

**DEKALB COUNTY E-911 EMERGENCY
COMMUNICATIONS DISTRICT
JUNE 30, 2008**

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2008**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
DeKalb County E-911 Emergency Communications District
Ashland City, Tennessee

I have audited the accompanying financial statements of the DeKalb County E-911 Emergency Communications District, a component unit of DeKalb County, as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the DeKalb County E-911 Emergency Communications District's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the DeKalb County E-911 Emergency Communications District, as of June 30, 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* I have also issued my report dated October 11, 2008, on my consideration of the DeKalb County E-911 Emergency Communications District's internal control over financial reporting and on my 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 my testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with

Government Auditing Standards and should be considered in conjunction with this report in considering the results of my audit.

GASB Statement No. 34 provides guidance on Management's Discussion and Analysis, which is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board; however, management has chosen to exclude this information.

My audit was conducted for the purpose of forming an opinion on the financial statements of Dekalb County E-911 Emergency Communications District, taken as a whole. The accompanying supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statement of Dekalb County E-911 Emergency Communications District. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

October 11, 2008
Cookeville, Tennessee

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 43,332.08	
Certificates of Deposit	158,264.18	
Accounts Receivable	717.84	
Due from State Emer. Comm. Board	7,011.28	
Interest Receivable	1,760.12	
Prepaid Expenses	<u>6,757.59</u>	
<u>Total Current Assets</u>		\$ 217,843.09

Non-Current Assets

Building & Improvements	45,350.68	
Less: Accumulated Depreciation	(17,955.26)	
Furniture & Fixtures	17,214.19	
Less: Accumulated Depreciation	(10,211.91)	
Office Equipment	53,544.17	
Less: Accumulated Depreciation	(48,106.93)	
Communications Equipment	252,416.07	
Less: Accumulated Depreciation	(188,848.16)	
Vehicles	3,518.03	
Less: Accumulated Depreciation	<u>(2,052.19)</u>	
<u>Total Non-Current Assets</u>		<u>104,868.69</u>
<u>Total Assets</u>		<u>322,711.78</u>

LIABILITIES

Accounts Payable	1,991.17	
Wages Payable	10,449.34	
Payroll Taxes Payable	20.89	
Benefits Payable	<u>407.50</u>	
Total Liabilities		<u>12,868.90</u>

Net Assets

Invested in Capital Assets	104,868.69	
Unrestricted Net Assets	<u>204,974.19</u>	
<u>Total Net Assets</u>		<u><u>\$ 309,842.88</u></u>

The accompanying notes are in integral part of the financial statements

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Operating Revenues</u>		
Emergency Telephone Service Charges	\$ 109,966.52	
State – Wireless Charges	39,860.92	
State – Operational Funding Program	86,168.76	
Other Operating Revenue	<u>559.00</u>	
Total Operating Revenue		\$ 236,555.20
 <u>Operating Expense</u>		
Salaries & Wages		166,724.44
 <u>Employee Benefits</u>		
Social Security Tax	\$ 9,905.56	
Medicare Tax	1,795.45	
Medical Insurance	3,698.82	
Unemployment	267.45	
Retirement Contributions	<u>5,342.21</u>	
Total Employee Benefits		21,009.49
 <u>Contracted Services</u>		
Addressing/Mapping	10,889.00	
Fees Paid to Service Providers	3,396.25	
Contracts w/Government Agencies	105,302.00	
Accounting Services	16,218.73	
Audit Services	2,500.00	
Maintenance Agreements	12,180.46	
Mapping/DB Consultants	1,944.00	
NCIC/TBI/TIES Expenses	8,120.00	
<u>Maintenance & Repairs</u>		
Communication Equipment	5,045.76	
Office Equipment	<u>1,202.54</u>	
Total Contracted Services		166,798.74
 <u>Supplies & Materials</u>		
Office Supplies	5,612.65	
Postage	327.28	

The Accompanying notes are in integral part of the financial statements

*DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS CONT'D
FOR THE YEAR ENDED JUNE 30, 2008*

<u>Utilities</u>		
Electric	5,703.42	
Water	166.98	
General Telephone	13,944.30	
Other Supplies & Materials	1,817.04	
Total Supplies & Materials		27,571.67
<u>Other Charges</u>		
Board Meeting Expenses	1,300.00	
Dues & Memberships	879.20	
<u>Insurance</u>		
Worker's Compensation	877.73	
Legal Notices	242.03	
Training Expenses	801.62	
Travel Expenses	805.48	
Internet Charges	383.95	
Vehicle Expense	1,553.57	
Uniforms	226.95	
Total Other Charges		7,070.53
Depreciation		36,613.29
Total Expenses		425,788.16
Net Operating Loss		(189,232.96)
<u>Non-Operating Revenue and (Expense)</u>		
Interest Income		6,319.87
State – Grants & Reimbursements		10,335.81
Contributions from other Governments		181,779.06
Other Income		513.49
Total Non-Operating Revenue & Expense		198,948.23
Decrease in Net Assets		9,715.27
Total Net Assets, July 1, 2007		300,127.61
Total Net Assets, June 30, 2008		\$ 309,842.88

The Accompanying notes are in integral part of the financial statements

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Cash Flows From Operating Activities</u>		
Cash Received from Operations	\$ 240,109.65	
Cash Payments for Goods and Services	<u>(380,280.05)</u>	
Net Cash Used in Operating Activities		\$ (140,170.40)
 <u>Cash Flows from Non-Capital Financing Activities</u>		
Grant Received	10,335.81	
Other Refunds & Reimbursements	513.49	
Contributions from other Governments	<u>181,779.06</u>	
Net Cash Provided by Non-Capital Financing Activities		192,628.36
 <u>Cash Flows from Capital & Related Financing Activities</u>		
Acquisitions of New Assets		(8,431.07)
 <u>Cash Flows from Investing Activities</u>		
Interest Received	4,559.75	
Transfer to CD	<u>(158,264.18)</u>	
Net Cash Used in Investing Activities		<u>(153,704.43)</u>
Net Decrease in Cash and Cash Equivalents		(109,677.54)
Cash and Cash Equivalent at 6-30-07		<u>153,009.62</u>
Cash and Cash Equivalent at 6-30-08		<u>\$ 43,332.08</u>
 <u>Reconciliation of Operating Income to Net Cash</u>		
<u>Used in Operating Activities</u>		
Net Operating Loss	\$ (189,232.96)	
Depreciation	36,613.29	
Increase in Accounts Receivable	(424.51)	
Decrease in Due from State ECB	1,812.96	
Decrease in Due from Other Governments	2,166.00	
Increase in Prepaid Expense	(346.81)	
Decrease in Accounts Payable	(1,502.63)	
Increase in Payroll Related Payables	<u>10,744.26</u>	
<u>Net Cash Provided by Operating Activities</u>		<u>\$ (140,170.40)</u>

The Accompanying notes are in integral part of the financial statements

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Note 1 – Summary of Significant Accounting Policies

The Dekalb County E-911 Emergency Communication District was established for the purpose of providing an enhanced level of 911 services to the Dekalb County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Dekalb County. The Dekalb County E-911 Emergency Communications District is run by a board of directors, which is appointed by Dekalb County. The District must file a budget with Dekalb County each year. Any bond issued by the district is subject to approval by Dekalb County.

The District uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when the fixed assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life</u>	<u>2008 Depreciation</u>
Building & Improvements	S/L	10-40 Years	\$ 2,379.24
Furniture & Fixtures	S/L	5-10 Years	545.76
Office Equipment	S/L	5-10 Years	4,153.03
Communications Equipment	S/L	5-10 Years	28,831.65
Vehicles	S/L	5 Years	<u>703.61</u>
			<u>\$36,613.29</u>

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. Non-operating revenue consists of a grant given by the State Emergency Communications Board to help the district employ dispatchers, interest and other refunds and reimbursements.

Note 2 – Cash and cash investments

The Tennessee Government Code requires Tennessee banks and savings and loan associations to secure a governmental entity’s deposits by pledging government securities as collateral. The market value of pledged securities must equal 105% of the entity’s deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2008:

Checking – First Bank	\$ 43,332.08
CD – First Bank	56,838.14
CD – Dekalb Community Bank	<u>101,426.04</u>
Total Deposits	<u>\$201,596.26</u>

At June 30, 2008, the carrying amount of the Dekalb County E – 911 Emergency Communications District’s cash deposits was \$201,596.26. The District’s deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation. Any amounts over \$100,000 are still covered since First Bank and Dekalb Community Bank (A branch of Wilson Bank & Trust) are members of the Government Collateralization Pool. The District is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the Tennessee Code Annotated. [Acts 1992, ch. 891, section 10].

Note 3 – Bonding

Dekalb County E-911 Emergency Communications District has a worker’s compensation policy covering employees of the district at June 30, 2008. Other risk areas include theft, property damage and public liability which are covered by the policy of the county. There have been no losses or settlements that exceeded coverage during the past three years.

Note 4 – Fixed Assets

The following is a schedule of equipment at June 30, 2008:

<u>Assets</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>
Comm. Equipment	\$243,985.00	\$ 8,431.07	\$ --	\$252,416.07
Furniture & Fixtures	17,214.19	--	--	17,214.19
Bldg & Improvements	45,350.68	--	--	45,350.68
Vehicles	3,518.03	--	--	3,518.03
Office Equipment	<u>53,544.17</u>	--	--	<u>53,544.17</u>
	<u>\$363,612.07</u>	<u>\$ 8,431.07</u>	<u>\$ --</u>	<u>\$372,043.14</u>

<u>Assets</u>	Accumulated Depreciation <u>June 30, 2007</u>	Current Year Depreciation	Accumulated Depreciation <u>June 30, 2008</u>
Comm. Equipment	\$160,016.51	\$ 28,831.65	\$188,848.16
Furniture & Fixtures	9,666.15	545.76	10,211.91
Building & Improvements	15,576.02	2,379.24	17,955.26
Vehicles	1,348.58	703.61	2,052.19
Office Equipment	<u>43,953.90</u>	<u>4,153.03</u>	<u>48,106.93</u>
	<u>\$230,561.16</u>	<u>\$ 36,613.29</u>	<u>\$267,174.45</u>

Note 5 – Cash and cash equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

Note 6 – Accounts Receivable/Due from State

The amounts due to the District from the wireless charges and other government agencies include the following:

Ben Lomand	\$ 290.56
Twin Lakes	422.14
Freedom Communications	<u>5.14</u>
Subtotal	717.84
State of Tennessee ECB	<u>7,011.28</u>
Total	<u>\$7,729.12</u>

Note 7 – Compensated Absences

There were no compensated absences for June 30, 2008.

Note 8 – Calculation of Invested in Capital Assets

Net Book Value	\$104,868.69
Current and Non-Current Debt	<u>-</u>
Invested in Capital Assets	<u>\$104,868.69</u>

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<u>Revenue</u>			
Emergency Telephone Service Charges	\$ 102,500.00	\$ 102,500.00	\$ 109,966.52
State-Shared Wireless Charges	27,000.00	27,000.00	39,860.92
State-Operational Funding Program	-	86,168.00	86,168.76
Other Operating Revenue	86,569.00	100.00	559.00
Interest Income	2,500.00	2,500.00	6,319.87
State-Grants & Reimbursements	10,000.00	10,000.00	10,335.81
Contributions from other Governements	25,992.00	181,779.00	181,779.06
Other Non-operating Income	<u>1,000.00</u>	<u>500.00</u>	<u>513.49</u>
Total Revenue	<u>255,561.00</u>	<u>410,547.00</u>	<u>435,503.43</u>
<u>Expenditures</u>			
Salaries & Wages	27,000.00	182,756.00	166,724.44
Employee Benefits-Payroll Taxes	2,171.00	38,561.00	21,009.49
Addressing/Mapping	13,000.00	13,000.00	10,889.00
Audit Services	3,000.00	3,000.00	2,500.00
Accounting Services	14,000.00	17,000.00	16,218.73
Contracts w/Government Agencies	110,000.00	105,302.00	105,302.00
Fees Paid to Service Providers	4,500.00	4,500.00	3,396.25
Maintenance Agreements	-	12,635.00	12,180.46
Mapping/DB Comsultants	8,000.00	8,000.00	1,944.00
NCIC/TBI/TIES Expenses	-	8,920.00	8,120.00
M&R-Comm Equipment	20,000.00	9,000.00	5,045.76
M&R-Office Equip	2,000.00	2,000.00	1,202.54
Office Supplies	4,000.00	6,000.00	5,612.65
Postage	350.00	350.00	327.28
Uniforms	500.00	500.00	226.95
Utilities-Interenet	-	800.00	383.95
Utilities-Electric	5,300.00	6,300.00	5,703.42
Utilities-Water	300.00	300.00	166.98
General Telephone	15,000.00	15,000.00	13,944.30
Other Supplies & Materials	1,000.00	3,210.00	1,817.04
Board Meeting Expenses	1,000.00	1,300.00	1,300.00
Dues & Memberships	600.00	1,000.00	879.20
Insurance-Liability	4,000.00	4,000.00	-
Insurance-Worker's Compensation	-	2,000.00	877.73
Legal Notices	-	250.00	242.03
Premiums on Surety Bonds	400.00	400.00	-
Training	3,500.00	3,500.00	801.62
Travel	500.00	825.00	805.48
Vehicle Expenses	2,000.00	2,000.00	1,553.57
Equipment	13,500.00	8,500.00	8,431.07
Depreciation	<u>40,000.00</u>	<u>40,000.00</u>	<u>36,613.29</u>
Total Expenditures	<u>295,621.00</u>	<u>500,909.00</u>	<u>434,219.23</u>
<u>Net Income (Loss)</u>	<u>\$ (40,060.00)</u>	<u>\$ (90,362.00)</u>	<u>\$ 1,284.20</u>
<u>Budget Reconciliation</u>			
Net Income per Budget & Actual	\$ 1,284.20		
Add Back Equipment	<u>8,431.07</u>		
Net Income per Financial Statements	<u>\$ 9,715.27</u>		

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATION DISTRICT**

**SCHEDULE OF INFORMATION REQUIRED BY THE TENNESSEE
EMERGENCY COMMUNICATION BOARD
JUNE 30, 2008**

Number of public
safety answering points: 1

Address: 100 Public Square
Smithville, TN 37166

Type of System/Equipment: TCI

Type of Database: Stand-alone

Director: Brad Mullinax
100 Public Square
Smithville, TN 37166
Work: (615) 597-4935
Fax: (615) 597-8431

Chairman: Ron Rogers
1219 Holiday Haven Rd.
Smithville, TN 37166
(615) 597-6344

**DEKALB COUNTY E – 911
EMERGENCY COMMUNICATIONS DISTRICT
911 BOARD MEMBERS
JUNE 30, 2008**

Ronald Rogers, Chairperson
1219 Holiday Haven Rd.
Smithville, TN 37166
(931) 597-6344

Wayne Cantrell, Board Member
575 Pine Grove Rd.
Smithville, TN 37166
(931) 597-7584

Jerry Scott, Vice-Chairman
2054 Robinson Rd.
Smithville, TN 37166
(615) 597-7029

Steve White, Board Member
309 S. Mountain St.
Smithville, TN 37166
(615) 597-5211

Billy Adcock, Board Member
995 Keltonburg Rd.
Smithville, TN 37166
(615) 597-5949

Elmer Ellis, Jr., Board Member
PO Box 217
Alexandria, TN 37012
(615) 548-8011

Marshall Ferrell, Board Member
217 Marshall Lane
Smithville, TN 37166
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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***

To the Board of Directors of the
DeKalb County E-911 Emergency Communications District
Smithville, Tennessee

I have audited the financial statements of DeKalb County Emergency Communications District as of and for the year ended June 30, 2008, and have issued my report thereon dated October 11, 2008. I conducted my 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

In planning and performing my audit, I considered DeKalb County Emergency Communications District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of DeKalb County Emergency Communications District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of DeKalb County Emergency Communications District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects DeKalb County Emergency Communications District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles

such that there is more than a remote likelihood that a misstatement of Dekalb County Emergency Communications District's financial statements that is more than inconsequential will not be prevented or detected by Dekalb County Emergency Communications District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Dekalb County Emergency Communications District's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not be necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dekalb County Emergency Communications District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management and federal awarding agencies and pass-through entities and the State of Tennessee Comptroller of the Treasury and is not intended to be and should not be used by anyone other than these specified parties.

October 11, 2008
Cookeville, Tennessee