) | -100.0% |
| Other Revenues (Please list separately any major item) | | | | | | \$ - | N/A |
| Transfers in from other internal budgets | | | | | | \$ - | N/A |
| Income from Previous Year | | | | | | \$ - | N/A |
| TOTAL REVENUES | \$ 7,410,408 | \$ 6,341,137 | \$ 5,729,711 | \$ 5,765,522 | \$ 69,237 | \$ (4,536,281) | -78.7% |
| OPERATIONS | | | | | | | |
| Personnel Expenses | | | | | | | |
| Salaries | \$ 3,809,845 | \$ 3,380,372 | \$ 3,113,534 | \$ 2,951,658 | \$ 30,000 | \$ (2,921,658) | -99.0% |

| Attachment F: Budget Format | | | | | | | | | |
|--|--------------|---|--------------|--------------|-----------|----------------|--|--|---------|
| | Agency Name: | Partnership for Families, Children and Adults | | | | | | | |
| Fringe Benefits | | | | | | | | | |
| Employee Health | \$ 458,584 | \$ 375,504 | \$ 359,999 | \$ 494,108 | \$ 8,100 | \$ 8,100 | | | N/A |
| Pension/Retirement | \$ 202,972 | \$ 187,635 | \$ 162,301 | | | \$ (494,108) | | | -100.0% |
| Payroll Taxes, etc. | \$ 280,694 | \$ 263,986 | \$ 226,465 | \$ 247,349 | | | | | N/A |
| Other (unemployment, life insurance, etc) | \$ 116,604 | \$ (85,635) | \$ 61,436 | | | \$ (247,349) | | | -100.0% |
| Total Personnel Expenses | \$ 4,868,699 | \$ 4,121,862 | \$ 3,923,735 | \$ 3,693,115 | \$ 38,100 | \$ (3,655,015) | | | -99.0% |
| OPERATING EXPENSES | | | | | | | | | |
| Administration | | | | | | | | | |
| Professional Fee & Contract service | \$ 709,959 | \$ 712,710 | \$ 730,575 | \$ 795,740 | | | | | -100.0% |
| Utilities | | | | | | | | | N/A |
| Other | | | | | | | | | N/A |
| Rent | | | | | | | | | N/A |
| Travel/Transportation | \$ 199,821 | \$ 172,773 | \$ 214,474 | \$ 208,339 | \$ 5,000 | \$ (203,339) | | | -97.6% |
| Insurance (not employee health) | \$ 87,220 | \$ 81,019 | \$ 68,454 | \$ 37,609 | \$ 150 | \$ (37,459) | | | -99.6% |
| Materials & Supplies | \$ 160,529 | \$ 127,467 | \$ 108,839 | \$ 58,425 | \$ 10,000 | \$ (48,425) | | | -82.9% |
| Telephone, Fax, ISP | \$ 186,518 | \$ 148,689 | \$ 167,155 | \$ 146,609 | \$ 1,200 | \$ (145,409) | | | -99.2% |
| Postage and Shipping | \$ 17,187 | \$ 16,277 | \$ 10,719 | \$ 16,015 | | \$ (16,015) | | | -100.0% |
| Occupancy/Building/Utilities | \$ 421,385 | \$ 400,332 | \$ 342,513 | \$ 357,874 | | \$ (357,874) | | | -100.0% |
| Equipment Rental and Maintenance (including contracts) | \$ 73,913 | \$ 61,033 | \$ 69,205 | \$ 42,033 | | \$ (42,033) | | | -100.0% |
| Outside Printing, Art Work, etc. | \$ 42,516 | \$ 42,432 | \$ 26,669 | \$ 42,817 | \$ 2,500 | \$ (40,317) | | | -94.2% |
| Conferences, Conventions, etc. | \$ 67,939 | \$ 49,376 | \$ 65,487 | \$ 69,532 | \$ 1,000 | \$ (68,532) | | | -98.6% |
| Special Assistance to Individuals | \$ 190,087 | \$ 165,181 | \$ 127,277 | \$ 135,028 | | \$ (135,028) | | | -100.0% |
| National Dues/Support Payments | | | | | | | | | N/A |
| Organization Dues (other than above) | \$ 47,858 | \$ 35,276 | \$ 26,990 | \$ 40,600 | | \$ (40,600) | | | -100.0% |
| Awards and Grants | | | | | | | | | N/A |
| Fund Raising/Self-Support Activities | \$ 113,648 | \$ 42,312 | \$ 34,321 | | | \$ - | | | N/A |
| Miscellaneous | \$ 281,899 | \$ 92,514 | \$ 98,192 | \$ 39,232 | | \$ (39,232) | | | -100.0% |
| Equipment Purchases (incl. capital expenses) | \$ 35,133 | \$ 74,835 | \$ 25,018 | \$ 22,389 | \$ 1,000 | \$ (21,389) | | | -95.5% |
| Depreciation | | | | | | | | | N/A |
| Other Expenses (Please list separately any major item) | \$ 64,183 | | | \$ 60,165 | | \$ (60,165) | | | -100.0% |
| Indirect Costs | | | | | | | | | N/A |
| Operating Expenses Total | \$ 2,699,795 | \$ 2,222,226 | \$ 2,115,888 | \$ 2,072,407 | \$ 10,287 | \$ (2,041,270) | | | -98.5% |
| TOTAL OPERATIONS | \$ 7,568,494 | \$ 6,344,088 | \$ 6,039,623 | \$ 5,765,522 | \$ 69,237 | \$ (5,696,285) | | | -98.8% |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ (158,086) | \$ (2,951) | \$ (309,912) | \$ - | \$ - | \$ 1,160,004 | | | N/A |

| Partnership for Families, Children and Adults, Inc. Statement of Income and Expense | 6/30/13 BUDGET | 6/30/14 BUDGET | 6/30/12 ACTUAL | 6/30/13 ACTUAL (Est) |
|---|-------------------|-------------------|-------------------|-------------------------|
| Total Composite Agency Budget | | | | |
| REVENUE | | | | |
| Contributions & Special Events | 335,495 | 545,213 | 428,716 | 655,000 |
| United Way | 946,524 | 804,791 | 982,953 | 847,764 |
| Government Contracts | 3,494,095 | 2,941,966 | 3,231,896 | 2,794,927 |
| Program Income | 1,730,070 | 1,453,690 | 1,677,004 | 1,376,881 |
| Interest & Dividend Income | 120 | 0 | 0 | 0 |
| Miscellaneous Income | 18,050 | 19,862 | 23,186 | 14,732 |
| Total Revenue | 6,524,354 | 5,765,522 | 6,343,755 | 5,689,304 |
| EXPENDITURES | | | | |
| Salary Expense | 3,413,153 | 2,951,658 | 3,380,372 | 3,147,766 |
| Employee Health & Retirement Expense | 608,227 | 494,108 | 588,882 | 521,026 |
| Employee Taxes | 351,896 | 247,349 | 152,609 | 262,753 |
| Total Personnel Costs | 4,373,276 | 3,693,114 | 4,121,863 | 3,931,545 |
| Professional Fees & Contract Services | 646,815 | 795,740 | 680,911 | 660,798 |
| Supplies | 95,301 | 58,425 | 79,244 | 72,115 |
| Telephone | 142,206 | 146,609 | 148,686 | 152,898 |
| Postage & Shipping | 16,187 | 16,015 | 16,279 | 12,128 |
| Occupancy | 419,763 | 357,874 | 448,074 | 371,104 |
| Equipment Rental & Maintenance | 46,330 | 42,033 | 41,711 | 48,619 |
| Printing & Publication Expense | 85,262 | 42,817 | 85,021 | 41,104 |
| Local Transportation | 209,261 | 208,339 | 209,757 | 236,096 |
| Conferences & Conventions | 37,262 | 69,532 | 48,200 | 53,410 |
| Special Assistance to Individuals | 109,571 | 135,028 | 165,179 | 131,853 |
| Dues & Memberships | 50,599 | 40,600 | 37,075 | 39,055 |
| Insurance Expense | 43,187 | 37,609 | 44,057 | 39,452 |
| Interest Expense | 21,707 | 0 | 0 | 0 |
| Intra-Agency Fee Expense | 33,425 | 0 | 0 | 0 |
| Miscellaneous Expense | 130,950 | 39,232 | 143,198 | 51,277 |
| Equipment Purchases | 42,250 | 22,389 | 74,834 | 6,926 |
| Total Personnel & Direct Expenditures | 6,503,352 | 5,705,357 | 6,344,089 | 5,848,380 |
| Allocated M&G Expenses | 2 | 0 | 1 | 0 |
| Grand Total Expenditures | 6,503,354 | 5,705,356 | 6,344,090 | 5,848,380 |
| NET REVENUE (EXPENSE) | 21,000 | 60,166 | -335 | -159,076 |
| Transfers to Restricted | -90,000 | -132,000 | 0 | -256,000 |
| Transfers from Restricted | 69,000 | 71,834 | 0 | 62,940 |
| Inter-Departmental Transfers | 0 | 0 | 0 | 0 |
| Net Revenue (Expense) after Transfers | 0 | 0 | -335 | -352,136 |

ARTICLES OF AMENDMENT TO THE CHARTER

FILED

OF

FAMILY AND CHILDREN'S SERVICES OF CHATTANOOGA, INC.

RECEIVED
STATE OF TENNESSEE
03 JAN 14 AM 9:18
HARRY DANIELL
SECRETARY OF STATE

TO THE SECRETARY OF STATE OF THE STATE OF TENNESSEE:

Pursuant to the provisions of Section 48-60-105 of the Tennessee Corporation Code, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

Family and Children's Services of Chattanooga, Inc.

2. The corporation is a nonprofit corporation.

3. The text of the amendment adopted is as follows:

The name of the corporation is changed to:

Partnership for Families, Children and Adults, Inc.

4. The amendment was duly adopted on June 21, 2002.

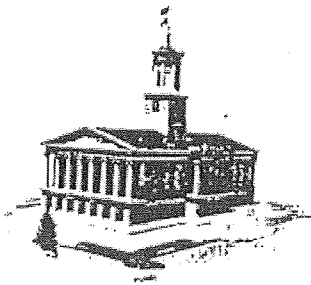
5. The amendment was duly adopted by the board of directors, the corporation having no members.

6. This amendment shall be effective on January 16, 2003.

Dated: December 13, 2002.

Family and Children's Services of
Chattanooga, Inc.

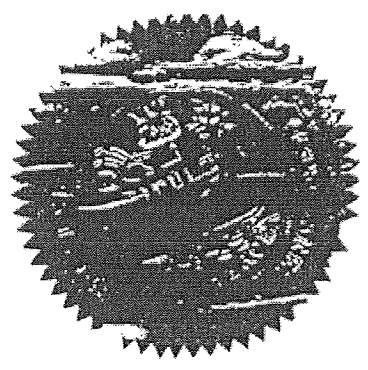
By: 
Harry H. Harwell, President



CERTIFICATE

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of COMMUNITY SERVICES OF GREATER CHATTANOOGA,
(Name of Corporation)
 was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

THEREFORE, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on SEPTEMBER SIXTH, 1973.




 Secretary of State

CHARTER
OF
COMMUNITY SERVICES OF GREATER CHATTANOOGA

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee General Corporation Act, adopts the following charter for such corporation:

1. The name of the corporation is Community Services of Greater Chattanooga.

2. The duration of the corporation is perpetual.

3. The address of the principal office of the corporation in the State of Tennessee shall be in Hamilton County at 323 High Street, Chattanooga, Tennessee.

4. The corporation is not for profit.

5. The purposes for which the corporation is organized are as follows:

(a) To promote and extend comprehensive and appropriate community services that may prevent and alleviate human distress and need through (but not limited to) the following:

(i) Granting financial assistance and providing supportive services upon an emergency or short term basis, providing loans for worthy purposes, or making available scholarships and/or other grants-in-aid for educational, vocational or rehabilitative purposes within the financial limits of the corporation.

(ii) Rendering assistance and protection to travelers and nonresidents who by reason of inexperience, illness, infirmity, or other disability require such aid or other adjustment to the community.

(iii) Providing information and referral services to individuals and families in cooperation fully with other public or private community organizations, by

developing and implementing working relations with other community groups and organizations.

(iv) Providing a range of social, medical, educational and legal services to unwed parents and their children.

(v) Promoting and extending wholesome family life, assisting individual families to achieve socially useful lives through counseling, education, and other appropriate means.

(vi) Sheltering children and youth whose relatives cannot provide for them adequately, and accepting the custody of children for the purpose of placing them with suitable adults for adoption.

(vii) Providing counseling and social services to the aging.

(viii) Adding such additional programs of an educational or charitable nature as may, from time to time, be deemed necessary or appropriate by the Board of Directors.

(b) To encourage and promote education and training for the community service occupations and to provide instruction and experience for trainees, students, and graduates.

(c) To engage in such research projects as will be of assistance to the corporation and which will tend to better promote the purposes of the corporation.

6. This corporation shall have members. Directors shall be elected in the manner specified by the by-laws.

7. The powers of this corporation shall be those permitted by Tennessee law to corporations not organized for profit.

8. Notwithstanding any other provisions herein:

(a) No part of the corporation's property, income or earnings shall inure to the benefit of any person, but reasonable

compensation may be paid for services on behalf of the corporation.

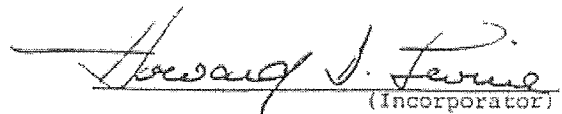
(b) No part of the activities of this corporation shall ever be carrying on propaganda or otherwise attempting to influence pending or proposed legislation or participating in or intervening in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(c) The corporation shall not carry on any activities not permitted to be carried on by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(d) The corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

9. In the event of the liquidation, dissolution or winding up of the corporation, whether voluntary, involuntary or by operation of law, the residual assets of the corporation shall be turned over to one or more organizations described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, or corresponding sections of any subsequent Internal Revenue Code, or to Federal or State or local governments exclusively for public purposes.

Dated September 5, 1973.


(Incorporator)

FILED
SECRETARY OF STATE
1980 AUG 19 PM 3:42

BOOK PAGE 00

Form No. 6
Section 48-303
For Profit
Not For Profit

20172 00 0930

ARTICLES OF AMENDMENT TO THE CHARTER
OF

COMMUNITY SERVICES OF GREATER CHATTANOOGA, INC.

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is

COMMUNITY SERVICES OF GREATER CHATTANOOGA, INC.

2. The amendment adopted is (Insert amendment)

CHANGE OF AGENCY NAME TO:

FAMILY AND CHILDREN'S SERVICES OF CHATTANOOGA, INC.

3. The amendment was duly adopted (at a meeting)

(by the unanimous written consent) of the (shareholders) (members)

on JULY 11, 1980. (Strike inapplicable words).

4. If a corporation for profit, the manner, if not set

forth in such amendment, in which any exchange, reclassification or cancellation of issued shares provided for in the amendment shall be effected is as follows:

5. If the amendment is not to be effective when these

articles are filed by the Secretary of State, the date it will

be effective is _____, 19____ (not later than

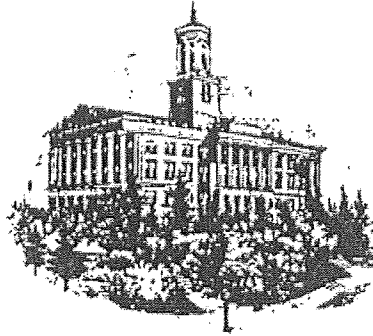
thirty (30) days after such filing).

Dated 8-16, 1980.

COMMUNITY SERVICES OF GREATER CHATTANOOGA
(Name of corporation)

M. P. R. H. 11

State of Tennessee



Department of State

Certificate

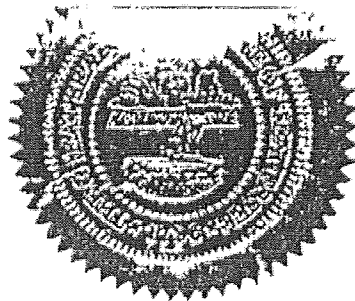
The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of

FAMILY AND CHILDREN'S SERVICES OF CHATTANOOGA, INC.

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law, and was filed by the undersigned, as Secretary of State, on the date noted on the document.

Therefore, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on March 19th, 19 85.

Govt. Russell
Secretary of State
David C. Cook
Deputy



FILED
SECRETARY OF STATE
1985 MAR 19 PM 1:56

REGISTERED AGENT

For Filing
or
Not for Filing

DESIGNATION, REVOCATION OR CHANGE
OF
REGISTERED AGENT
OF

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-1201 of the Tennessee General Corporation Act, the undersigned foreign or domestic corporation or the incorporator or incorporators of a domestic corporation being organized under the Act submit the following statement for the purpose of designating, revoking or changing, as the case may be, the registered agent for the corporation in the state of Tennessee:

1. The name of the corporation is Family and Children's Services of Chattanooga, Inc.

The address of the corporation is 300 East 8th Street,
Chattanooga, Tenn. 37403

If a foreign corporation, state or country of incorporation _____

2. The name and street address of its registered agent in the State of Tennessee shall be
Tommy R. Perkins
Family and Children's Services of Chattanooga, Inc.
300 East 8th Street, Chattanooga, Tenn. 37403

Dated January 21, 1985

Family and Children's Services of Chattanooga, Inc.
Name of Corporation
By Tommy R. Perkins, Sr. Director
(Title)

(Incorporator
or incorporators,
if corporation is
being organized)

FILED
SECRETARY OF STATE
1985 MAR 10 AM 1:56

ARTICLES OF AMENDMENT TO THE CHARTER

OF

Family and Children's Services of Chattanooga, Inc.

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

Family and Children's Services of Chattanooga, Inc.

2. The amendment adopted is (Insert Amendment):

300 East 8th Street, Chattanooga, Tenn. 37403

3. The amendment was duly adopted (at a meeting) ~~(by the unanimous written consent)~~ of the ~~(shareholders)~~ (members) on June 15, 19 84. (Strike inapplicable words)

4. If a corporation for profit, the manner, if not set forth in such amendment, in which any exchange, reclassification or cancellation of issued shares provided for in the amendment shall be effected is as follows:

5. If the amendment is not to be effective when these articles are filed by the Secretary of State, the date it will be effective is _____, 19____ (not later than thirty (30) days after such filing).

Dated: 1-25-85

Family & Children's Services of Chattanooga, Inc

Name of Corporation

By: Tommy Perkins

Signature

ARTICLES OF AMENDMENT TO THE CHARTER

FILED

OF

FAMILY AND CHILDREN'S SERVICES OF CHATTANOOGA, INC.

RECEIVED
STATE OF TENNESSEE
03 JAN 14 AM 9:18
RILEY DANIELL
SECRETARY OF STATE

TO THE SECRETARY OF STATE OF THE STATE OF TENNESSEE:

Pursuant to the provisions of Section 48-60-105 of the Tennessee Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

Family and Children's Services of Chattanooga, Inc.

2. The corporation is a nonprofit corporation.

3. The text of the amendment adopted is as follows:

The name of the corporation is changed to:

Partnership for Families, Children and Adults, Inc.

4. The amendment was duly adopted on June 21, 2002.

5. The amendment was duly adopted by the board of directors, the corporation having no members.

6. This amendment shall be effective on January 16, 2003.


Dated: December 13, 2002.

Family and Children's Services of
Chattanooga, Inc.

By: 
Harry H. Harwell, President

OGDEN UT 84201-0038

In reply refer to: 0441746480
Feb. 17, 2009 LTR 4168C E0
53-0132493 000000 00 000
00028110
BODC: TE

 NATIONAL FOUNDATION FOR CREDIT
COUNSELING INC
801 ROEDER RD
SILVER SPRING MD 20910-4467

000508

Employer Identification Number: 53-0132493
Person to Contact: Ms. Casteel
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Feb. 05, 2009, regarding your tax-exempt status.

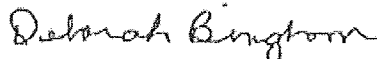
Our records indicate that a determination letter was issued in July 1974, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Deborah Bingham
Accounts Management I



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

Knowing the difference can make all the difference.

March 10, 2009

Mr. Charles Hixon
CCCS Director
Partnership for Families, Children & Adults/CCCS Division
2245 A Olan Mills Drive
Chattanooga, TN 37421

Dear Charlie:

This letter is to confirm that Partnership for Families, Children & Adults, Inc./CCCS Division is tax-exempt under section 501(c)(3) of the Internal Revenue Code because it is a subordinate under a group exemption ruling issued to the National Foundation for Credit Counseling, Inc. ("NFCC"). Your organization is eligible to receive tax-deductible contributions in accordance with section 170 of the Internal Revenue Code.

Pursuant to IRS Publication 4573, donors may consult IRS Publication 78 to verify the NFCC's group exemption ruling and may rely upon this letter as verification with respect to the deductibility of contributions to your organization as a subordinate covered in a section 501(c)(3) group exemption ruling.

If you have any questions, please call me at (301) 576-2518.

Sincerely,

Pamela Carter
Director of Membership Services

201 BOEBER ROAD, SUITE 900
SILVER SPRING, MARYLAND 20910
TEL: 301-576-2518
WWW.NFCC.ORG

Internal Revenue Service

Date: November 21, 2005

PARTNERSHIP FOR FAMILIES CHILDREN AND
ADULTS INC
300 E 8TH ST
CHATTANOOGA TN 37403-4001 008

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Ms. Wallace 31-04021
Customer Service Specialist
Toll Free Telephone Number:
877-829-5500
Federal Identification Number:
62-0911679
Group Exemption Number:
2545

Dear Sir or Madam:

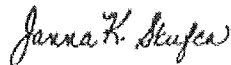
This is in response to your request of November 21, 2005, regarding your organization's tax-exempt status.

Your organization is exempt under section 501(c)(3) of the Code because it is included in a group ruling issued to National Foundation For Credit Counseling Inc., located in Silver Spring, MD.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS, INC.



Board Officers

Board President: Pat Neuhoff
 Vice President: Carol Mastey
 Treasurer: Todd Fortner
 Secretary: Mitch McClure
 P/R Advisor: Robin Derryberry
 Past President: Linda Harwell

Sandra L. Hollett, CEO
 1800 McCallie Avenue
 Chattanooga, TN 37404
 www.partnershipfca.com

**Board of Directors
 2013-2014**

| ETH | M/F | PRE | FIRST | LAST | BOARD ROTATION | PREFERRED MAILING | STREET | CITY | ST | ZIP | PHONE | EMAIL |
|-----|-----|------|---------|-------------|----------------|--|------------------------------|-------------|----|-------|-----------------------|-------------------------------|
| W | F | Mrs. | Suzanne | Bird | 6/30/2016 | Fertility Center | P.O. Box 21867 | Chattanooga | TN | 37424 | (423) 899-0500 | Suzanne@myfertilitycenter.com |
| B | F | Mrs. | Celeste | Bradley | 6/30/2015 | Blue Cross/Blue Shield | 1 Cameron Hill Circle | Chattanooga | TN | 37402 | (423) 535-6530 | celeste_bradley@bcbst.com |
| B | F | Ms. | Nicole | Brown | 6/30/2014 | | 3462 Plumwood Road | Chattanooga | TN | 37411 | (423) 425-5760 | nicole-brown@utc.edu |
| W | F | Mrs. | Kay | Budde | 6/30/2014 | | 1066 Reunion Drive | Chattanooga | TN | 37421 | (423) 280-9009 | kay.budde@att.net |
| W | M | Mr. | Jens | Christensen | 6/30/2014 | WTCI.PBS | 1 Ozark Place | Chattanooga | TN | 37415 | (423) 503-6588 | jenschristensen@gmail.com |
| W | F | Mrs. | Kim | Coffey | 6/30/2016 | Pediatric Physical Therapy Svcs. | 8350 Mitchell Mill Road | Ooltewah | TN | 37363 | (423) 238-6205 | kcoffeypt@comcast.net |
| B | F | Mrs. | LaTrice | Currie | 6/30/2015 | WRCB TV3 | 900 Whitehall Rd | Chattanooga | TN | 37405 | (423) 267-5412 x. 111 | lcurrie@wrcbtv.com |
| W | F | Mrs. | Robin | Derryberry | 6/30/2015 | Derryberry Public Relations, LLC | 421 Market Street, Suite 203 | Chattanooga | TN | 37402 | (423) 755-7588 | robin@derryberrypr.com |
| W | M | Mr. | Todd | Fortner | 6/30/2015 | Tennessee Valley Federal Credit Union | 715 Market Street | Chattanooga | TN | 37402 | (423) 634-3580 | Todd.Fortner@TVFCU.com |
| W | F | Ms. | Teresa | Groves | 6/30/2016 | Homebuilder's Association of Greater Chattanooga | 3221 Harrison Pike | Chattanooga | TN | 37406 | (423) 624-9992 | tgroves@hbagc.net |

| ETH | M/F | PRE | FIRST | LAST | BOARD ROTATION | PREFERRED MAILING | STREET | CITY | ST | ZIP | PHONE | EMAIL |
|-----|-----|------|----------|----------|----------------|-------------------------------|---|--------------|----|-------|--|--------------------------------|
| W | F | Mrs. | Barbara | Hartman | 6/30/2016 | | 2100 Durban Point Drive | Soddy Daisy | TN | 37379 | (423) 842-0842 or Cell (423) 653-6168 | hart3718@bellsouth.net |
| W | F | Mrs. | Linda | Harwell | 6/30/2015 | | 1213 Peter Pan Road | Lookout Mtn. | GA | 30750 | (706) 820-7766 | lgharwell@gmail.com |
| W | M | Mr. | Hap | Harwell | 6/30/2015 | Bailey, Harwell & Associates | 1213 Peter Pan Road | Lookout Mtn. | GA | 30750 | (706) 820-7766 | hapharwell@aol.com |
| W | F | Mrs. | Anita | Headrick | 6/30/2016 | Steris | 1357 Falmouth Road | Chattanooga | TN | 37405 | (423) 240-7787 | anita_oakshheadrick@steris.com |
| W | F | Mrs. | Mai Bell | Hurley | (*) | | 1068 Constitution Drive | Chattanooga | TN | 37405 | (423) 266-0224 | maibellh@comcast.net |
| W | F | Dr. | Debbie | Ingram | 6/30/2014 | UTC | 615 McCallie Avenue | Chattanooga | TN | 37403 | (423) 425-4767 | Debbie-ingram@utc.edu |
| W | F | Mrs. | Janet | Jobe | 6/30/2016 | Jordan Thomas Found. | 203 Windmere Drive | Chattanooga | TN | 37411 | (423) 322-9110 | janejjobe@comcast.net |
| W | M | Mr. | Newell | Kelley | 6/30/2015 | Joseph Decosimo and Co., PLLC | 512 Wells Street | Chattanooga | TN | 37405 | (423) 653-1637 | kelley1@gmail.com |
| W | F | Ms. | Donna | Killian | 6/30/2017 | First Tennessee Bank | 701 Market Street | Chattanooga | TN | 37402 | (423) 757-4138 | dkillian@ffb.com |
| W | F | Ms. | Ronda | Kitchen | 6/30/2016 | UNUM | 1 Fountain Square | Chattanooga | TN | 37419 | (423) 294-8020 | rkitchen@unum.com |
| W | F | Ms. | Virginia | Love | 6/30/2016 | Baker Donelson | 1800 Republic Center, 633 Chestnut Street | Chattanooga | TN | 37403 | (423) 209-4118 | vlove@bakerdonelson.com |
| W | F | Mrs. | Carol | Mastey | 6/30/2015 | | 719 Sunset Mountain | Chattanooga | TN | 37421 | (423) 894-4609 | cjhm1231@aol.com |



City of Chattanooga

Mayor Andy Berke

February 20, 2014

Honorable Mayor Andy Berke
101 East 11th Street
Chattanooga, TN 37402

RE: Support for Community Agency Support Grant
The Next Door

Dear Mayor Berke,

The Department of Youth and Family Development would like to give its support to The Next Door. The agency's programs are in direct alignment with what our department is putting our focus on - "Smarter Students - Stronger Families".

We feel that this program would greatly benefit the citizens of Chattanooga as well as be a benefit to helping Youth & Family Development achieve its goals.

Sincerely,

A handwritten signature in cursive script that reads "Lurone Jennings, Sr.".

Lurone "Coach" Jennings, Sr.
Administrator
Youth & Family Development
City of Chattanooga

February 21, 2014

Randy Burns, Management Analyst
City Council Office
1000 Lindsey Street
Chattanooga, TN 37404

Dear Mr. Burns:

Thank you for the opportunity for The Next Door Chattanooga to apply for vitally needed financial support through the Community Agency Support Grant for our Correctional Release Center.

Agency: The Next Door Chattanooga Correctional Release Center
P.O. Box 526
Chattanooga, TN 37401

Contact: Dionne Jennings, Chattanooga Development Coordinator
The Next Door
P.O. Box 526
Chattanooga, TN 37401
423.933.0112, extension 214
Dionne.jennings@thenextdoor.org

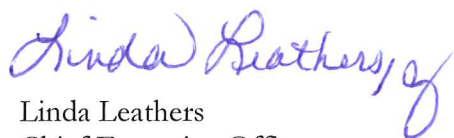
Mission: To provide a continuum of evidence-based services for women and their families impacted by addiction, mental illness, trauma and/or incarceration. The Next Door Chattanooga is dedicated to helping women coming from crisis, equipping them for lives of wholeness and hope.

Results Area: Smarter Students, Stronger Families

Request: The Next Door Chattanooga is seeking your consideration of a grant of \$100,000 to support our programs and to meet the goals and objectives detailed in the proposal.

Thank you for your time. Thank you for all that the City of Chattanooga is doing to make our community a better place in which to live, work and do business. We are looking forward to hearing from you.

Sincerely,



Linda Leathers
Chief Executive Officer

The Next Door Chattanooga Executive Summary

Request: The Next Door Chattanooga is seeking financial assistance of \$100,000 to allow us to continue to provide a continuum of evidence-based services for women and their families impacted by addiction, mental illness, trauma and/or incarceration.

Organizational Background: The Next Door Chattanooga opened on Moccasin Bend Road in June 2010 to address a significant gap in services for women released from incarceration and re-entering the communities of Hamilton County and the surrounding area. Our initial program, the Residential Transition Center (RTC), was modeled after a program in Nashville which has served over 1,500 women since opening in May 2004 and has a nine-year recidivism rate of only 20% for women completing at least 90 days of the program compared to a statewide average of over 60% for women who do not receive supportive services.

In 2011, The Next Door Chattanooga's Correctional Release Center (CRC) formed a partnership with the Tennessee Department of Correction to pilot the *state's only pre-release center for female felony offenders* from East Tennessee who are within 90 to 160 days of the expiration of their sentence. The program provides a structured environment and curriculum designed to help women prepare for successful re-entry to the community from incarceration. Our focus is to bring lasting change to the lives of female felony offenders, their families, and their community by helping women with a range of services designed to meet their physical, mental, emotional and spiritual needs. The long-term goals of the CRC are to reduce recidivism, improve the lives of East Tennessee women and their families, build safer communities and lower correctional costs by helping women prepare to re-enter the community, learn to live in sustained recovery from substance addiction, find and retain employment and restore family relationships.

The Need: The Next Door Chattanooga's CRC program seeks to meet a pressing need for re-entry services for East Tennessee women currently incarcerated in the Tennessee Prison for Women.

According to the Tennessee Department of Corrections (TDOC), as of November 30, 2013, 7,386 female offenders were incarcerated in either state prison or county jails and approximately 58% of female felons are from East Tennessee. Admissions of female felons to state custody increased 9.9% over the previous year, and 30% of admissions were "return violators" with a previous history of incarceration. On average, more than 200 women are released from state custody each month, most without transitional support programs to help them successfully return to the community. **Recidivism rates across the state average above 60%; however, the current recidivism rate for women who received pre-release services from The Next Door is just 8%.** The average cost to house a female offender in the Tennessee Department of Correction system is \$87 a day, compared to \$40 a day to house a female offender at The Next Door.

The Project Plan: The CRC provides a structured environment and curriculum designed to help women who are currently incarcerated prepare for successful re-entry to the community. Services provided at the CRC are rooted in evidence-based practices and include reentry planning, family reunification, employment readiness/work release, physical fitness, life skills, substance abuse recovery support services, cognitive restructuring, victim impact, spiritual development opportunities, and individual financial management, including budgeting, opening savings accounts and obtaining personal identification.

Objectives: The CRC has the capacity to serve up to 42 women at a time and is projected to serve 105 female offenders annually. Each year, The Next Door Chattanooga will achieve the following:

- 87% of women admitted to the CRC will successfully complete the program.
- 100% of CRC participants will have a re-entry and housing plan upon release.
- 90% of women completing the program will not re-offend.
- 45% of eligible CRC residents will obtain employment, and 37% will continue employment at their work sites after release.
- 100% of participants will be given tools to engage with their children through Family Enrichment Programs.
- 100% of residents will participate in the Celebrating Families curriculum.

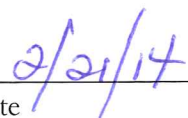
Measuring Outcomes: From inception to date, we have tracked data and outcomes through a combination of an internal database and the State of Tennessee's approved database for providers of addiction treatment and recovery support services. The Next Door will implement a web-based, certified electronic medical record system which will greatly enhance record keeping capabilities and clinical reporting across all programs and sites. In addition to internal tracking, The Next Door Chattanooga undergoes extensive auditing and evaluation by the agencies which license/accredit the program and facility, including the Tennessee Department of Correction. These audits not only ensure the level of care and services provided to our clients, they provide ongoing evaluation of whether the program is meeting its objectives.

Community Partnerships: Along with all of the services provided directly by our staff, we rely heavily on community volunteers and agencies to help deliver programming needed for individual growth. As just a few examples, we partner with First Things First to offer parenting classes to ensure our women are prepared to be more involved in the lives of their children and job training so they are career ready. UT Extension provides food nutrition classes to teach our women how to make healthy food choices and prepare healthier meals. Chattanooga Cares conducts monthly high risk activity and HIV awareness classes. Financial literacy classes, with strong emphasis on creating and following a budget, are conducted by Common Cents. First Presbyterian Community Mentoring Ministry conducts weekly individual mentoring sessions and bible studies. Our residents recently completed training of service dogs through a partnership with the Goodwill Assistance Dog Academy where they learned principles of reinforcement, correction versus punishment, emotional versus physical resistance and many other skills that will translate into their everyday family life.

CEO Statement: The Next Door Chattanooga will provide a detailed accounting of how and for what purpose municipal funds were spent by The Next Door Chattanooga prior to the close of the City of Chattanooga's fiscal budget year until all municipal funds have been spent by The Next Door Chattanooga. The Next Door Chattanooga will also provide a list of the accomplishments scheduled by use of the municipal funding.

The Next Door Chattanooga will provide the City of Chattanooga with copies of annual audits or reviews of The Next Door Chattanooga for each year that it spends funds appropriated to it by the City of Chattanooga.


Linda Leathers, Chief Executive Officer


Date



City of Chattanooga

FY15 Offers

OFFER SUMMARY

Offer Name: **Correctional Release Center (CRC)**

Lead Agency: **The Next Door Chattanooga**

Collaborating City Department(s): **Youth and Family Development**

Contact Name: **Dionne Jennings**

Primary Results Area: **Smarter Students, Stronger Families**

Offer Cost (Funding Request): **\$100,000**

RESULTS AREAS

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.
6. **Innovation Fund** – Something different – processes, services, technologies, ideas. Shifting the way government operates.

DETAILS

Description: *(What is the service/program? How will it be provided? What innovation & sustainability practice does this leverage? What difference does this offer make and how will we know? Make a compelling case for your offer.)*

As the state's *only pre-release center for women*, the Correctional Release Center (CRC) provides a structured environment and curriculum designed to help women prepare for successful re-entry to the community from incarceration. Services provided at the CRC are rooted in evidence-based practices and include reentry planning, family reunification and family enrichment programming, employment readiness/work release, physical fitness, life skills, substance abuse recovery support services, cognitive restructuring, victim impact, spiritual development opportunities and individual financial management that includes budgeting, opening savings accounts and obtaining personal identification. The CRC provides two program tracks, "traditional" and "recovery". While both provide the services listed above, the recovery track also provides more intense recovery support services, crisis counseling, weekly evidence-based therapeutic groups, weekly 12-step meetings and more intense release services, including release referrals customized to each client, assistance finding safe housing, education about 12-step meetings near proposed residences and hotline information for substance abuse and mental health options.

Four core services offered by The Next Door Chattanooga effectively address the difficult barriers women re-entering the community from incarceration face:

- 1.) A woman must have safe and secure transitional housing to re-establish herself in the community.
- 2.) Case Management services assist a woman in coordinating community resources needed to address her individual



City of Chattanooga

FY15 Offers

needs, including housing, substance abuse and recovery support services, medical care and continuing education.

3.) Counseling addresses core issues that perpetuate a woman's negative behavior stemming from substance abuse disorders, mental health issues and trauma related incidents. Counseling begins the process of navigating complex issues and directing a woman to a place of healing which results in a decrease of unhealthy behavior and increases self-esteem and self-worth.

4.) Workforce Development is a key component of the program, providing women coming from incarceration with the information, classes, skills and training necessary to secure and maintain meaningful employment, including resume writing, interviewing skills and strategies in researching available employment. This will assist in finding and maintaining livable wage employment in order to provide for their families once they are released.

The lasting impact of the CRC will be transformation in the lives of the women served, stronger families and communities and breaking generational cycles of poverty, addiction, dropping out of school and criminal behavior.

Identify Which Desired Outcomes This Offer Impacts:

1. More kids graduating high school/college and are career ready
2. Decrease chronic absenteeism
3. Fewer kids dropping out of school
4. More parental involvement
5. Increase reading proficiency for children and adults
6. Increase access to healthy food

BUDGET REQUEST

Summary: **(Please complete based on information contained in Attachment F)**

| Offer Name | Personnel Costs (including Benefits) | Operating Costs | Total Request | FTEs required |
|-----------------------------------|---|-----------------|---------------|------------------|
| Correctional Release Center (CRC) | \$60,000 | \$40,000 | \$100,000 | 9 |

Capital Budget Impact? Yes No 0\$Amount

Financial Offsets: *(Please list other revenues associated with the specific program for which funding is requested)*

| Name | Amount |
|-------------------------------------|-----------|
| Individuals/Private | \$15,500 |
| Corporate/Churches | \$9,500 |
| Tennessee Department of Corrections | \$511,000 |
| Continuum of Care | \$113,793 |
| Foundations | \$147,500 |

PERFORMANCE DATA

Measurement 1:

87% of women admitted to the CRC will successfully complete the program.

Historical Comparison Data? 193 female offenders have participated in the program, and 88% have successfully completed the program. Of the 12% who did not complete the program, 8% were discharged for disciplinary reasons, and



City of Chattanooga

FY15 Offers

4% were discharged due to medical or court reasons.

Measurement 2:

90% of women completing the program will not re-offend.

Historical Comparison Data? Of the 169 women who successfully completed the program, 15 have been re-incarcerated; yielding an 8% recidivism rate, meaning that 92% did not re-offend.

Measurement 3:

45% of eligible CRC residents will obtain employment while in the program and 37% will continue employment after their release.

Historical Comparison Data? 69% of eligible CRC residents obtained employment while in the program and 37% continued employment after their release.

Measurement 4:

100% of participants will be given tools to engage with their children through Family Enrichment Programs.

Historical Comparison Data? Family Enrichment opportunities are offered monthly to allow families of CRC residents to meet with a counselor in an open forum to discuss topics that are hard to discuss and how to adjust to family life after incarceration.

Measurement 5:

100% of residents will participate in Celebrating Families. A curriculum designed to facilitate recovery for parents and children impacted by alcohol and/or drug dependence.

Historical Comparison Data? Curriculum began in December 2013 and will provide sessions to include: goal setting, making healthy choices, healthy boundaries, how we learn and early childhood development.

Return on Investment:

How do citizens benefit? Citizens in Chattanooga and Hamilton County benefit as women become productive, employed, clean and sober members of the community. The community is safer, recidivism is dramatically decreased and the community's costs from generational cycles of crime and addiction are reduced when women successfully return to the community. The community also benefits from successful reunification of families and the ability for women to provide more stable homes for their children allowing them to perform better in school and reduce truancy. Having the mother at home reduces costs from local and state agencies that would be used to support the children's needs. The children of the women served through our program would have the ability to participate in the Lexia Reading programs at local youth development centers and through technology have access to these programs from home to improve literacy skills. Having a more stable family unit increases the chances that families regularly participate in faith based services. Through all of the services offered, if you change the life of a woman you change a generation.

Does this activity leverage other financial resources? Yes. The Next Door Chattanooga program is an excellent public/non-profit model program in Tennessee. The majority of financial funding for The Next Door CRC project is received annually by contracts with the Tennessee Department of Correction and Tennessee Department of Mental Substance Abuse Services. In addition to this request from the City of Chattanooga, The Next Door's Development Coordinator is reaching out locally to individuals, corporations, foundations and congregations for financial, in-kind and volunteer services.

How does this activity decrease costs over time for the City? Criminal Justice System costs continue to grow at unprecedented levels at both the State of TN and community level. The annual cost of incarceration for one individual that reoffends is \$31,755 (\$87/day X 365). The financial costs of CRIME and criminal activity are staggering, but it does not compare to the damage it creates in the community and family systems, especially children. As a result of the City of Chattanooga investment, The Next Door staff will equip women to successfully re-enter society. The number of female



City of Chattanooga

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felony offenders that are re-incarcerated will significantly decline. There will be fewer victims of personal and property crime. Children will benefit most from a mom that changes her past criminal behavior. If we assist a woman in changing her criminal behavior, we will decrease the percentage of her children becoming involved in the criminal justice system. As a result of The Next Door's CRC, there will be fewer children in TN Department of Children' Services custody. Children will be less likely to drop out of school when a parent is active in the home and engaged in the school experience. Women living a recovery lifestyle will be less likely to engage in drug activity.

How can this program become sustainable without City funding? The Chattanooga Development Coordinator is diligently working to increase the CRC presence in Hamilton County and is seeking funding from a variety of sources to include foundations, corporations, churches and individuals. We have significantly increased the number of new donors and volunteers and building stronger relationships that will have a lasting impact on future sustainability. Our Advisory Council Chair, Jerre Treece, is assisting us with building a strong local advisory council with 8-10 members.

Attachment B: Comparative Financial Information

Agency Name: The Next Door Chattanooga

This section relates to agency efforts specifically funded by Chattanooga dollars to benefit Chattanooga residents, relative to the dollars given by adjoining governmental entities.

| Dollars provided to your organization in FY 2014 by the following entities: | Percent of your total annual operational funding provided by local government | % of Hamilton County Population* |
|--|---|----------------------------------|
| Chattanooga | 0 | 49.83% |
| Unincorporated Hamilton County | 0 | 30.22% |
| Hamilton County Government's (General funds) | 0 | |
| Collegedale | 0 | 2.46% |
| East Ridge | 0 | 6.24% |
| Lakesite | 0 | 0.54% |
| Lookout Mountain | 0 | 0.54% |
| Red Bank | 0 | 3.46% |
| Ridgeside | 0 | 0.12% |
| Signal Mountain | 0 | 2.25% |
| Soddy-Daisy | 0 | 3.78% |
| Walden | 0 | 0.56% |
| Other (Outside Hamilton County) | 100% | |
| | Above percentages should total 100% | |
| | | |
| Percent of Services rendered to residents of: | Estimate, if you do not now track this data. | |
| Chattanooga | 11% | 49.83% |
| Unincorporated Hamilton County | 0 | 30.22% |
| Hamilton County Government's (General funds) | 0 | |
| Collegedale | 1% | 2.46% |
| East Ridge | 0 | 6.24% |
| Lakesite | 0 | 0.54% |
| Lookout Mountain | 0 | 0.54% |
| Red Bank | 0 | 3.46% |
| Ridgeside | 0 | 0.12% |
| Signal Mountain | 0 | 2.25% |
| Soddy-Daisy | 1% | 3.78% |
| Walden | 0 | 0.56% |
| Other (Outside Hamilton County) | 87% | |
| | Above percentages should total 100% | |

*Population numbers are from 2010 U.S. Census.

Attachment C: Program Beneficiary Statistics

Agency Name: The Next Door Chattanooga Program: Correctional Release Center (CRC)

| Program Beneficiary Characteristics Clients/Patients/Recipients/Other | FY 2013 | FY 2014 (YTD) | FY 2015 (Projected) |
|--|------------|------------------|------------------------|
| 1. Unduplicated Count of Program Beneficiaries TOTAL | 99 | 32 | 105 |
| a) Total Continuing From Previous Fiscal Year | 23 | 20 | 25 |
| b) Total New for the Year | 76 | 12 | 80 |
| c) Total Terminated During the Year | 8 | 0 | 8 |
| 2. Age Group TOTAL | 99 | 32 | 105 |
| a) Infants – Under 5 | 0 | 0 | 0 |
| b) Between 5 and 12 | 0 | 0 | 0 |
| c) Between 13 and 17 | 0 | 0 | 0 |
| d) Between 18 and 29 | 27 | 9 | 30 |
| e) Between 30 and 64 | 72 | 23 | 75 |
| f) 65 and over | 0 | 0 | 0 |
| g) Not Known | 0 | 0 | 0 |
| 3. Sex TOTAL | 99 | 32 | 105 |
| a) Male | 0 | 0 | 0 |
| b) Female | 99 | 32 | 105 |
| c) Not Known | 0 | 0 | 0 |
| 4. Ethnic Background TOTAL | 99 | 32 | 105 |
| a) White | 87 | 23 | 90 |
| b) Black | 11 | 9 | 15 |
| c) Hispanic | 1 | 0 | 0 |
| d) Asian | 0 | 0 | 0 |
| e) Other – Ethnic Minority | 0 | 0 | 0 |
| f) Not Known | 0 | 0 | 0 |
| 5. % Income Level TOTAL | 64% | 28% | 67% |
| a) Below 9,999 | 63 | 9 | 70 |
| b) 10,000 –19,999 | 0 | 0 | 0 |
| c) 20,000 – 29,999 | 0 | 0 | 0 |
| d) 30,000 and Over | 0 | 0 | 0 |
| e) Not Known | 0 | 0 | 0 |
| 6. Location of Residence TOTAL | 99 | 32 | 105 |
| a) Chattanooga | 11 | 2 | 15 |
| b) Outside of Chattanooga | 88 | 30 | 90 |
| c) Not Known | 0 | 0 | 0 |

Attachment D: Schedule of Positions, Salaries & Wages

Agency Name: The Next Door, Inc.

ALL FINANCIAL INFORMATION TO THE NEAREST DOLLAR. FOR ADDITIONAL EMPLOYEES, COPY THIS FORM AS NEEDED.

| Title of Position | Last Name, Initial | Full Time or Part Time | Number of Years Employed | Current – FY 2014 | | Projected – FY 2015 | |
|-----------------------------------|--------------------|------------------------|--------------------------|-------------------|------------------------|---------------------|-------------|
| | | | | Weeks Employed | Annual Rate | Weeks Employed | Annual Rate |
| Regional Director, East Tennessee | Phelps, B | FT | 2 | 52 | \$51,954. | 52 | \$53,513 |
| Regional Assistant Director | Bohannon, B | FT | 2 | 52 | \$41,705. | 52 | \$42,956 |
| Special Assistant to the CEO | Jennings, D | FT | 1 | 52 | \$50,000. | 52 | \$51,500 |
| Case Manager | Wilson-Chubbs, M | FT | 1 | 52 | \$31,721. | 52 | \$32,673 |
| Case Manager | Parrish, R | FT | < 1 | 52 | \$30,000. | 52 | \$30,900 |
| Counselor | Dotson, K | FT | < 1 | 52 | \$30,000. | 52 | \$30,900 |
| Workforce Development Specialist | Carter, J | FT | 2 | 52 | \$31,938. | 52 | \$32,896 |
| PRN Residential Relief | Coccola, A | PT | < 1 | 50 | \$4,320. (\$10.00/hr) | 52 | \$4,450 |
| Transportation Specialist | Frederick, L | PT | 1 | 52 | \$7,142. (\$12.40/hr) | 52 | \$7,356 |
| Transportation Specialist | Gomez, C | PT | < 1 | 50 | \$8,820. (\$12.25/hr) | 52 | \$9,085 |
| Transportation Specialist | Burrow, T | PT | < 1 | 52 | \$14,700. (\$12.25/hr) | 52 | \$15,141 |
| Food Services Coordinator | Davis, J | PT | 1 | 52 | \$14,870. (\$15.49/hr) | 52 | \$15,316 |
| | | | | | | | |

Note: List all employees in order of responsibility.

Attachment E: Major Sources of Funding for the Past Five Years

Agency Name: _____The Next Door, Inc. - Chattanooga_____

| Program/Project Title | Name of Funding Source | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 (Projected) | FY 2015 (Projected) |
|-------------------------------------|--|------------|------------|------------|------------|---------------------|---------------------|
| Residential Transition Center (RTC) | Contributions – Individuals/Private | 13,442.69 | 223.00 | 765.00 | | | |
| Correctional Release Center (CRC) | Contributions – Individuals/Private | | | | 10,700.00 | 15,500.00 | 15,000.00 |
| RTC | Corporate Gifts | 2,200.00 | 200.00 | 50.00 | | | |
| CRC | Corporate Gifts | | | | 250.00 | 6,000.00 | 5,000.00 |
| RTC | Foundations | 148,275.00 | 35,000.00 | 40,000.00 | | | |
| CRC | Foundations | | | | 110,000.00 | 147,500.00 | 50,000.00 |
| Capital | Foundations | 19,900.00 | | | | | |
| RTC | Byrne JAG American Recovery & Reinvestment Act | 185,958.64 | 49,442.96 | | | | |
| RTC | Church Gifts | 3,350.00 | 575.00 | 403.00 | | | |
| CRC | Church Gifts | | | | 5,200.00 | 3,500.00 | 2,500.00 |
| RTC | Program Fees from Residents | 19,274.40 | 25,314.17 | 5,392.07 | | | |
| RTC | State Govt Grant - Homelessness Prevention and Rapid Rehousing | 114,961.32 | 32,731.08 | | | | |
| RTC | State Govt Grant - Women's Recovery Oriented System of Care | | 5,693.00 | | | | |
| CRC | TN Dept of Corrections | | 259,840.00 | 395,280.00 | 464,120.00 | 511,000.00 | 511,000.00 |
| Treatment Services | State Govt Grant - Women's Recovery Oriented System of Care | | 5,673.00 | 64,057.00 | | | |
| n/a-facilities | Roof repair-insurance | | 37,323.11 | | | | |
| Treatment Services | State Govt Grant – Continuum of Care | | | 7,735.00 | 41,866.00 | 113,793.00 | 113,793.00 |
| | | | | | | | |
| | | | | | | | |
| Subtotal, Major Funding Sources | | 507,362.05 | 452,015.32 | 513,682.07 | 632,136.00 | 797,293.00 | 697,293.00 |
| Total, All Revenue Sources | | 507,362.05 | 452,015.32 | 513,682.07 | 632,136.00 | 797,293.00 | 697,293.00 |

CITY OF CHATTANOOGA

FY 2015 Agency Funding Financial Form

| Account Category | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Budget FY 2014 | Request FY 2015 | Incr/ (Decr) Request vs. FY 14 Budget | % Change Request vs FY 14 Budget |
|--|----------------|----------------|----------------|----------------|-----------------|---------------------------------------|----------------------------------|
| REVENUES | | | | | | | |
| Contributions | | | | | | | |
| Individuals/Private | \$ 223 | \$ 765 | \$ 10,700 | \$ 15,500 | | \$ (15,500) | -100.0% |
| Corporate/Organizations/Churches | \$ 775 | \$ 453 | \$ 5,450 | \$ 9,500 | | \$ (9,500) | -100.0% |
| Fees/Grants from Governmental Agencies | | | | | | | |
| Federal | | | | | | | |
| State | | | | | | | |
| State - listed separately | | | | | | | |
| Byrne JAG American Recovery & Reinvestment Act | \$ 49,443 | | | | | \$ - | |
| Women's Recovery Oriented System of Care | \$ 11,366 | \$ 64,057 | | | | \$ - | |
| Tennessee Department of Corrections | \$ 259,840 | \$ 395,280 | \$ 464,120 | \$ 511,000 | | \$ (511,000) | |
| Continuum of Care | | \$ 7,735 | \$ 41,866 | \$ 113,793 | | \$ (113,793) | |
| Homelessness Prevention and Rapid Rehousing | \$ 32,731 | | | | | \$ - | |
| City of Chattanooga | | | | | 100,000 | \$ 100,000 | N/A |
| Other Cities (Please list) | | | | | | \$ - | |
| United Way | | | | | | | |
| Foundations (including grants) | | | | | | \$ - | N/A |
| Gross Proceeds Special Events | | | | | | \$ - | N/A |
| Other UWS/Federations | | | | | | \$ - | N/A |
| CFC/Designations received thru UWGC | | | | | | \$ - | N/A |
| UWGC Program Allocation | | | | | | \$ - | N/A |
| UWGC Special Funding | | | | | | \$ - | N/A |
| Membership Dues | | | | | | \$ - | N/A |
| Program Income | | | | | | \$ - | N/A |
| Governmental Insurance | | | | | | \$ - | N/A |
| Private Insurance | | | | | | \$ - | N/A |
| Contracted Services | | | | | | \$ - | N/A |
| Fee for Services | \$ 25,314 | \$ 5,392 | \$ - | \$ - | | \$ - | N/A |
| Other Program Income | | | | | | \$ - | N/A |
| Sales to Public | | | | | | \$ - | N/A |
| Investment Income | | | | | | \$ - | N/A |
| Miscellaneous (2011 roof repair-ins claim pmt) | \$ 37,323 | | | | | \$ - | N/A |
| Other Revenues -- Foundations | \$ 35,000 | \$ 40,000 | \$ 110,000 | \$ 147,500 | | \$ (147,500) | -100.0% |
| Transfers in from other internal budgets | \$ 196,145 | \$ 123,650 | \$ 114,049 | \$ - | | \$ - | N/A |
| Income from Previous Year | \$ - | \$ - | \$ - | \$ - | | \$ - | N/A |
| TOTAL REVENUES | \$ 648,160 | \$ 637,332 | \$ 746,185 | \$ 797,293 | \$ 100,000 | \$ (697,293) | -87.5% |
| | | | | | | | |
| OPERATIONS | | | | | | | |
| Personnel Expenses | | | | | | | |
| Salaries | \$ 241,737 | \$ 235,737 | \$ 338,997 | \$ 326,686 | | \$ (326,686) | -100.0% |

| Attachment F: Budget Format | Agency Name: | The Next Door, Inc. - Chattanooga | | | | | | | | | | | |
|--|-------------------|-----------------------------------|-------------------|-------------------|--|--|--|--|--|--|---------------------|--|------------------|
| Fringe Benefits | \$ 28,008 | \$ 25,627 | \$ 35,483 | \$ 39,415 | | | | | | | \$ - | | N/A |
| Employee Health | | | | | | | | | | | \$ (39,415) | | -100.0% |
| Pension/Retirement | | | | | | | | | | | | | N/A |
| Payroll Taxes, etc. | \$ 23,051 | \$ 20,969 | \$ 29,176 | \$ 29,401 | | | | | | | \$ (29,401) | | -100.0% |
| Other (unemployment, life insurance, etc) | \$ 354 | \$ 247 | \$ 101 | \$ 261 | | | | | | | \$ (261) | | -100.0% |
| Total Personnel Expenses | \$ 293,150 | \$ 282,580 | \$ 403,757 | \$ 395,763 | | | | | | | \$ (395,763) | | -100.0% |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Administration | | | | | | | | | | | | | |
| Professional fee & Contract service | \$ 44,957 | \$ 71,166 | \$ 77,734 | \$ 70,540 | | | | | | | \$ (70,540) | | -100.0% |
| Utilities | \$ 41,154 | \$ 34,763 | \$ 37,951 | \$ 36,140 | | | | | | | \$ (36,140) | | -100.0% |
| Other - Administrative TMD INC Support (staff) | | | | \$ 95,686 | | | | | | | \$ (95,686) | | -100.0% |
| Rent | | | | | | | | | | | \$ - | | N/A |
| Travel/Transportation | \$ 35,541 | \$ 21,228 | \$ 42,345 | \$ 19,600 | | | | | | | \$ (19,600) | | -100.0% |
| Insurance (not employee health) | \$ 7,986 | \$ 10,726 | \$ 9,322 | \$ 12,172 | | | | | | | \$ (12,172) | | -100.0% |
| Materials & Supplies | \$ 21,857 | \$ 19,150 | \$ 20,194 | \$ 22,536 | | | | | | | \$ (22,536) | | -100.0% |
| Telephone, Fax, ISP | \$ 16,087 | \$ 13,125 | \$ 13,681 | \$ 11,140 | | | | | | | \$ (11,140) | | -100.0% |
| Postage and Shipping | \$ 779 | \$ 583 | \$ 2,847 | \$ 920 | | | | | | | \$ (920) | | -100.0% |
| Occupancy/Building/Utilities | \$ 54,461 | \$ 34,509 | \$ 22,517 | \$ 17,500 | | | | | | | \$ (17,500) | | -100.0% |
| Equipment Rental and Maintenance (including contracts) | \$ 7,155 | \$ 5,392 | \$ 6,906 | \$ 7,380 | | | | | | | \$ (7,380) | | -100.0% |
| Outside Printing, Art Work, etc. | \$ 1,296 | \$ 1,210 | \$ 1,204 | \$ 1,130 | | | | | | | \$ (1,130) | | -100.0% |
| Conferences, Conventions, etc. | | | | | | | | | | | \$ - | | N/A |
| Special Assistance to Individuals | \$ 14,425 | \$ 39 | \$ 247 | \$ 1,000 | | | | | | | \$ (1,000) | | -100.0% |
| National Dues/Support Payments | | | | | | | | | | | \$ - | | N/A |
| Organization Dues (other than above) | \$ - | \$ - | \$ 445 | \$ 450 | | | | | | | \$ (450) | | -100.0% |
| Awards and Grants | | | | | | | | | | | \$ - | | N/A |
| Fund Raising/Self-Support Activities | \$ 41 | \$ 249 | \$ 1,072 | \$ 6,550 | | | | | | | \$ (6,550) | | -100.0% |
| Miscellaneous | \$ 4,352 | \$ 1,980 | \$ 2,100 | \$ 1,776 | | | | | | | \$ (1,776) | | -100.0% |
| Equipment Purchases (incl. capital expenses) | \$ 1,871 | \$ - | \$ 3,637 | \$ 2,750 | | | | | | | \$ (2,750) | | -100.0% |
| Depreciation | \$ 27,540 | \$ 31,139 | \$ 2,436 | | | | | | | | \$ - | | N/A |
| Other Expenses (Please list separately any major item) | | | | | | | | | | | \$ - | | N/A |
| Other - Staff Training | \$ 169 | \$ 1,504 | \$ 2,083 | \$ 1,386 | | | | | | | \$ - | | |
| Other - Computer Maintenance/IT Support | \$ 5,547 | \$ 5,595 | \$ 6,604 | \$ 8,904 | | | | | | | \$ - | | |
| Other - Database Development (EHR system) | | \$ 2,800 | \$ 9,224 | \$ 5,857 | | | | | | | \$ - | | |
| Other - License Fees | \$ 1,020 | \$ 11,510 | \$ 660 | \$ 700 | | | | | | | \$ - | | |
| Other - Resident meals | \$ 43,381 | \$ 42,612 | \$ 46,907 | \$ 49,200 | | | | | | | \$ - | | |
| Other - building maintenance | \$ 25,390 | \$ 45,473 | \$ 32,315 | \$ 28,200 | | | | | | | \$ - | | |
| Operating Expenses Total | \$ 355,010 | \$ 354,752 | \$ 342,428 | \$ 401,517 | | | | | | | \$ (335,470) | | -83.6% |
| | | | | | | | | | | | | | |
| TOTAL OPERATIONS | \$ 648,160 | \$ 637,332 | \$ 746,185 | \$ 797,280 | | | | | | | \$ (731,233) | | -91.7% |
| | | | | | | | | | | | | | |
| REVENUE OVER/ (UNDER) OPERATIONS | \$ 0 | \$ - | \$ 0 | \$ 13 | | | | | | | \$ 33,940 | | 261076.9% |

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF AMENDMENT
TO THE CHARTER
(Nonprofit)

RECEIVED
STAFF OFFICE USE ONLY
2006 NOV 29 PH 3:40
FILED
SECRETARY OF STATE

FILED

CORPORATE CONTROL NUMBER (IF KNOWN) 0442787
PURSUANT TO THE PROVISIONS OF SECTION 48-60-105 OF THE TENNESSEE NONPROFIT CORPORATION ACT, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS CHARTER:

1. PLEASE INSERT THE NAME OF THE CORPORATION AS IT APPEARS OF RECORD:
Downtown Ministry Center, Inc.
IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:
The Nextdoor, Inc.

2. PLEASE MARK THE BLOCK THAT APPLIES:
 AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE.
 AMENDMENT IS TO BE EFFECTIVE, _____ (MONTH, DAY, YEAR)
(NOT TO BE LATER THAN THE 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED.) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING

3. PLEASE INSERT ANY CHANGES THAT APPLY:
A. PRINCIPAL ADDRESS: 128 Eighth Avenue South
Nashville TN 37203
CITY STATE/COUNTY ZIP CODE
B. REGISTERED AGENT: _____
C. REGISTERED ADDRESS: _____
CITY STATE ZIP CODE COUNTY
D. OTHER CHANGES: _____

4. THE CORPORATION IS A NONPROFIT CORPORATION.
5. THE MANNER (IF NOT SET FORTH IN THE AMENDMENT) FOR IMPLEMENTATION OF ANY EXCHANGE, RECLASSIFICATION, OR CANCELLATION OF MEMBERSHIPS IS AS FOLLOWS:

6. THE AMENDMENT WAS DULY ADOPTED ON November 22, 2006 (MONTH, DAY, YEAR)
BY (Please mark the block that applies):
 THE INCORPORATORS WITHOUT MEMBER APPROVAL, AS SUCH WAS NOT REQUIRED.
 THE BOARD OF DIRECTORS WITHOUT MEMBER APPROVAL, AS SUCH WAS NOT REQUIRED.
 THE MEMBERS

7. INDICATE WHICH OF THE FOLLOWING STATEMENTS APPLIES BY MARKING THE APPLICABLE BLOCK:
 ADDITIONAL APPROVAL FOR THE AMENDMENT (AS PERMITTED BY §48-60-301 OF THE TENNESSEE NONPROFIT CORPORATION ACT) WAS NOT REQUIRED.
 ADDITIONAL APPROVAL FOR THE AMENDMENT WAS REQUIRED BY THE CHARTER AND WAS OBTAINED.

Board Chair
SIGNER'S CAPACITY
November 27, 2006
DATE
SIGNATURE
Andrea Overby
NAME OF SIGNER (TYPED OR PRINTED)

5036-0523

Form **1023**
(Rev. September 1998)
Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

| | | |
|---|------------|---|
| 1a Full name of organization (as shown in organizing document) Downtown Ministry Center, Inc. | | 2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions). 43 : 2001774 |
| 1b c/o Name (if applicable) | | 3 Name and telephone number of person to be contacted if additional information is needed (615) 371-9846 Andrea Overby |
| 1c Address (number and street) 128 Elgth Ave. South | Room/Suite | |
| 1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. Nashville, TN 37203 Bowling Green, TN 37003 | | 4 Month the annual accounting period ends December |
| 1e Web site address None | | 5 Date incorporated or formed March 4, 2003 |
| 7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | 6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n) |
| 8 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions). <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here

X. Andrea Overby
(Signature)

Andrea Overby, President
(Type or print name and title or authority of signer)

X 7/3/03
(Date)

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

ISSUANCE DATE: 09/26/2008
REQUEST NUMBER: 08270100
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 03/04/2003
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0442787
JURISDICTION: TENNESSEE

TO:
LINDA LEATHERS
%THE NEXT DOOR
PO BOX 23336
NASHVILLE, TN 37202

REQUESTED BY:
LINDA LEATHERS
%THE NEXT DOOR
PO BOX 23336
NASHVILLE, TN 37202

CERTIFICATE OF EXISTENCE

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"THE NEXTDOOR, INC."

IS A CORPORATION DULY INCORPORATED UNDER THE LAW OF THIS STATE WITH DATE OF
INCORPORATION AND DURATION AS GIVEN ABOVE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE
EXISTENCE OF THE CORPORATION HAVE BEEN PAID;
THAT THE MOST RECENT CORPORATION ANNUAL REPORT REQUIRED HAS BEEN FILED
WITH THIS OFFICE; AND
THAT ARTICLES OF DISSOLUTION HAVE NOT BEEN FILED; AND
THAT ARTICLES OF TERMINATION OF CORPORATE EXISTENCE HAVE NOT BEEN FILED

FOR: REQUEST FOR CERTIFICATE

ON DATE: 09/26/08

FROM:
LINDA G LEATHERS
1801 A SHACKLEFORD R
NASHVILLE, TN 37215-0000

| | | |
|-------------------------|---------|---------|
| | FEES | |
| RECEIVED: | \$20.00 | \$0.00 |
| TOTAL PAYMENT RECEIVED: | | \$20.00 |

RECEIPT NUMBER: 00004480505
ACCOUNT NUMBER: 00611899



SS-4458

Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

FILED

CHARTER

OF

DOWNTOWN MINISTRY CENTER, INC.

RECEIVED
OFFICE OF THE SECRETARY OF STATE
2003 MAR -4 PM 12:19
RILEY DARNELL

The undersigned, acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, adopts the following Charter for such corporation:

1. The name of the corporation is **DOWNTOWN MINISTRY CENTER, INC.**
2. This corporation is a public benefit corporation.
3. The street address of the initial registered office of the corporation is Third Floor, 230 Fourth Avenue, North, Nashville, Tennessee 37219-8888, and the initial registered agent for the corporation at that office is Wesley D. Turner.
4. The name and address of the incorporator is:

Kimberley Williams
108 Seventh Avenue South
Nashville, Tennessee 37203
5. The street address of the principal office of the corporation is 108 Seventh Avenue South, Nashville, Tennessee 37203.
6. The corporation is not for profit.
7. The corporation will not have members.
8. Upon the dissolution of the Corporation for any reason, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational and religious purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code or the

corresponding provision of any future United States Internal Revenue Law, as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the proper court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

9. To the extent allowed by the laws of the State of Tennessee, no present or future director of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation for monetary damages for breach of fiduciary duty as a director of the corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.

10. With respect to claims or liabilities arising out of service as a director or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future director and officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

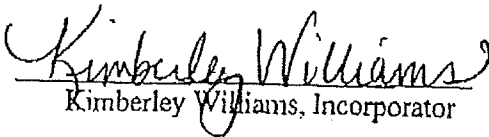
11. The purposes for which the corporation is organized are to provide Christian ministry to women, children and families in distress or need by sharing the Gospel of Jesus Christ, providing affordable housing during times of transition, and providing teaching, mentoring and assistance, all in accordance with Christian principles and in a manner consistent with the doctrinal positions of The First Baptist Church of Nashville, Tennessee, which are contained in The Baptist Faith and Message as adopted by The Southern Baptist Convention in 1963. The corporation shall operate exclusively for charitable, educational and religious purposes within the meaning of Section

501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, and generally to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.

12. The directors of the corporation shall be appointed by The First Baptist Church of Nashville, Tennessee, from nominees submitted by the existing Board of Directors. In the absence of such nominees the directors shall be appointed by The First Baptist Church of Nashville, Tennessee.

13. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private individuals or persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments in furtherance of the purposes set forth in the paragraph just above. Notwithstanding any other provision of this Charter, the corporation shall not carry on any endeavors or activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

DATED this 3rd day of March, 2003.


Kimberley Williams, Incorporator

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

FEB 29 2008

THE NEXT DOOR
PO BOX 23336
NASHVILLE, TN 37202-3336

Employer Identification Number:
43-2001774

DLN:

17053349760067

Contact Person:

EDWARD S SCHLAACK

ID# 31536

Contact Telephone Number:

(877) 829-5500

Public Charity Status:

170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated November 18, 2003, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

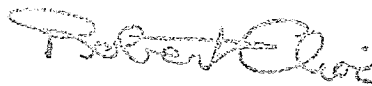
Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

The Next Door, Inc.
2014 Board of Directors

| <u>Name</u> | <u>Telephone</u> | <u>Home Address</u> | <u>Company & Position</u> | <u>Email</u> | <u>Yrs. Served</u> |
|---------------------------------------|---|---|---|--|--------------------|
| 1 Laurel Buntin | 615-298-4456 | 3303 Wimbledon Rd. Nashville, TN 37215 | Community Volunteer | lsb215@aol.com | 3 |
| 2 Betty Dickens | 615-292-0929 | 4410 Harding Place Nashville, TN 37205 | Community Volunteer | Bpdickens@gmail.com | 3 |
| 3 Clokie Dixon | 615-352-4541 | 5912 Sedberry Road Nashville, TN 37205 | | clodixon@comcast.net | 2 |
| 4 Margaret Dye | 615-865-738-3739 615-865-804-8040 (cell) | 453 Mt. John Loop Rd Townsend, TN 37882 | Community Volunteer | margaretdye@comcast.net | 3 |
| 5 Joyce Gentry | 615-372-5351 | 3356 Legacy Dr. Springfield, TN 37172 | Manager Ethics & Compliance HCA Physician Services | joyce.gentry@hcahealthcare.com | 3 |
| 6 Tam Gordon | 615-668-3233 615-880-3349 | 340 Red Feather Lane Brentwood, TN 37027 | Mayor's Office | tam.gordon@nashville.gov | 3 |
| 7 Lisa Harper | 615-414-4895 | 4274 Old Hillsboro Road Franklin, TN 37064 | | ldharper@comcast.net | 2 |
| 8 Wendy Martin Secretary | 615-298-1595 615-419-3634 (cell) | 2310 Golf Club Lane Nashville, TN 37215 | Community Volunteer | wendmail@comcast.net | 3 |
| 9 Jeff Mobley | 615-627-4444 (w) | 3618 Woodmont Blvd. Nashville, TN 37215 | Howard Mobley Hayes and Gontarek, | jieff@howardmobley.com | 1 |
| 10 Andrea Overby <i>Vice Chair</i> | 615-371-9846 | 5111 Waxwood Dr. Brentwood, TN 37027 | Community Volunteer | andrea.overby@gmail.com | 3 |
| 11 Betsy Phillips | 615-347-3755 | 1001 Gilmore Ave. Nashville, TN 37204 | Nissan North America, Inc. Counsel, Legal Department | Betsy.Phillips@nissan-usa.com | 3 |
| 12 Jane Anne Pilkinton | 615-383-0518 615-973-6978 (cell) | 200 Belle Meade Blvd Nashville, TN 37205 | | japilkinton@comcast.net | 1 |

| | | | | | | | |
|--|---|--|---|--|--|--|---|
| 13 | Jason Rogers | 615-665-7363 615-491-6611 (cell) 615-460-6000 (work) | 5908 Robert E Lee Ct Nashville, TN 37215 | Belmont University VP for Administration and University Counsel | | | 2 |
| 14 | Mark Smith <i>Treasurer</i> | 615-776-2338 | 1088 Wilmington Way Brentwood, TN 37027 | Lee, Danner & Bass Inc | mark@leedannerbass.com | | 2 |
| 15 | Terrell Smith, MSN, RN | 615-661-9895 615-330-7332 (cell) 615-936-1000 (work) | 1107 Arrowhead Drive Brentwood, TN 37027 | Director, Patient and Family Engagem Vanderbilt University Medical Center | Terrell.smith@vanderbilt.edu | | 1 |
| 16 | Jerre Treece | 210-392-7554 (cell) | 2241 Heavenly View; Ooltewah, TN 37363 | | jerretreecel@gmail.com | | 1 |
| 17 | Mary Vaughn | 615-720-7973 | 1820 Shackelford Rd. Nashville, TN 37215 | Chair, Dept. of Communications Studi Belmont University | mary.vaughn@belmont.edu | | 3 |
| 18 | Rob Waggener <i>Board Chair</i> | 615-776-4190 | Foundations Associates 210 Westwood Place, Ste. 120 Brentwood, TN 37027 | CEO, Foundations Recovery Network, Inc. | rob.waggener@comcast.net | | 3 |
| 19 | Eleanor Wells | 615-818-0666 615-712-5258 (cell) | 901 Bowring Park Nashville, TN 37215 | Community Volunteer | ebw157@gmail.com | | 1 |
| | Frank Lewis, Ex-officio | 615-664-6000 | 205 Channellkirk Lane Nashville, TN 37215 | Senior Pastor First Baptist Church, Nashville | frank.lewis@firstbaptistnashville.org | | |
| | Linda Leathers, Ex-officio | 615-516-9342 (cell) | 1801 A Shackelford Rd Nashville, TN 37215 | Chief Executive Officer The Next Door, Inc. | linda@thenextdoor.org | | 1 |
| <u>Chattanooga Advisory Council</u> | | | | | | | |
| | Jerre Treece <i>Advisory Council Chair</i> | 210-392-7554 | 2241 Heavenly View; Ooltewah, TN 37363 | Community Volunteer | jerretreecel@gmail.com | | 1 |
| | Jan Ramsey | 423-645-5209 | 7004 River Run Drive Chattanooga, TN 37416 | Community Volunteer | janramsey7004@gmail.com | | 1 |
| | Anna Marie Quinn | 423-910-0336 | 8344 Mitchell Mill Rd Ooltewah, TN 37363 | Community Volunteer | amquinn46@yahoo.com | | 1 |