



TENNESSEE
COMMUNITY SERVICES AGENCY

ANNUAL REPORT

Fiscal Year 2025-26

JULY 1, 2025 | JUNE 30, 2026

Connecting public needs with essential services across Tennessee.

Statewide service. Effective administration. Public accountability.

Message from the Executive Director

Steady progress. Stronger systems. Continued service.

Fiscal year 2025-26 was a year of steady progress for the Tennessee Community Services Agency. Across our programs, employees responded to changing needs, strengthened services, and continued the essential work of helping people and supporting our state and local partners.

The scope of that work is broad. TNCSA coordinated services for people with disabilities, supported foster and adoptive families, answered TennCare provider and member questions, connected domestic violence survivors with help, assisted older Tennesseans seeking employment, supported families and courts, and provided personnel and administrative services for the Department of Tourist Development. Our information technology team also continued moving agency processes online while strengthening cybersecurity and employee support.

The year brought challenges as well. Call volume and complexity increased on the TennCare Provider Registration line. Staff responded with additional training, cross-training, and added coverage, bringing performance back within expectations. Other programs managed staffing changes, increasing referrals, changing service systems, and the continuing need to do more with limited resources. In each case, our employees adjusted and kept the work moving.

TNCSA also ended the year in a strong financial position. Revenue exceeded expenditures by \$442,656, increasing the agency's fund balance to approximately \$2.34 million. That stability gives us the ability to meet current obligations while preparing responsibly for future needs.

I am grateful to our employees, Board of Directors, program partners, and contracting agencies for their work and support during the year. The results in this report belong to the people who answer the calls, coordinate services, work with families, manage programs, and keep the agency operating each day.

As we move into FY 2026-27, we will continue strengthening program oversight, leadership development, cybersecurity, performance reporting, and financial monitoring. We will also remain open to new partnerships where TNCSA's administrative structure and experienced workforce can meet an identified public need.

Don Patterson

Executive Director

CONTENTS

A guide to TNCSA's FY 2025-26 programs, leadership and financial information

AGENCY OVERVIEW

Message from the Executive Director	2	Year at a Glance	5
About TNCSA	4	The Year in Progress	6

PROGRAMS & SERVICES

Independent Support Coordination	7	Senior Community Service	19
Foster Support Care Coordination	10	Employment Program	
Foster Parent Advocacy & Mentoring	11	Family Focused Solutions	21
Domestic Violence Helpline	13	White County Family Treatment Court	23
Traumatic Brain Injury Personal Care Services	15	Public Defender Social Worker Project	25
TennCare Provider Call Center	16	Department of Tourist Development	28
		Information Technology	29

LEADERSHIP, GOVERNANCE & FINANCIALS

Governance and Accountability	31	Financial Overview	34
Board of Directors	32	Complete Financial Statements	36
Executive Leadership	33		

About TNCSA

Connecting public needs with essential services

The Tennessee Community Services Agency is a state governmental entity created in 1989 to develop and administer services that meet identified needs across Tennessee. TNCSA works through contracts and partnerships with state agencies, local governments, and community organizations to operate programs that require responsive administration, specialized staff, and consistent oversight.

WHAT WE DO

Direct support, call-center operations, employment services, court-based programs, and administrative partnerships.

HOW WE WORK

Centralized administrative support allows TNCSA's diverse programs to operate efficiently while maintaining the flexibility needed to meet different program and contract requirements.

A small administrative structure provides shared fiscal, HR, IT, payroll, financial reporting, personnel administration, technology support, and contract oversight.

HOW WE STAY ACCOUNTABLE

The Board provides public oversight while agency leadership monitors program operations, finances, compliance, performance, and risk.

A STATEWIDE WORKFORCE

Many TNCSA employees work remotely, allowing services to be delivered statewide while reducing the cost of maintaining multiple offices. Technology keeps staff accessible to clients and partners across multiple regions.

SERVICE AREAS

DISABILITY SUPPORT

Independent Support Coordination

CRISIS & HEALTH SERVICES

Domestic Violence Helpline; Traumatic Brain Injury personal care services

EMPLOYMENT SERVICES

Senior Community Service Employment Program

ADMINISTRATIVE PARTNERSHIPS

Personnel and administrative services for the Department of Tourist Development

CHILDREN & FAMILY SUPPORT

Foster Support Care Coordination; Foster Parent Advocacy & Mentoring

TENNCARE SUPPORT

Provider, eligibility, recipient inquiry, complaint, registration, and related support

FAMILY & COURT SERVICES

Family Focused Solutions; Public Defender Social Work; White County Family Treatment Court

Year at a Glance

Selected measures showing the scale and reach of TNCSA services

58,309 TennCare calls answered	12,288 Domestic Violence Helpline calls answered	12,529 Foster-family advocacy and mentoring contacts
25,400 SCSEP community-service hours	949 Public Defender Social Work services completed	95 Counties TNCSA programs and services reach Tennesseans statewide

THE SCALE BEHIND THE NUMBERS

TNCSA's programs range from statewide call-center and crisis services to highly individualized coordination, employment training, family support, and court-based work. The measures above are intentionally different because the work itself is different. Together, they show an agency built to administer varied public-service needs through a shared structure.

FINANCIAL STABILITY

TNCSA recorded \$6.27 million in total revenue and \$5.83 million in expenditures. Revenue exceeded expenditures by \$442,656.

FY 2026-27

The full financial story appears later in this report.

The Year in Progress

Five developments that moved the agency forward

RESPONDED TO DEMAND

Provider Registration call volume and complexity increased. TNCSA retrained staff, cross-trained additional representatives, and added coverage. The abandoned-call rate improved to 4.23% by June and fell to 1.47% in July after year-end.

8.09% → 1.47%

STRENGTHENED QUALITY

Independent Support Coordination completed DDA recredentialing and earned an overall rating of Exceptional under DDA's new statewide Quality Monitoring process. TNCSA-developed forms were shared as examples for other providers.

EXCEPTIONAL

EXPANDED COURT-BASED SERVICES

TNCSA added the White County Family Treatment Court, pairing accountability with individualized support for parents pursuing recovery, reunification, and family stability.

NEW SERVICE

MODERNIZED TECHNOLOGY

TNCSA disconnected the final computers from its Jackson-based server, continuing the agency's transition from legacy server infrastructure toward a fully cloud-based computing environment. The shift supports a remote workforce and provides a more flexible foundation for agency operations.

SERVER TO
CLOUD

BUILT ORGANIZATIONAL CAPACITY

TNCSA formalized the Leadership Team's role, continued development of enterprise risk management, and placed greater emphasis on leadership development and succession planning.

LEADERSHIP +
RISK

Independent Support Coordination

A statewide program built on advocacy, consistency, and trusted relationships

Supporting self-directed lives

In partnership with the Tennessee Department of Disability and Aging (DDA), TNCSA provides Independent Support Coordination services that help people with intellectual and developmental disabilities pursue meaningful, self-directed lives in their communities.

ISCs serve as advocates, navigators, and trusted partners, helping individuals and families set goals, access resources, coordinate services, and make informed choices while promoting health, safety, independence, and community inclusion.

A year defined by quality

FY 2025-26 brought growth, changing requirements, and increased expectations for documentation and quality monitoring. TNCSA responded by strengthening internal quality assurance, updating documentation tools and policy manuals, providing monthly policy refresher training, and continuing to build an experienced workforce focused on consistent, person-centered service.

QUALITY MONITORING

EXCEPTIONAL

Overall rating under DDA's new statewide Quality Monitoring review process.

Reviewers recognized TNCSA for innovative quality assurance practices and documentation tools. Several internally developed forms were shared as examples with other providers across the state.

RECREREDENTIALING

Successfully completed DDA recredentialing, demonstrating continued compliance with state standards.

STATEWIDE PILOT

Selected by DDA for the new Level of Care Recertification pilot before statewide implementation.

STATEWIDE WORKGROUPS

TNCSA staff helped develop documentation tools and best practices for ISC agencies across Tennessee.

Continuity matters

Strong employee retention remains an important program strength. Many Independent Support Coordinators have served individuals and families for years, providing continuity, institutional knowledge, and trusted relationships as needs and service requirements change.

Quality in Practice

Strong systems matter most when they help staff solve real problems for individuals and families

Responding to change

One of the year's most significant operational challenges was the transition from Inspira to TASC as Healthcare Reimbursement Account administrator for Katie Beckett Part B. Changing reimbursement requirements and documentation expectations created uncertainty for families.

ISCs worked directly with families in their homes to establish accounts, upload receipts, submit reimbursement requests, and advocate through the transition. Collaboration among TNCSA, DDA, and TASC improved communication and led to a comprehensive HRA guidance document designed to make the process clearer going forward.

Advocacy that changed a life

For years, Ashley Jones lived with significant dental pain because she did not have a conservator authorized to consent to treatment. ISC Kim Bridgman ultimately accepted appointment as Ashley's conservator, knowing ethical requirements meant relinquishing her role as Ashley's ISC.

That decision allowed long-overdue dental treatment to move forward. Kim also challenged inappropriate financial charges, helped secure a new provider agency, reduced medication administration errors, and helped prepare Ashley for a move to a home better suited to her needs.

People Behind the Program

Amanda Porter was selected as one of TNCSA's inaugural Leadership Fellows. Lavonia Judd was recognized by the DDA Middle Regional Office for exceptional advocacy and person-centered practice; and Kim Holland served as a community presenter on disability awareness and inclusion.

THE HEART OF ISC

"The best part of my job is sitting beside an individual and hearing them say, 'You're mine, right? You'll never leave me, will you?'"

— Kim Bridgman, Independent Support Coordinator

PARTNERSHIPS THAT EXTEND THE WORK

TNCSA continued strengthening collaboration with DDA through quality initiatives, pilot projects, training, and problem-solving. Work with The Arc of Tennessee supported advocacy, conservatorship, rights education, and complex Circle of Support needs. Partnerships with Vocational Rehabilitation supported competitive integrated employment and community inclusion.

WHAT CHANGED INTERNALLY

Updated documentation tools, revised policy manuals, monthly refresher training, and enhanced quality monitoring helped staff adapt to new waiver requirements while keeping the focus on person-centered service.

Possibility, Made Practical

Katie Beckett Part B helps families turn specialized supports into meaningful progress

For children with disabilities and complex medical needs, flexible funding can open doors to therapies, equipment, respite, education, and other supports that families may not otherwise be able to access. The work of the ISC is to help families navigate those options and turn resources into opportunities.



Andrew

McNatt: Reaching New Milestones

Diagnosed with cerebral palsy, Down syndrome, and apraxia, Andrew participated in intensive climbing therapy for two summers through Katie Beckett Part B funding. ISC Blake Rice helped his family access the opportunity.

After the first summer, Andrew walked across the beach holding his grandfather's hand. After the second, he independently stood up from the floor without assistance. Those milestones brought greater independence, confidence, and hope for what could come next.

Experienced ISCs provide the continuity and trusted relationships that make effective coordination possible.



Matthew

Olbrantz, Jr.: Finding Answers

For years, Matthew experienced severe itching attributed to eczema. Through the trusted relationship between his family and ISC Tina Swanson, ongoing conversations encouraged the family to seek additional medical evaluation.

That persistence led to a diagnosis of PFIC-2, a rare genetic liver disease. With appropriate diagnosis and treatment, the constant scratching that had left his skin covered in wounds subsided, improving his comfort and quality of life.

Foster Support Care Coordination

Stability, specialized support and stronger families for children with complex needs

A distinct program with a focused purpose

Foster Support Care Coordination (FSCC), formerly Tennessee Strong Families, supports children with intellectual and developmental disabilities who are in state custody. Through coordinated case management and flexible Healthcare Reimbursement Account (HRA) funding, the program helps foster and adoptive families obtain specialized supports that allow children with significant medical and behavioral needs to remain stable and thrive in family settings.

TNCSA administers FSCC through its partnership with the Tennessee Department of Disability and Aging and works in close collaboration with the Department of Children's Services and foster and adoptive families. DDA reports that the program has reduced placement disruptions and strengthened long-term stability for participating children since the program began.

FY26 RESPONSE

When HRA administration moved from Inspira to TASC, families faced new reimbursement and documentation requirements.

TNCSA coordinators helped establish accounts, upload receipts, submit reimbursement requests and advocate through the transition. Work with DDA and TASC ultimately produced clearer guidance for families.



Wyatt's Journey Home

Wyatt's Journey Home

Wyatt entered FSCC in 2024 with developmental delays, feeding difficulties and ongoing medical concerns. During 595 days in foster care, the program worked with his foster family, now his adoptive family, to provide HRA funding for specialized feeding supports, developmental toys, sensory equipment and activities designed to build gross motor skills and healthy sensory development.

Those supports helped Wyatt safely explore climbing and water play and gradually become more comfortable with sensory experiences he had previously avoided, including sand and different textures. On April 20, 2026, Wyatt was adopted.

Foster Parent Advocacy and Mentoring

Knowledgeable support, reliable information, and someone who understands the journey.

In partnership with the Tennessee Department of Children's Services and the Tennessee Foster Adoptive Care Association, TNCSA provides statewide advocacy and mentoring services for foster families. Foster parents often navigate complex systems while caring for children who have experienced trauma, disruption, and significant change.

ADVOCACY	MENTORING
Foster Parent Advocates help families understand DCS policies and procedures, exercise rights under the Tennessee Foster Parent Bill of Rights, communicate with DCS and private provider agencies, participate in Child and Family Team Meetings, and navigate Special Investigations.	Experienced foster parents are paired with newly approved families to provide practical guidance, encouragement, and peer support during the first months of fostering.

282	471	12,529
new advocacy cases	new mentor matches	client-specific contacts

The Mentorship Program added 130 more matches than the previous year, an increase of approximately 38 percent. Advocates completed 6,452 client-specific calls, emails, and text communications, while Mentors completed 6,077.

Building a stronger statewide voice

Quarterly Advocate Partnership meetings gave Advocates a direct channel to DCS leadership for sharing statewide trends, recurring concerns, and recommendations. Quarterly Mentorship Feedback meetings created a similar connection between Mentors and DCS Foster Care Support leadership, helping identify emerging needs and improvements for newly approved foster parents.

The program also expanded outreach. Program Director Sarah Webb, Midstate Advocate Shirley Brock, and East Regional Mentor Naomi Asher presented at the DCS Statewide Foster Parent Conference. Sarah also introduced the Advocacy Program during statewide training for private foster care providers, helping more families understand that advocacy services and Foster Parent Bill of Rights protections are available to them.

Support That Adapts With Families

Adapting to a changing system

The transition from 12 DCS regions to six required Advocates and Mentors to cover larger areas and build relationships with unfamiliar personnel and resources. Team members responded by sharing regional knowledge, coordinating across geographic boundaries, and strengthening internal communication. New connections with Special Investigation leadership and the three Grand Regional Foster Care Monitoring Program Directors created additional opportunities for collaboration.

Staff turnover within the child welfare system continues to create a need for repeated education about the Advocate's role. TNCSA is working with the DCS Training Unit to clarify how Advocates support families, participate in meetings, and communicate with case managers.



Christina Peterson

IMPACT IN ACTION

From kinship caregiver to foster parent

A Mid-West Mentor was matched with a kinship caregiver who had entered foster care to provide a home for a child in his family. Over six months, Christina Peterson offered encouragement, practical guidance, and the perspective of an experienced foster parent. With that support, the caregiver chose to become approved as a traditional foster parent, adding another safe and supportive home for Tennessee children who need one.

Protecting foster parent rights

As collaboration with DCS increased, Advocates began receiving invitations to participate in certain appeal hearings involving child-removal decisions and, in some cases, to provide information on behalf of foster parents. Families now have knowledgeable support during decisions that can profoundly affect both the foster home and the child.

Recognizing the people behind the work

A new quarterly newsletter connects the statewide team, shares best practices, and recognizes achievements. Johnetta Lane took on additional responsibility by assisting with weekly DCS Foster Home Quality Team meetings. Ariel Branch represented the program at a Tennessee Kids Belong event, and Susan Spalding received a Compassion Award for her service to families affected by the child welfare system. Longtime Advocate Lee Copeland concluded seven years of service in 2026.

Domestic Violence Helpline

Immediate, confidential support and statewide connections to safety and services, 24 hours a day.

TNCSA has operated the Tennessee Statewide Domestic Violence Helpline since May 2023 through funding from the Tennessee Office of Criminal Justice Programs. Trained Helpline Specialists provide crisis support, safety planning, information about options, and connections to resources in all 95 Tennessee counties.

24/7 STATEWIDE ACCESS

1-800-356-6767

Victims and survivors of all ages and genders can reach a trained specialist at any hour.

12,288

calls answered

FY 2025-26

+1,363

more calls

than prior year

12.5%

year-over-year

growth

A statewide safety net

The Helpline also answers after-hours and overflow calls for up to 18 domestic violence shelters, helping ensure callers can reach a trained professional during evenings, weekends, holidays, and other times when local shelter staff may be unavailable. Specialists document call information and services in iCarol and share needed follow-up with the appropriate shelter or service provider.

Beyond emergency shelter and safety planning, callers sought connections to legal advocacy, counseling, healthcare, housing, financial assistance, and other victim services.

Improving statewide coordination

During the year, shelter calendars were moved into a more organized workspace in iCarol, and partners began receiving monthly reminders to submit updates early enough for staff to verify and load them before they were needed. The change reduced calendar errors and corrective calls while giving specialists greater confidence in the information provided to callers.

Training, mentoring, supervision, and quality review supported consistent service as demand grew. During staffing gaps, the three supervisors adjusted schedules to preserve 24/7 coverage while new staff were hired and trained.

Support When the Next Step Is Unclear

The work is not only answering the phone. It is helping each caller identify a safer, workable next step.

IMPACT IN ACTION

A calm response in a moment of crisis

One caller reached the Helpline after leaving home with her young daughter because a situation involving her estranged spouse had escalated and she no longer felt safe. She did not need emergency shelter at that moment, but she needed help deciding what to do next.

The Helpline Specialist listened, helped her plan for immediate safety, and connected her with law enforcement and domestic violence advocacy services. The caller planned to seek an Order of Protection and was encouraged to work with a local advocate. She also knew she could call again if her situation changed or she needed emergency shelter.

THE CHALLENGE

Finding the right resource

Emergency and homeless shelter options, domestic violence shelter beds, mental health services, transportation, and other supports remain limited in parts of Tennessee, particularly in rural communities. Specialists maintain current resource information and explore multiple options with each caller.

PARTNERSHIP IN ACTION

WRAP

WRAP remained a particularly strong partner during FY 2025-26. Its advocates supplied timely shelter-calendar updates, communicated clearly about after-hours coverage, and remained available to help Helpline Specialists work through difficult or complex situations.

People behind the line

Rebecca Fancher & Yolanda Flippin-Flakes

Rebecca and Yolanda's cross-shift communication prevents duplicated referrals and helps repeat callers reach additional options more quickly.

Lizabeth Stluka

Balances efficiency with compassion on overnight and Sunday calls and produces clear, thorough call reports.

Ashley Madsen

Brings patience and professionalism to difficult calls and helps overwhelmed callers consider realistic options.

Traumatic Brain Injury Personal Care Services

Long-term, person-centered support that helps Tennesseans with brain injuries live as independently as possible.

A focused program with long-term impact

Since 2016, TNCSA has provided Personal Care Services for individuals with traumatic brain injuries living in Shelby County. The program supports activities of daily living while adapting services as each person's needs, health and level of functioning change.

Services include personal care, mobility and medication assistance, meal preparation, housekeeping, transportation and other daily supports. Clients participate in developing and reviewing individualized service plans.

FY26 AT A GLANCE

7

clients served

4

quarterly site visits

3

current clients served since 2016

QUALITY AND CONTINUITY

Stable services, individualized planning and consistent oversight

The program continued to serve a stable group of long-term participants during FY 2025-26. Three current clients have received services since TNCSA began operating the program in 2016, while others joined in later years. That continuity reflects the ongoing nature of the support many people with traumatic brain injuries need to remain safe and independent in the community.

Quality monitoring remained equally consistent. The Site Director completed four quarterly site visits, reviewing client files and service plans and updating them as needed. The Tennessee Department of Health TBI Program Director also completed a site visit in May 2026, with no corrective action plan requested.

SUPPORT BEYOND PERSONAL CARE

When one client needed support beyond the program's direct services, the Site Director helped identify another resource. The client needed specialized shoes to accommodate a leg brace, along with additional assistance for transportation and meal preparation.

\$2,000 in Family Support funding was secured in September 2025, helping address needs that could otherwise have limited the client's mobility and independence.

LOOKING AHEAD

TNCSA will continue monitoring changing client needs, maintaining person-centered service plans and quality reviews, connecting participants with additional community resources, and conducting outreach to identify other TBI survivors who may benefit from the program. A new three-year contract begins July 1, 2026, continuing TNCSA's partnership in this work.

TennCare Provider Call Center

Direct support for providers, members and TennCare programs across Tennessee's Medicaid system.

The TennCare Provider Call Center serves as a central point of contact for medical providers, TennCare members and internal TennCare programs. TNCSA representatives help callers verify eligibility and coverage, address billing and reimbursement questions, resolve managed care issues, and complete provider registration or revalidation requirements.

59,732

calls received

58,309

calls answered

97.6%

overall answer rate

Five primary service lines

Provider Eligibility remained the largest line during FY 2025-26, followed by Provider Registration and Recipient Inquiry. The Call Center also handled Provider Claims and Managed Care Complaint calls.

Service line	Calls	Answered	Answer rate
Provider Eligibility	24,975	24,710	98.9%
Provider Registration	16,987	16,353	96.3%
Recipient Inquiry	10,408	10,182	97.8%
Provider Claims	6,893	6,624	96.1%
Managed Care Complaint	469	440	93.8%

Support beyond incoming calls

The Call Center also supports TennCare Online Services, outbound welcome and reverification campaigns, Member Medical Appeals billing inquiries, and internal member-profile corrections. Staff help authorized providers access TennCare Online Services, review Medicaid and Medicare coverage information, support Skilled Nursing Facility claims submission, and resolve initial technical issues by email.

Outbound welcome and reverification work has become part of the Call Center's continuing responsibilities, extending the team's value beyond incoming calls.

Responding to Provider Registration Demand

A spring increase in call volume and complexity tested the line. Retraining, cross-training and added capacity produced a measurable recovery.

Provider Registration became the year's clearest operational challenge. As online training materials and frequently asked questions were removed or revised, more providers needed live assistance to complete applications or correct errors. The abandoned-call rate rose from 1.74% in January to 8.09% in March.

MANAGEMENT RESPONSE

More training. More flexibility. More capacity.

Management retrained staff, cross-trained additional representatives and added staff to the Provider Registration line. By June, the abandoned rate had improved to 4.23%.

Provider Registration demand and recovery

Month	Calls	Abandoned	Abandoned rate
Jan. 2026	1,268	22	1.74%
Feb. 2026	1,414	84	5.94%
Mar. 2026	1,694	137	8.09%
Apr. 2026	1,620	79	4.88%
May 2026	1,364	89	6.52%
Jun. 2026	1,607	68	4.23%
Jul. 2026*	1,700	25	1.47%
Aug. 2026*	1,760	26	1.48%

* July and August 2026 are follow-up results after the close of FY 2025-26.

The recovery held after year-end

The first two months of FY 2026-27 showed that the response was sustainable. The abandoned rate fell to 1.47% in July and 1.48% in August while monthly call volume reached 1,700 and 1,760. The added capacity supported higher demand while returning service to expected levels.

Incoming-call tracking was also revised to give TennCare clearer information about why customers call and where operational attention may be needed.

Quality, Adaptability and Partnership

The Call Center's value extends beyond answering calls: it provides TennCare with an experienced team that can absorb new work, identify recurring issues and respond as needs change.

Building a more flexible workforce

Staff were cross-trained across Provider Eligibility, Recipient Inquiry and Managed Care Complaint, with additional cross-training for Provider Registration and Claims. Supervisors also used Dialpad activity reports to provide regular feedback on log-in, log-out and unavailable time, strengthening day-to-day performance management.

Contributing to TennCare systems and services

TNCSA staff contributed operational knowledge to TennCare's MS Dynamics application, which replaced the prior system used to review and adjudicate UB-04 and CMS-1500 claims. The system also supports tracking unresolved provider issues involving fee schedules, payments delayed more than 120 days, prior authorizations and other matters that can affect timely care or provider payment.

The Call Center also assumed support for Member Medical Appeals billing inquiries. Staff review cases in which a member paid a provider directly for a TennCare-covered service, contact the provider to determine why the member was billed, explain the proper claims process, and help establish whether the member is entitled to reimbursement.

PROGRAM VALUE

More than a call center

TNCSA gives TennCare a flexible team that can take on administrative, email, outbound and specialized support work in addition to incoming calls, while maintaining close coordination with TennCare Provider Services, Member Medical Appeals, managed care organizations, medical providers and internal TennCare teams.

Staff recognition

TennCare's Program Manager recognized James Harvey, Eileen Perkins, and Salonda Bunch Allan for their professionalism, attention to detail, and effectiveness in supporting administrative work and outbound campaigns that have become continuing TennCare initiatives. Jermaine Hogsett was selected as one of TNCSA's inaugural Leadership Fellows, providing additional opportunities for leadership development and broader exposure to agency operations.

Senior Community Service Employment Program

Helping Tennesseans age 55 and older rebuild skills, confidence and a path back into the workforce while serving their communities.

SCSEP provides paid, part-time community-service training to eligible Tennesseans age 55 and older who are unemployed and seeking to return to work. Participants are assessed for skills, interests and barriers, then matched with a government or nonprofit host agency. TNCSA manages payroll and workers' compensation while participants build current skills and prepare for unsubsidized employment.

42	25,400	61%
PARTICIPANTS SERVED	COMMUNITY-SERVICE HOURS	LIVING IN RURAL AREAS

A year of growth and strong performance

Participation grew significantly during the year, and both TNCSA and the State of Tennessee exceeded program performance measures. Among those served, 89% had family incomes below the poverty level, 61% lived in rural areas and more than 36% were age 65 or older, including 17% over age 75.

Partnerships and practical support

The coordinator added new host agencies and strengthened partnerships with organizations that provide training, employment opportunities and referrals. Supportive services also helped remove barriers to work: six participants received vision exams and eyeglasses, while others received help with work clothing, transit, dental care or car repairs.

WHO SCSEP SERVES

Eligible participants are unemployed Tennessee residents age 55 or older with family income at or below 125% of the federal poverty level.

Each participant begins with an assessment so the training assignment can support an individual path toward employment.

Building Skills for What Comes Next

IMPACT IN ACTION

Joyce: rebuilding confidence at 77

Joyce entered SCSEP after losing a job she had held for more than 20 years. The loss of income created immediate financial worry, while the loss of daily work left her concerned about becoming isolated.

SCSEP placed her with Northwest Tennessee Local Food Network, where she could learn at a manageable pace. After attending a multi-day training event with agency staff, she gained confidence in her assignment and now accompanies her supervisor to local schools, helping with presentations and food-related activities for children.

The host agency hopes to secure funding to employ her permanently.

MORE THAN A WORK ASSIGNMENT

SCSEP provides more than a work assignment. Participants gain practical work experience, build new skills, strengthen confidence, and prepare for opportunities beyond the program.

Skills that carry forward

Two other participants completed a free, weeklong computer course at a local senior center and were allowed to keep the laptops they used during training. They returned to their host agencies eager to apply what they had learned.

Preparing for a new wage model

In FY 2026-27, SCSEP will transition from the federal minimum wage to a Prevailing Wage Model that more closely reflects entry-level wages in Tennessee. Participants will be grouped into career pathways based on employment goals, with training stipends aligned to those pathways.

The higher wages provide more meaningful financial support, but available funding will support fewer active participants and, for many participants, fewer weekly training hours.

LOOKING AHEAD

The program continues to face the practical challenge of finding qualified host agencies within a reasonable travel distance while serving a large geographic area with one coordinator. These barriers are especially significant for rural participants with limited transportation options.

FY 2026-27 priorities include managing the wage-model transition, maintaining strong host-agency partnerships, identifying employers that can offer permanent jobs, connecting participants with supportive services and preserving meaningful training opportunities within available funding.

Family Focused Solutions

Helping Families First customers address barriers to employment, strengthen family stability and move toward long-term self-sufficiency.

Through a partnership with the Tennessee Department of Human Services, TNCSA provides Family Focused Solutions services in 14 Upper Cumberland counties. The program combines trauma-informed counseling, case management, life-skills education and community referrals for families experiencing financial hardship and complex barriers to employment.

207	155	116
CUSTOMERS SERVED	NEW REFERRALS	ASSESSMENTS COMPLETED

FY 2025-26 brought the highest referral volume in five years. New referrals increased 26 percent from the previous year and more than doubled the FY 2023-24 total. Despite the increased volume and complexity, the program met every performance-measure benchmark established by TDHS.

A caseload defined by complexity

Customers may be managing mental or physical health concerns, substance use, domestic violence, homelessness, legal issues, parenting challenges, or the health and behavioral needs of their children. Counselors complete comprehensive assessments, develop practical goals, coordinate resources and recommend reasonable modifications to Families First work requirements when circumstances warrant them.

93%	97%
of newly assessed customers reported multiple barriers to employment	of engaged customers needed some level of modification to their work-activity requirement

Responding to growing need

The increase in referrals is tied in part to TDHS moving away from a separate medical-exemption pathway. Customers with significant medical or mental health barriers, including those pursuing disability benefits, are now more likely to receive an FFS assessment and an individualized work-plan recommendation. When possible, counselors use modified activity requirements rather than full exemptions so customers can remain eligible for transportation, vision, dental and other support services.

Building a Path Toward Self-Sufficiency

Meeting families where they are and building a path forward.

IMPACT IN ACTION

From immediate barriers to long-term progress

One participant entered FFS as a new mother managing emotional-health concerns, recovery from substance use, past legal involvement and unstable housing. Her counselor recommended a work-plan modification that allowed her to continue treatment while attending college.

During the year, she completed an associate degree, was accepted into a bachelor's-degree program and obtained employment with a nonprofit organization that provided housing and utilities as compensation.

Her progress reflects the program's purpose: addressing immediate barriers while helping customers build a sustainable path forward.

Service across a rural region

Rural service delivery remains difficult because transportation, broadband, treatment availability and other community resources vary widely across the Upper Cumberland region. FFS staff maintain updated resource information and communicate directly with providers so customers can be connected with services that are both appropriate and realistically accessible.

What the assessment tells us

Of the 155 newly referred customers, 134 were scheduled for a Self-Sufficiency Matrix Assessment and 116 assessments were completed during FY 2025-26. The standardized tool measures need across areas such as housing, employment, health, finances and family stability. Assessments for some customers referred in June may have fallen into July because counselors have 30 days from referral to complete the assessment.

54%

reported mental-health barriers

37%

reported long-term physical-health
barriers

28%

reported child health or behavioral
barriers

Looking ahead

FY 2026-27 priorities include staff development in trauma-informed practice, resilience, self-care and secondary traumatic stress, along with an update to program policies and procedures. Increased referrals and active caseloads will continue to challenge a small staff focused on timely customer service.

White County Family Treatment Court

Pairing accountability with practical support so parents can pursue recovery, reunification and lasting family stability

The White and Van Buren County Family Treatment Court serves dependency and neglect cases in which parental substance use is a contributing factor. Judges, attorneys, child-welfare professionals, treatment providers and community partners work through one court-based process to help parents address substance use while meeting the requirements of their permanency plans.

Participation is voluntary and limited to adults who are primary caregivers, have a diagnosed substance-use disorder, meet high-risk and high-need criteria, and have current or prior child-protection involvement in White or Van Buren County. Court sessions are held twice monthly so the team can monitor progress, recognize success, respond to setbacks and keep recovery and child safety at the center of the case.

11	9	14
NEW REFERRALS	PARTICIPANTS SERVED	CHILDREN REPRESENTED

Nine participants from five families received services during FY 2025-26. Eight of the 11 people referred completed the TNRAS eligibility assessment, and six of those newly referred individuals were admitted to the program.

Intensive support in practice

In the fourth quarter alone, the case manager made 259 participant contacts, coordinated 45 drug screens, conducted 10 home visits and made 16 connections to treatment and support resources. These measures illustrate the level of engagement required to help parents manage treatment, court expectations, visitation, recovery and the other requirements of their permanency plans.

259	45	10	16
CONTACTS	DRUG SCREENS	HOME VISITS	RESOURCE CONNECTIONS

Strengthening recovery and family stability

During the year, WCFTC revised its phase structure to place greater emphasis on individual recovery, skill development, family functioning and readiness for independence rather than relying primarily on compliance. Participant support included transportation to treatment, court, testing and visitation; employment applications and work clothing; reduced-cost counseling; housing assistance; household supplies; grocery assistance and budgeting; and healthy family activities.

FUNDING THAT EXPANDS CAPACITY

White County opioid-abatement funding allowed WCFTC to maintain a full-time case manager and address barriers the primary state contract could not cover. Because the abatement award is time-limited, long-term staffing and funding remain the program's clearest sustainability challenge.

Recovery. Reunification. Family.

Two FY26 graduations show what sustained treatment, accountability and practical support can make possible

5 CHILDREN REUNIFIED

Two parents completed the Family Treatment Court program and reunited with their children during FY 2025-26.

Cheyenne

Cheyenne completed intensive outpatient treatment, parenting and boundaries classes, established stable employment and maintained 348 days of sobriety by graduation. She completed trial home visits, fulfilled the requirements of her DCS permanency plan and the Family Treatment Court program, and reunited with her two children.

Cassandra

Cassandra maintained 214 days of sobriety, established employment, completed treatment and parenting education, progressed through trial home visits and reunited with her three children. In her exit survey, she said working with WCFTC made her feel that she had a “fighting chance” at change and reunification.

These graduations represent more than program completion. They reflect recovery, restored families and safer futures for five children.

Maintaining continuity through change

When the case manager position became vacant, the Cookeville Site Director temporarily assumed case-management duties. Drug screens, court participation, status hearings, participant support and state database documentation continued without interruption. Bradley Gabbert joined WCFTC as Case Manager and Co-Coordinator in March 2026, bringing more than a decade of experience in corrections, probation and parole, child welfare and case management.

Community support matters

WCFTC continued expanding relationships with treatment and community providers. Health Connect America and Volunteer Behavioral Health served as primary intensive outpatient treatment providers, while a new partnership with Grove Healing Collective offered reduced-cost counseling to eligible participants, including people without insurance.

Looking ahead

Priorities include broadening referral pathways and community partnerships, strengthening data collection and reporting, continuing staff development, and maintaining the full-time case-management capacity needed to sustain current services and reach additional families.

Public Defender Social Worker Project

Integrating social work into public defense to address the behavioral, social and practical factors that contribute to justice-system involvement.

The Public Defender Social Worker Project places master's-level forensic social workers in five judicial districts covering 14 Tennessee counties. Working as part of the defense team, social workers help attorneys understand the circumstances affecting their clients and connect individuals with treatment, housing, employment, education and other supports that can improve stability.

478

new client referrals

959

services initiated

949

services completed

Social work as part of the defense team

TNCSA administers six project positions: a statewide Project Director and five district-based forensic social workers. The project is funded through the Office of Criminal Justice Programs and operates in partnership with the Tennessee District Public Defenders Conference, participating public defender offices, treatment providers and community organizations.

FY26 CLIENT CONTEXT

68% incarcerated at referral

Approximately 68% of newly referred clients were incarcerated when referred. That makes arranging treatment, gathering records and maintaining community connections more difficult, and underscores the value of a social worker embedded with the defense team.

Five judicial districts | 14 counties

The project serves the 1st Judicial District (Carter, Johnson, Unicoi and Washington); 7th (Anderson); 12th (Bledsoe, Franklin, Grundy, Marion, Rhea and Sequatchie); 22nd (Giles, Lawrence, Maury and Wayne); and 29th (Dyer and Lake).

What the work includes

Services are individualized and may include comprehensive needs assessments, substance-use and mental-health treatment placement, housing and community-resource assistance, mitigation, release and alternative-sentencing planning, crisis intervention, supportive counseling and ongoing case management.

From Assessment to Stability

Forensic social workers help turn information about a client's circumstances into practical plans for treatment, stability and successful community support.

Impact in action

A woman referred after repeated arrests and unsuccessful treatment placements received a new assessment from a forensic social worker who recognized that earlier programs had not adequately addressed her trauma. The social worker connected her with a program better suited to her needs.

CLIENT OUTCOME

More than one year of sobriety

The client has maintained sobriety for more than a year, serves as house manager at her sober-living facility, and was released from further jail time after her attorney documented her progress for the court.

Different needs, individualized responses

Other clients entered long-term substance-use treatment in lieu of incarceration, stabilized after repeated mental-health crises, secured housing, reconnected with family members, and obtained ongoing therapy and medication management. These outcomes depend on persistent coordination among clients, attorneys, courts, treatment providers and forensic social workers.

Building stronger defense teams

Interdisciplinary training remained a major focus during FY 2025-26. A two-and-a-half-day annual conference addressed trauma, veterans, human trafficking, forensic social work, sentencing advocacy and social determinants of mental health.

4

regional trainings

120

participants

98 + 22

attorneys + social workers

Regional trainings in Jackson, Murfreesboro, Knoxville and Kingsport focused on collaborative responses to mental illness, intellectual and developmental disabilities, and substance use. The sessions reached 98 attorneys and 22 social workers.

Performance, Capacity and Sustainability

FY26 results reflected both strong district-level performance and the operational effect of staffing instability in two districts.

A Year of Change Across Five Districts

New referrals declined approximately 18% from the prior year, while referral closures declined 19%. The largest factor was repeated turnover and extended vacancies in two districts, which reduced capacity for intake, assessment and provider linkage. Even with those disruptions, 46 clients in the 12th Judicial District remained actively engaged in treatment at year end.

DISTRICT PERFORMANCE

A strong year in the 1st Judicial District

The 1st Judicial District exceeded its goals with 152 referrals, 129 assessments, 121 treatment placements and 171 third-party provider referrals. The 7th District remained on track; the 12th and 22nd focused on rebuilding capacity; and the 29th met its referral benchmark and came close to its external-provider linkage goal.

Stabilizing the project

The immediate operational priority is consistent staffing across all five districts. Stable staffing supports timely referrals, assessments, treatment placement and follow-up while preserving the statewide supervision, training and technical assistance that underpin service quality.

Sustaining and expanding the work

OCJP extended funding for the existing positions through FY 2026-27. TNCSA is also pursuing Opioid Abatement Council funding for additional public defender social worker positions in counties that do not currently have this capacity or need additional support. At the time of the FY26 report, award decisions were expected in January 2027.

LOOKING AHEAD

Preserve capacity. Restore consistency. Extend reach.

The next phase centers on stabilizing staffing, restoring consistent performance across participating districts, and pursuing sustainable funding that can preserve and potentially expand access to forensic social work within Tennessee public defense.

Department of Tourist Development

Personnel and administrative support for a state agency partner

TNCSA continued its partnership with the Tennessee Department of Tourist Development during FY 2025-26, providing personnel and administrative services that support the Department's operations.

APRIL 2024

Partnership began

5

Positions supported during FY26

4

Active positions at June 30, 2026

A flexible administrative partnership

The partnership allows Tourist Development to use TNCSA's administrative infrastructure to meet specific staffing needs. Under the arrangement, TNCSA employs personnel who perform work in support of Tourist Development and provides the associated human resources, payroll, and administrative services.

WHAT TNCSA PROVIDES

Employment administration • Human resources • Payroll • Administrative support

By handling the employment and administrative functions associated with these positions, TNCSA gives its state agency partner a practical way to meet staffing needs while Tourist Development remains focused on the work performed by the assigned personnel.

Staffing support during FY26

TNCSA supported five Tourist Development positions at some point during the fiscal year. Four positions remained active as of June 30, 2026. Presenting both figures distinguishes total staffing activity during the year from the number of active positions at fiscal year-end.

A model for responsive state support

The Tourist Development partnership is not structured as a direct-service program. Its value is administrative: it demonstrates how TNCSA can use its existing infrastructure to support another state agency with a targeted personnel need without creating a separate administrative structure.

LOOKING AHEAD

In FY 2026-27, TNCSA will continue working with the Department of Tourist Development to provide responsive personnel and administrative support and address additional needs as they arise.

Information Technology

Modernizing operations, supporting employees and protecting agency systems

SERVER TO CLOUD technology transition	28 digital forms updated	650+ help desk tickets	3 HOURS individualized IT onboarding
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TNCSA's Information Technology Department continued advancing the agency's digital operations while providing dependable day-to-day support for programs and employees across the state. During FY 2025-26, IT moved the agency closer to fully electronic processes while responding to more than 650 help desk requests.

Modernizing agency operations

TNCSA continued moving away from legacy server infrastructure and toward cloud-based systems. The department disconnected the final computers from TNCSA's Jackson server, advancing the agency toward a fully cloud-based technology environment that better supports a statewide remote workforce.

Nearly all agency forms are now available electronically, and IT updated 28 digital forms as program requirements changed during the year. In partnership with Human Resources, IT also began modernizing the employee portal to provide a more organized source for internal information and tools.

Supporting employees from day one

New employees receive approximately three hours of individualized IT onboarding tailored to the applications, terminology and technology used in their program. Simulated work sessions let employees practice navigating files, sending secure email and completing sample forms before assuming regular responsibilities.

EXTENDED ONBOARDING SUPPORT

New employees are also offered seven days of direct phone support for technology questions. The structured approach gives employees another resource during the transition into a new role and reduces the technology burden on program supervisors.

Technology That Supports the Work

Cybersecurity, partnerships and priorities

Strengthening cybersecurity

TNCSA continued strengthening cybersecurity through enhanced email security, threat protection, monitoring and backup safeguards. These added layers of protection reduced security-related incidents and improved the agency's ability to identify and respond to suspicious activity.

Phishing emails, malicious links and other online threats remain a significant challenge. When an account may be compromised, IT can quickly revoke access through Microsoft's administrative environment, contain the threat, securely restore access and provide guidance intended to prevent a recurrence.

SECURITY IN PRACTICE

Rapid response is paired with employee education. The goal is not only to contain an incident, but also to help employees recognize suspicious activity and reduce the likelihood of recurrence while minimizing operational disruption.

Key partnerships

ICS provided cybersecurity expertise, security monitoring and backup protection as TNCSA strengthened safeguards and continued its cloud transition. Ongoing work with Dialpad support supervisors also improved vendor communication and contributed to faster resolution of recent telephone-system support issues.

Staff recognition

Josh Jones consistently demonstrated strong technical knowledge, careful attention to detail and a proactive approach to problem-solving. His prompt support, clear communication, willingness to learn new technologies and positive attitude contributed to reliable and secure technology services throughout the agency.

FY 2026-27 priorities

- Expand cybersecurity awareness and employee training focused on phishing, malicious links, safe browsing, account security and reporting procedures.
- Complete the transition to fully digital forms and continue updating forms as program requirements change.
- Modernize internal digital resources, strengthen cloud-based operations and maintain secure and reliable technology services for all TNCSA programs.

Governance and Accountability

Public oversight, stronger controls and a more consistent approach to risk

BOARD OVERSIGHT Governor-appointed Board providing public oversight	RISK MANAGEMENT Formal ERM process continued to develop during FY26	LEADERSHIP
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Board Oversight

TNCSA is governed by a Board of Directors appointed by the Governor. The Board provides public oversight of the agency’s direction, finances, major policy decisions, and accountability to state partners and the people TNCSA serves. Day-to-day management is delegated to the Executive Director, who works with the Leadership Team to carry out Board direction and oversee agency operations.

Throughout FY 2025-26, the Board continued to provide oversight of the agency's finances, programs, and operations through regular public meetings and formal Board action. Board members also remained engaged in significant agency matters, including financial performance, program operations, and long-term organizational planning.

AUDIT COMMITTEE The Audit Committee supports the Board’s oversight of financial reporting, internal controls, compliance, and risk. Post-year development: In July 2026, shortly after FY 2025-26 closed, the Committee adopted a formal charter defining responsibilities for financial statements, internal controls, compliance, enterprise risk management, and an annual self-assessment.	ENTERPRISE RISK MANAGEMENT TNCSA continued developing a formal enterprise risk management process during FY 2025-26. Departments are identifying key objectives, risks, controls, monitoring practices, and remaining gaps. The work will continue during FY 2026-27, giving agency leadership, the Audit Committee, and the Board a more consistent way to evaluate operational, financial, compliance, personnel, and technology risks.
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Leadership and Succession Planning

The Leadership Team brings together the directors responsible for fiscal services, human resources, information technology, and TNCSA’s major program areas. During FY 2025-26, TNCSA formalized the team’s role through a Leadership Team Charter and placed greater emphasis on shared accountability, leadership development, and succession planning.

The agency's emphasis on leadership development and succession planning continued into FY 2026-27, including the launch of the Leadership Fellows initiative in July 2026. Together, these efforts support continuity while strengthening the leadership structure beneath the Executive Director and Board.

Board of Directors

Governor-appointed leadership representing communities across Tennessee

STATEWIDE GOVERNANCE

TNCSA's statewide Board includes regional and grand-division representation, together with the Commissioner's Designee. Board members provide public oversight of the agency's direction, finances, policy decisions, and accountability.

NORTHWEST Shannon Haynes	NORTHEAST Bob Cooper
SOUTHWEST Gerry Campbell	GRAND WEST Ginger Terry
SOUTH CENTRAL Shauna Pounders	GRAND MIDDLE Alana Grimaud
MID-CUMBERLAND & DAVIDSON Annette Pulley	GRAND EAST Ann Ayers-Colvin
EAST TENNESSEE & KNOX Ashley Brookman	COMMISSIONER'S DESIGNEE Adam Jarvis

BOARD COMPOSITION

State law provides for twelve Governor-appointed members plus the Commissioner or the Commissioner's Designee. Agency leadership is working closely with the Governor's Office to fill the three vacant Board seats.

Executive Leadership

Shared leadership across administration and program operations

TNCSA's Leadership Team brings together the directors responsible for agency administration and major program areas. The structure supports coordinated decision-making, shared accountability, and consistent oversight across a diverse statewide organization.

LEADERSHIP TEAM

LEADER	AREA OF RESPONSIBILITY
Don Patterson	Executive Director
Teresa Breeden	Fiscal Services
Amy Dunagan	Human Resources
Taylor Jones	Information Technology
Allison Linnevers	Domestic Violence Helpline and Traumatic Brain Injury Services
Tammy Spencer	Family Focused Solutions and Court-Based Services
Cheryl Portel	Disability and Aging and Children's Services Partnerships
Charles Whitfield	TennCare Provider Call Center

DEVELOPING LEADERSHIP CAPACITY

Succession planning and leadership development remain important priorities for TNCSA. During FY 2025-26, the Leadership Team continued to focus on developing staff, strengthening management practices, and preparing future leaders within the agency.

LOOKING AHEAD | LEADERSHIP FELLOWS

Building on that work, TNCSA launched its Leadership Fellows initiative in July 2026, providing selected employees with additional opportunities to participate in leadership discussions, gain broader exposure to agency operations, and prepare for future leadership responsibilities.

The inaugural Leadership Fellows for FY 2026-27 are:

Amanda Porter
Independent Support Coordination

Jermaine Hogsett
TennCare Provider Call Center

Financial Overview

A year of continued financial strength and stability

TNCSA closed FY 2025-26 with \$6.27 million in total revenue and \$5.83 million in expenditures. Revenue exceeded expenditures by \$442,656, increasing the agency’s fund balance to \$2.34 million at June 30, 2026.

The year-end result continued a multi-year improvement in TNCSA’s financial position. That stronger foundation supports the agency’s ability to manage reimbursement timing, meet operating obligations, and respond to changing needs across its programs and contracts.

\$6.27M	\$442,656	\$2.34M
TOTAL REVENUE	INCREASE IN FUND BALANCE	ENDING FUND BALANCE

A STRONGER FINANCIAL FOUNDATION

2022	FOUR-YEAR CHANGE	2026
~\$500K	+\$1.84M	\$2.34M

Over the past four years, TNCSA’s fund balance increased from approximately \$500,000 to \$2.34 million. The growth reflects a sustained improvement in the agency’s overall financial position while programs and services continued to operate across Tennessee.

WHERE REVENUE CAME FROM

State grants and contracts provided \$6,229,593 of FY 2025-26 revenue. Investment earnings added \$43,230, bringing total revenue to \$6,272,823.

Managing Public Resources

Financial oversight built around contracts, programs, and accountability

TNCSA operates primarily through contracts and agreements with state and local government partners. Each program carries its own service requirements, staffing needs, billing processes, and financial responsibilities. Fiscal management therefore extends beyond the agency-wide totals reported in the financial statements.

CONTRACT-FUNDED OPERATIONS

Fiscal Services works with program leadership throughout the year to align spending, billing, and reimbursement activity with the requirements of each contract.

That ongoing coordination helps TNCSA address issues as they arise, maintain accurate financial records, and support sound decisions at both the program and agency levels.

FINANCIAL MANAGEMENT THROUGHOUT THE YEAR

MONITOR	RECONCILE	REPORT
Program revenue, expenditures, and contract requirements are reviewed throughout the year.	Billing, reimbursement activity, and financial records are checked for accuracy and completeness.	Agency leadership and the Board receive regular financial information to support oversight and decision-making.

OVERSIGHT AND ACCOUNTABILITY

Financial performance is reviewed throughout the year by agency leadership and reported to the Board of Directors. This regular reporting provides visibility into contract activity, program operations, cash flow, and the agency's overall financial position. Most TNCSA contracts are also subject to annual programmatic and/or fiscal reviews by the contracting agency. These reviews provide an additional level of oversight and help ensure that funds are administered in accordance with contract requirements and used for their intended purposes.

COMPLETE FINANCIAL STATEMENTS

The following statements present the agency's detailed financial results and year-end balances.

Tennessee Community Services Agency
Statement of Net Position
June 30, 2026

	<u>Governmental Activities</u>
Assets	
Cash (Note 2)	\$ 1,418,009.64 *
Accounts receivable	21,792.87
Due from the State of Tennessee	1,056,861.57
Prepaid items	8,178.77
Net pension asset	4,480,172.00
Capital assets (Note 3):	
Equipment	-
Lease asset	146,734.97
Total assets	<u>7,131,749.82</u>
Deferred outflows of resources related to pensions	3,320,309.42
Deferred outflows of resources related to OPEB	-
Liabilities	
Accrued payroll, payroll taxes, and benefits	114,629.85
Accounts payable	33,223.52
Due to the State of Tennessee	20,350.41
Unearned revenue	-
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences (Note 4)	140,531.49
Lease liability	83,284.12
Portion due or payable after one year:	
Compensated absences (Note 4)	142,860.51
Lease liability	66,722.46
Net OPEB Obligation	-
Total liabilities	<u>601,602.35</u>
Deferred inflows of resources related to pensions	4,312,271.00
Deferred inflows of resources related to OPEB	-
Net Position	
Invested in capital assets, net of related debt	146,734.97
Unrestricted	1,903,240.50
Pension income	3,488,210.42
Total net position	<u>\$ 5,538,185.89</u>

The notes to the financial statements are an integral part of this statement.
The LGIP balance was \$1,376,588.31 as of June 30, 2026.

Tennessee Community Services Agency
Statement of Activities
For the Fiscal Year Ended June 30, 2026

Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Administration	\$ 695,987.61	\$ -	\$ 781,964.99	\$ 85,977.38
DCS Resource Parent Advocacy & Mentoring Program	252,302.05	-	250,231.13	(2,070.92)
Department of Disability and Aging Programs	1,678,097.38	-	1,988,851.05	310,753.67
Domestic Violence Helpline	512,543.79	-	514,898.09	2,354.30
Family Focused Solutions	145,712.08	-	144,651.62	(1,060.46)
Family Treatment Court	92,542.66	-	90,133.70	(2,408.96)
Public Defender Social Work Program	532,834.30	-	527,788.15	(5,046.15)
Senior Community Services Employment Program	262,957.22	-	262,957.22	-
TennCare Provider Call Center Program	1,290,820.94	-	1,288,059.36	(2,761.58)
Tourist Development Services Program	325,855.52	-	316,489.57	(9,365.95)
Traumatic Brain Injury Program	64,593.50	-	63,567.82	(1,025.68)
OPEB Expense - unallocated	-	-	-	-
Depreciation - unallocated	152,547.30	-	-	(152,547.30)
Pension Expense	(750,083.42)	-	-	750,083.42
Lease Expense	(152,406.76)	-	-	152,406.76
Total	<u>\$ 5,104,304.17</u>	<u>\$ -</u>	<u>\$ 6,229,592.70</u>	<u>\$ 1,125,288.53</u>
General revenues:				
Payment from the State of Tennessee				\$ -
Unrestricted investment earnings				43,230.03
Total general revenues				43,230.03
Change in net position				1,168,518.56
Net position - July 1				4,369,667.33
Prior period adjustment for pensions				-
Net position - June 30				<u>\$ 5,538,185.89</u>

Tennessee Community Services Agency
Balance Sheet
General Fund
June 30, 2026

Assets and deferred outflows	
Cash (Note 2)	\$ 1,418,009.64
Accounts receivable	21,792.87
Due from the State of Tennessee	1,056,861.57
Prepaid items	8,178.77
Net pension asset	4,480,172.00
Total assets	<u>6,985,014.85</u>
Deferred outflows of resources	3,320,309.42
Total assets and deferred outflows	<u>10,305,324.27</u>
Liabilities and Fund Balance	
Liabilities:	
Accrued payroll, payroll taxes, and benefits	114,629.85
Accounts payable	33,223.52
Due to the State of Tennessee	20,350.41
Total liabilities	<u>168,203.78</u>
Deferred inflows of resources	4,312,271.00
Fund balance:	
Reserved for prepaid items	8,178.77
Unreserved	5,816,670.72
Pension income	3,488,210.42
Total fund balance	<u>5,824,849.49</u>
Total liabilities and fund balance	\$ <u>10,305,324.27</u>
Reconciliation of the general fund balance sheet to the statement of net position:	
Total fund balances - governmental funds	\$ 5,824,849.49
Amounts reported in the statement of net position are different because:	
Deferred outflows and deferred inflows for OPEB are not reported in the general fund.	(-)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the general fund.	(146,734.97)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the general fund. Long-term liabilities at year-end consist of:	
Net OPEB Obligation	(-)
Compensated absences	(283,391.99)
Lease liability	(150,006.57)
Total net position	\$ <u>5,538,185.89</u>

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

Tennessee Community Services Agency
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Fiscal Year Ended June 30, 2026

Revenues		
State grants and contracts	\$	6,229,592.70
Charges for services		-
Interest		43,230.03
Total revenues		<u>6,272,822.73</u>
Expenditures		
Administration	\$	699,214.75
Department of Children's Services Resource Parent & Mentoring Program		250,231.13
Department of Disability and Aging Programs		1,670,402.71
Domestic Violence Helpline		514,898.09
Family Focused Solutions		144,651.62
Family Treatment Court Programs		91,897.87
Public Defender Social Work Program		527,788.15
Senior Community Services Employment Program		262,957.22
TennCare Provider Call Center Program		1,288,059.36
Tourist Development Services Program		316,489.57
Traumatic Brain Injury Program		63,576.21
Total expenditures		<u>5,830,166.68</u>
Excess of revenues over expenditures and net change in fund balance	\$	442,656.05
Fund balance, July 1		1,893,983.02
Fund balance, June 30	\$	<u>2,336,639.07</u>

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

Net change in fund balance	\$	442,656.05
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Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and the value of right-to-use leases or subscriptions is amortized over the term of the leases or subscriptions as amortization expense. This is the amount by which capital outlays exceeded these expenses in the period.	(140.54)
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Changes to net OPEB asset/liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	-
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The expense for compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(24,080.37)
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Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	750,083.42
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Change in net position of governmental activities	\$	<u>1,168,518.56</u>
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The notes to the financial statements are an integral part of this statement.

Tennessee Community Services Agency
Year Ending June 30, 2026

CASH AND CASH EQUIVALENTS:

Amount in Local Government Investment Pool	\$	1,376,588.31
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STATE RECEIVABLES/PAYABLES:

	Receivables	Payables
Department of Children's Services	\$ 35,812.74	\$ -
Department of Finance and Administration - OCJP	151,221.45	-
Department of Health	8,043.59	-
Department of Human Services	20,121.32	-
Department of Disability & Aging	404,103.45	-
Department of Labor and Workforce Development	49,942.54	542.55
Department of Tourist Development	84,607.21	-
Division of TennCare	303,009.27	-
Department of Treasury - TCRS	-	19,807.86
	-	19,807.86

TOTALS	\$	1,056,861.57	\$	20,350.41
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DUE TO OTHER COMPONENT UNITS:

None