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**COUNTY AUDIT**

**OVERTON/PICKETT COUNTY E-911 EMERGENCY  
COMMUNICATIONS DISTRICT  
JUNE 30, 2008**

**TAMARA L. BECKMAN  
CERTIFIED PUBLIC ACCOUNTANT**

**OVERTON/PICKETT COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
JUNE 30, 2008**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Overton/Pickett County E-911 Emergency Communications District  
Livingston, Tennessee

I have audited the accompanying financial statements of the Overton/Pickett County E-911 Emergency Communications District, a component unit of Overton 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 Overton/Pickett 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 Overton/Pickett County E-911 Emergency Communications District, as of June 30, 2008, and the results of its operations and the 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 November 30, 2008, on my consideration of the Overton/Pickett County E-911 Emergency Communications District's internal control over financial reporting and 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 of internal control over financial reporting and compliance and the results of that 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 assessing 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 Overton/Pickett 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 Overton/Pickett County E-911 Emergency Communications District. Such information has been subjected to the auditing procedures applied in the examination of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

November 30, 2008  
Cookeville, Tennessee

*Jamara H. Beckman, CPA*

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

**ASSETS**

Current Assets

Cash and Cash Equivalents	\$ 124,228.32	
Certificate of Deposit	100,000.00	
Due from State ECB	10,373.72	
Due from Other Governments	12,000.00	
Interest Receivable	5,151.37	
Prepaid Expenses	<u>18,812.57</u>	
<u>Total Current Assets</u>		\$ 270,565.98

Non-Current Assets

Land	19,625.00	
Land Improvements	15,020.50	
A/D-Land Improvements	(3,370.61)	
Building & Improvements	280,137.39	
A/D-Building & Improvements	(79,685.25)	
Furniture & Fixtures	58,658.73	
A/D-Furniture & Fixtures	(41,021.55)	
Office Equipment	143,120.22	
A/D-Office Equipment	(66,669.14)	
Communications Equipment	854,814.69	
A/D-Communications	(701,284.63)	
Vehicles	41,150.00	
A/D-Vehicle	<u>(3,828.34)</u>	
<u>Total Non-Current Assets</u>		<u>516,667.01</u>

Total Assets

\$ 787,232.99

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts Payable	4,186.22	
Accrued Payroll	5,453.21	
Payroll Deductions Payable	1,520.66	
Payroll Tax Payable	3,986.23	
Compensated Absences Payable	18,359.15	
Lease Payable-Current Portion	<u>27,926.36</u>	

Total Current Liabilities

61,431.83

Net Assets

Invested in Capital Assets, Net of Related Debt	488,740.65	
Unrestricted Net Assets	<u>237,060.51</u>	

Total Net Assets

\$ 725,801.16

The Accompanying notes are in integral part of the financial statements

**OVERTON/PICKETT 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	\$ 269,653.89	
State – Shared Wireless Charges	58,359.70	
State – Operational Funding Program	158,384.00	
Electrical Permits	<u>47,050.70</u>	
Total Operating Revenue		\$ 533,448.29
<u>Operating Expense</u>		
<u>Salaries &amp; Wages</u>		
Director	\$ 48,693.84	
Dispatchers/Personnel	<u>325,493.60</u>	
Total Salaries & Wages		374,187.44
<u>Employee Benefits</u>		
Social Security	22,783.58	
Medicare	5,328.40	
Medical/Life/Dental Insurance	39,887.89	
Unemployment Compensation	1,694.49	
Retirement Contributions	<u>33,408.87</u>	
Total Employee Benefits		103,103.23
<u>Contracted Services</u>		
Addressing & Mapping	4,177.39	
Fees Paid To Services Providers	26,846.90	
Advertising	1,136.53	
Audit Services	1,500.00	
Accounting Services	2,592.75	
Legal Services	3,600.00	
Maintenance Agreements	9,077.47	
Pest Control	450.00	
<u>Lease/Rental</u>		
Lease/Rental-Office Equipment	1,957.15	
<u>Maintenance/Repairs</u>		
Maint. & Repairs-Comm. Equipment	22,030.29	
Maint. & Repairs-Buildings & Facilities	2,783.57	
Maint. & Repairs-Office Equipment	996.54	
Maint. & Repairs-Vehicles	<u>2,472.60</u>	
Total Contracted Services		79,621.19
<u>Supplies &amp; Materials</u>		
Office Supplies	6,298.19	
Custodial Supplies	5,684.15	
Postage	474.43	
Small Equip. Purchase	316.60	
Uniforms & Shirts	3,653.76	

The Accompanying notes are in integral part of the financial statements

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

**Utilities**

Electricity	14,250.73	
Gas	503.03	
Water & Sewer	730.73	
General Telephone	83.88	
Cell Phone	3,295.96	
Cable TV	1,244.88	
Internet	748.50	
<b>Total Supplies &amp; Materials</b>		<b>37,284.84</b>

**Other Charges**

Bank Charges	138.86	
Board Meeting Expenses	2,800.44	
Dues & Memberships	1,624.50	
Employee Testing & Exams	33.50	

**Insurance**

Liability	10,142.38	
Worker's Comp	2,685.00	
Vehicles	964.42	
Licenses & Fees	155.90	
Premiums on Surety Bonds	647.77	
Public Education	4,134.11	
Service Awards	930.69	
Training Expenses	4,151.69	
Travel Expenses	8,604.84	
Electrical Permits	41,530.00	

**Total Other Charges** 78,544.10

**Depreciation**

109,757.89

**Total Operating Expense**

782,498.69

**Operating Loss**

(249,050.40)

**Non-Operating Revenue & Expense**

UCEMC Contract	5,671.00	
State Grants/Reimbursements	60,536.74	
Interest Income	7,448.94	
Proceeds from Insurance	4,875.00	
Contributions from Other Governments	180,000.00	
Interest Expense	(3,668.46)	
Loss on Disposal of Property	(6,367.97)	

**Total Non-Operating Revenue & Expense**

248,495.25

**Increase in Net Assets**

(555.15)

**Total Net Assets, July 1, 2007**

726,356.31

**Total Net Assets, June 30, 2008**

\$ 725,801.16

The Accompanying notes are in integral part of the financial statements



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

Note 1-Organization

The Overton/Pickett County E-911 Emergency Communications District was established as a result of a merger between the Overton County Emergency Communications District and the Pickett County Emergency Communications District. The merger agreement was signed on January 22, 2002 for the purpose of improving the response of emergency services in Overton County and Pickett County and to provide an enhanced 911 service for Overton and Pickett County citizens by acquiring equipment that enables emergency service providers to respond more rapidly and effectively due to increased speed in the transmission of critical information and improved reliability of address information.

The Overton/Pickett County E-911 Emergency Communications District is a component unit of Overton County, the commissioners of which appoint the nine members of the Board. The remaining four are appointed by the Pickett County Commission. The District must file a budget with Overton County each year. Any bond issued by the district is subject to approval by Overton County.

Note 2 – Summary of significant accounting policies

Financial Statement Presentation

The Overton/Pickett county E-911 Emergency Communications district presents its financial statements on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20, follows pronouncements of the Financial Accounting Standards (FASB) issued before November 30, 1989 unless they conflict with or contradict GASB guidance. After November 30, 1989, the District follows GASB guidance only and does not follow any FASB guidance issued after that date.

Fixed Assets

Fixed assets are depreciated over their useful lives using the straight-line method over the following useful lives:

Building, Land & Building Improvements	10, 20 or 40 Years
Furniture & Fixtures	5, 7 Years
Equipment & Vehicles	3, 5, 7 or 10 Years

Note 3 – Cash and 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 National Bank	\$ 37,177.81
CD-People's Bank	100,000.00
Money Market-First National Bank	<u>87,050.51</u>
Total	<u>\$224,228.32</u>

*Notes to Financial Statements*  
*June 30, 2008*  
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At June 30, 2008, the carrying amount of the Overton/Pickett County E – 911 Emergency Communications District’s cash deposits was \$224,228.32. The District’s deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation. Any amounts over \$100,000 are covered by collateralization pledged by First National Bank, held by Compass Bank in the District’s name. 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 4 – Risk Management

The Overton/Pickett County E-911 Emergency Communication District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases commercial insurance for all claims and for all other risks of loss. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Note 5 – Fixed Assets

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

<u>Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 19,625.00	\$ --	\$ 19,625.00
Land Improvements	15,020.50	3,370.61	11,649.89
Building/Improvements	280,137.39	79,685.25	200,452.14
Furniture & Fixtures	58,658.73	41,021.55	17,637.18
Office Equipment	143,120.22	66,669.14	76,451.08
Communication Equipment	854,814.69	701,284.63	153,530.06
Vehicles	41,150.00	3,828.34	37,321.66
Total	<u>\$1,412,526.53</u>	<u>\$895,859.52</u>	<u>\$516,667.01</u>

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

<u>Assets</u>	<u>Balance 6-30-07</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6-30-08</u>
Land	\$ 19,625.00	\$ --	\$ --	\$ 19,625.00
Land Improvements	15,020.50	--	--	15,020.50
Building/Improv.	274,693.97	5,443.42	--	280,137.39
Furniture & Fixtures	57,262.69	1,396.04	--	58,658.73
Office Equipment	138,220.24	4,899.98	--	143,120.22
Communications Equip.	843,626.69	14,700.00	< 3,512.00>	854,814.69
Vehicle	31,198.85	41,150.00	< 31,198.85>	41,150.00
Total	<u>\$1,379,647.94</u>	<u>\$67,589.44</u>	<u>&lt;\$34,710.85&gt;</u>	<u>\$1,412,526.53</u>

Note 6 – Cash and Cash equivalents

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

*Notes to the Financial Statements*  
*June 30, 2008*  
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Note 7 – Lease Payable

Lease payable at June 30, 2008 is comprised of a capital lease for equipment. The total minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 27,926.36	\$ 1,793.73	\$ 29,720.09
Total	\$ 27,926.36	\$ 1,793.73	\$ 29,720.09

A schedule of changes in Lease Payable is as follows:

	<u>Balance</u> <u>6-30-07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6-30-08</u>
Key Gov't Finance	\$ 54,167.24	\$ --	<\$ 26,240.88>	\$ 27,926.36
Total	\$ 54,167.24	\$ --	<\$ 26,240.88>	\$ 27,926.36

Note 9 – Compensated Absences

Compensated absences are calculated for full-time employees for annual and sick leave. However, the sick leave does not vest; therefore no liability has been recorded for sick leave. The liability shown in these statements of \$18,359.15 represents the amount owed to employees for annual leave as of June 30, 2008.

Note 10 – Funding Sources

Monthly fees provide funds for operations from service users in Overton and Pickett Counties. The service supplier in Overton and Pickett Counties, Twin Lakes Telephone Cooperative, collects the service fees and remits the funds to the District. The service supplier retains three percent of collections as an administration fee. The State of Tennessee remits to the District its share of wireless revenue.

Note 11- Calculation of Net Assets Invested in Capital Assets

Net Book Value	\$516,667.01
Current & Non-Current Debt	< 27,926.36 >
Invested In Capital Assets, Net of Related Debt	<u>\$488,740.65</u>

Note 12 – Budgetary Information

As stated in Note 1, the District must file a budget with Overton County each year which must be legally adopted by the County. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted is required at the program level as well as the object level.

Note 13– Pension Plan

***Plan Description***

Employees of Overton/Pickett County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), and agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula

*Notes to the Financial Statements*  
*June 30, 2008*  
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using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 year of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Overton/Pickett County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

***Funding Policy***

Overton/Pickett County Emergency Communications District requires employees to contribute 5.0 percent of earnable compensation.

Overton/Pickett County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2008 was 9.87% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Overton/Pickett County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

***Annual Pension Cost***

For the year ending June 30, 2008, Overton/Pickett County Emergency Communications District's annual pension cost of \$33,409 to TCRS was equal to Overton/Pickett County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2005 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the calculation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 3.0 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period.

Overton/Pickett County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005 was 18 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

**Trend Information**

Fiscal Year Ending	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$33,409	100.00%	\$0.00
June 30, 2007	33,083	100.00%	0.00
June 30, 2006	18,790	100.00%	0.00

**Funded Status and Funding Progress**

As of July 1, 2007, the most recent actuarial valuation date, the plan was 46.08% percent funded. The actuarial accrued liability for benefits was \$0.25 million, and the actuarial value of assets was \$0.12 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.14 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.35 million, and the ratio of the UAAL to the covered payroll was 39.11% percent.

The schedules of funding process, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The Annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/(c)]
July 1, 2007	\$117	\$254	\$137	46.08%	\$350	39.11%

**Required Supplementary Information**

Schedule of Funding Progress for Overton County Emergency Communications District:

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/(c)]
July 1, 2007	\$117	\$254	\$137	46.08%	\$350	39.11%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method was a change made during the year and therefore only the most current year is presented.

**OVERTON/PICKETT COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
BUDGET AND ACTUAL  
JUNE 30, 2008**

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>
<u>Operating Revenue</u>			
Emergency Telephone Service Charges	\$ 280,356.00	\$ 269,356.00	\$ 269,653.89
State - Wireless Charges	202,464.00	36,964.00	58,359.70
State - Operational Funding Program	-	160,000.00	158,384.00
Electrical Permits	42,000.00	48,500.00	47,050.70
<u>Total Operating Revenue</u>	<u>524,820.00</u>	<u>514,820.00</u>	<u>533,448.29</u>
 <u>Expenses</u>			
Director Salaries	47,275.00	49,275.00	48,693.84
Dispatcher/Personnel Salaries	315,000.00	319,800.00	325,493.60
Social Security	22,461.00	22,961.00	22,783.58
Medicare	5,253.00	5,403.00	5,328.40
Medical/Life/Dental Insurance	40,000.00	41,300.00	39,887.89
Unemployment	3,500.00	2,500.00	1,694.49
Retirement Contributions	34,244.00	34,244.00	33,408.87
Addressing & Mapping	18,000.00	8,000.00	4,177.39
Fees Paid to Service Providers	25,000.00	27,500.00	26,846.90
Advertising	2,000.00	2,000.00	1,136.53
Audit Services	1,500.00	1,500.00	1,500.00
Accounting Services	2,100.00	2,700.00	2,592.75
Legal Services	3,600.00	3,600.00	3,600.00
Maintenance Agreements	2,235.00	2,235.00	9,077.47
Pest Control	550.00	550.00	450.00
Lease/Rental-Office Equipment	1,500.00	2,200.00	1,957.15
M&R-Comm Equipment	22,500.00	22,800.00	22,030.29
M&R-Bldg & Facilities	10,000.00	3,500.00	2,783.57
M&R-Office Equipment	2,000.00	1,500.00	996.54
M&R-Vehicles & Other	10,000.00	3,000.00	2,472.60
Office Supplies	7,000.00	5,700.00	6,298.19
Custodial Supplies	5,000.00	6,700.00	5,684.15
Postage	500.00	500.00	474.43
Small Equipment Purchase	2,000.00	600.00	316.60
Uniforms & Shirts	4,000.00	4,000.00	3,653.76
Utilities-Electric	15,000.00	16,000.00	14,250.73
Utilities-Gas	2,500.00	800.00	503.03
Utilities-Water & Sewer	1,500.00	1,100.00	730.73
Utilities-General Telephone	800.00	200.00	83.88

Utilities-Cell Phones	3,600.00	3,400.00	3,295.96
Utilities-Cable TV	1,300.00	1,300.00	1,244.88
Utilities-Internet	1,000.00	1,000.00	748.50
Bank Charges	-	200.00	138.86
Board Meeting Expenses	3,000.00	3,000.00	2,800.44
Dues & Memberships	2,000.00	1,800.00	1,624.50
Employee Testing & Exams	1,000.00	300.00	33.50
Insurance-Worker's Comp	5,000.00	5,000.00	2,685.00
Insurance-Liability	10,000.00	10,300.00	10,142.38
Insurance-Vehicles	-	1,000.00	964.42
Licenses & Fees	150.00	200.00	155.90
Premuims on Surety Bonds	700.00	700.00	647.77
Public Education	4,500.00	4,150.00	4,134.11
Service Awards	1,000.00	950.00	930.69
Training Expenses	5,000.00	5,000.00	4,151.69
Travel Expenses	10,000.00	10,000.00	8,604.84
Electrical Permits	38,500.00	43,500.00	41,530.00
<u>Total Operating Expenses</u>	<u>693,768.00</u>	<u>683,968.00</u>	<u>672,740.80</u>

<u>Net Operating Loss</u>	<u>(168,948.00)</u>	<u>(169,148.00)</u>	<u>(139,292.51)</u>
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Non-Operating Revenue & (Expenses)

UCEMC Contract	5,500.00	5,671.00	5,671.00
State-Grants & Reimbursements	20,000.00	61,000.00	60,536.74
Interest Income	2,000.00	2,400.00	7,448.94
Proceeds from Insurance	500.00	-	4,875.00
Contributions from Other Governments	180,000.00	180,000.00	180,000.00
Interest Expense	(7,500.00)	(7,500.00)	(3,668.46)
Equipment Purchases	(5,000.00)	(65,000.00)	(67,589.44)
Loss on Disposal of Property	-	-	(6,367.97)
<u>Total Non-Operating Revenue &amp; (Expenses)</u>	<u>195,500.00</u>	<u>176,571.00</u>	<u>180,905.81</u>

<u>Increase in Net Assets</u>	<u>\$ 26,552.00</u>	<u>\$ 7,423.00</u>	<u>\$ 41,613.30</u>
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Reconciliation of Budget to Statement of Revenues, Expenses and Changes in Fund Net Assets

Increase in Net Assets per Budget & Actual	\$ 41,613.30
Add: Equipment Purchases	67,589.44
Less: Depreciation	(109,757.89)
Increase in Net Assets per Financial Statements	<u>\$ (555.15)</u>

**OVERTON/PICKETT 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: 255 Industrial Drive  
Livingston, TN 38570

Type of system/equipment: Motorola/Centra Link 2000  
Type of Database: Microsoft Access

Director: Chris Masiongale  
255 Industrial Drive  
Livingston, TN 38570  
Phone: (931) 823-8593  
Fax: (931) 823-2474

Chairman: Billy Sullivan  
561 Rock Crusher Road  
Livingston, TN 38570  
Phone: (931) 823-2841

**OVERTON/PICKETT COUNTY E - 911  
EMERGENCY COMMUNICATIONS DISTRICT  
911 BOARD MEMBERS  
JUNE 30, 2008**

Stanley Carter, Jr.  
1309 Old Stover Rd.  
Monroe, TN 38573  
Home: (931) 823-8338  
Work: (931) 243-4552  
Cell: (931) 397-7933

Jeff Staggs  
202 Shadow Lane  
Rickman, TN 38580  
Home: (931) 498-5309  
Cell: (931) 265-0238

Rocky Dial  
928 College St.  
Livingston, TN 38570  
Home: (931) 823-6440  
Cell: (931) 397-6440

Houston Robbins  
3854 Celina Hwy  
Allons, TN 38541  
Home: (931) 823-4702  
Cell: (931) 510-7242

Buster Harmon  
324 Harmon Farm Rd.  
Pall Mall, TN 38577  
Home: (931) 864-3132  
Work: (931) 864-3859  
Cell: (931) 319-9372

David Dorminey  
2307 Willow Grove Hwy  
Allons, TN 38541  
Home: (931) 823-1424  
Work: (931) 823-1933  
Cell: (931) 397-6293

Sheriff WB Melton  
1010 John T. Poindexter Dr.  
Livingston, TN 38570  
Work: (931) 403-0594  
Cell: (931) 397-9113

Misty Dowdy  
8870 Faix Rd.  
Byrdstown, TN 38549  
Home: (931) 864-7482  
Cell: (931) 239-1714

Dr. Matthew Gaspar  
246 East Howard Rd.  
Livingston, TN 38570  
Home: (931) 403-1618  
Cell: (931) 397-6170

Clois Brown  
101 Cedar Ave.  
Byrdstown, TN 38549  
Home: (931) 864-6552  
Work: (931) 864-3210  
Cell: (931) 644-3511

**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

6A SOUTH MADISON AVENUE  
COOKEVILLE, TN 38501  
Office (931) 526-5489  
Fax (931) 526-9064

**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  
Overton/Pickett County E-911 Emergency Communications District  
Livingston, Tennessee

I have audited the financial statements of Overton/Pickett County Emergency Communications District as of and for the year ended June 30, 2008, and have issued my report thereon dated November 30, 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 Overton/Pickett 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 Overton/Pickett County Emergency Communications District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Overton/Pickett County Emergency Communications District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Overton/Pickett 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 Overton/Pickett County Emergency Communications District's financial statements that is more than inconsequential will not be prevented or detected by Overton/Pickett County Emergency Communications District's internal control. I consider the deficiency described in the accompanying schedule of findings and recommendations as item 08-1 to be a significant deficiency in internal control over financial reporting.

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 Overton/Pickett 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Overton/Pickett 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 08-1.

Overton/Pickett County Emergency Communications District's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. I did not audit the District's response and, accordingly, I express no opinion on it.

This report is intended for the information of the management 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. However, this restriction is not intended to limit the distribution of the report which is a matter of public record.

November 30, 2008  
Cookeville, Tennessee

*Jamara L. Beckman, CPA*

**OVERTON/PICKETT COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2008**

*The following finding has been brought to management's attention in the last several years' audit reports.*

**Finding 08-1**

A few expense items exceeded the adopted budget amounts. The District's board did adopt an amended budget, but the actual expenses were still over budget on a few line items. This is in violation of the Tennessee Code Annotated, Title 7, Section 86, Chapter 120.

**Recommendation**

The board should adopt a budget that covers all expenses of the District and should amend the budget items as needed. Findings should be addressed and corrected in a timely manner. The Board should review the amended budget at yearend to ensure it covers all actual expenses.

**Management comment**

We did amend the budget as we thought necessary; however, we forgot about the maintenance expense coming in from reversing prior year prepaid maintenance agreements and we also forgot to account for the accrued compensated absences account. These items will be accounted for from now on and all accounts will be reviewed at year-end.