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COUNTY AUDIT

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2008

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
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INTRODUCTORY SECTION

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF OFFICIALS

Board Members

John Bucy, Chairman
111 Hunter Drive
Martin, TN 38237

John Salmon, Vice Chairman
273 Salmon Road
Paris, TN 38242

Bob Dudley, Secretary
102 Glendale Street
Greenfield, TN 38230

Richard Phebus, Treasurer
601 S. Lindell Street
Martin, TN 38237

Shawn Francisco, Member
701 Janes Mill Rd
Gleason, TN 38229

Mr. Howard Ross
463 Ross Road
Gleason, TN 38229

Jeff Washburn, Member
1530 Evergreen Street
Dresden, TN 38225

Phillip Johnson, Member
406 Doran Road
Martin, TN 38237

Mike Wilson, Member
P.O. Box 545
Dresden, TN 38225

Management Officials

Jamison Peevyhouse, Director
P.O. Box 911
Dresden, TN 38225
Telephone: 731-364-2647

Independent Certified Public Accountants

Alexander Thompson Arnold PLLC

FINANCIAL SECTION

ALEXANDER THOMPSON ARNOLD PLLC

Certified Public Accountants

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Martin, TN 38237

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Members of:
American Institute of Certified Public Accountants
Governmental Audit Quality Center – AICPA
Tennessee Society of Certified Public Accountants
Center for Public Company Audit Firms
Employee Benefit Plan Audit Quality Center – AICPA

www.atacpa.net

Independent Auditor's Report

Members of the Board of the Emergency
Communications District of
Weakley County, Tennessee
Dresden, Tennessee 38225

We have audited the accompanying financial statements of the business-type activities of Weakley County Emergency Communications District, a component unit of Weakley County, Tennessee, 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 Weakley County Emergency Communications District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Weakley County Emergency Communications District, and are not intended to present fairly the financial position of Weakley County, Tennessee, and the results of operations and cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Weakley County 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*, we have also issued our report dated February 2, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 4 through 7 and the required supplementary information on page 16 is not a required part of the accompanying financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements. The introductory section and the other supplementary information section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the District. Such information, except that which is marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the accompanying financial statements, and accordingly, we express no opinion on it.

Alexander Thompson Arnold PLLC

Martin, Tennessee
February 2, 2009

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

As management of the Weakley County Emergency Communications District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2008. All amounts, unless otherwise indicated, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

Management believes the District's financial condition is strong. The District is well within its budget and the more stringent financial policies and guidelines set by the Board and management. The following are key financial highlights.

- Total assets at year-end were $886,088 and exceeded liabilities in the amount of $884,269 (i.e. net assets).
- Net assets increased $164,237 during the current year due to operating and non-operating income exceeding operating expenses.
- Operating revenues were $445,326, an increase from year 2007 in the amount of $82,167 or 69.17%.
- Operating expenses were $328,295, an increase over year 2007 in the amount of $61,136 or 22.88%. An increase in dispatcher salaries contributed significantly to the increase in operating expenses.
- The operating income for the year was $117,031 as compared to $(3,787) operating loss during the 2007 fiscal year.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the District's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the District's strategic plan, budget and other management tools were used for this analysis. The Financial Statements and Supplementary Information Report is made up of five sections: 1) the introductory section, 2) the financial section, 3) required supplementary information section, 4) the other supplementary information section, and 5) the internal control and compliance section. The introductory section includes the District's schedule of officials. The financial section includes the independent auditor's report, the MD&A, the financial statements with accompanying notes. This is followed by the required supplementary information section. The other supplementary information section includes selected financial and operational information. The internal control and compliance section includes the report on internal control and compliance. These sections make up the financial report presented here.

REQUIRED FINANCIAL STATEMENTS

A Proprietary Fund is used to account for the operations of the District, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements report information about the District, using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Assets* presents the financial position of the District on a full accrual, historical cost basis. The statement of net assets includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement measures the success of the District's operations and can be used to determine whether the District has successfully recovered all of its costs. This statement also measures the District's profitability and credit worthiness.

The *Statement of Cash Flows* presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises.

The *Notes to the Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. A *Budgetary Comparison Schedule* comparing the budget to actual revenues and expenses is also presented as *Other Supplementary Information.*

FINANCIAL ANALYSIS

One of the most important questions asked about the District's finances is "Is the District as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the District's activities in a way that will help answer this question. These two statements report the net assets of the District, and the changes in the net assets. Net assets are one way to measure the financial health or financial position of the District. Over time, increases or decreases in the District's net assets is an indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

The District's total net assets increased by $164,237 and $174,352 for the fiscal years ended June 30, 2008 and 2007, respectively. The analysis below focuses on the District's net assets (Table 1) and changes in net assets (Table 2) during the year.

Table 1
CONDENSED STATEMENT OF NET ASSETS

	June 30, 2008	June 30, 2007	Increase (Decrease) $	Increase (Decrease) %
Current and other assets	$ 634,462	$ 474,558	$ 159,904	33.70%
Capital assets	251,626	247,294	4,332	1.75%
Total assets	886,088	721,852	164,236	22.75%
Total liabilities	1,819	1,819	-	0.00%
Total net assets	$ 884,269	$ 720,033	$ 164,236	22.81%

The changes in capital assets were funded primarily by operations and the use of unrestricted fund balance. The increase in current and other assets was due to an increase in cash and investments and accounts receivable. The overall increase in net assets was due to operating and other revenues exceeding expenses.

Changes in the District's net assets can be determined by reviewing the following condensed Statement of Income and Changes in Net Assets for the years.

Table 2
CONDENSED STATEMENT OF INCOME AND CHANGES IN NET ASSETS

	June 30, 2008	June 30, 2007	Increase (Decrease) $	Increase (Decrease) %
Operating revenues	$ 445,326	$ 263,372	$ 181,954	69.09%
Non-operating revenues	47,206	178,138	(130,932)	-73.50%
Total revenues	492,532	441,510	51,022	11.56%
Salaries and wages	151,845	98,649	53,196	53.92%
Employee benefits	13,733	15,746	(2,013)	-12.78%
Contracted services	52,688	40,606	12,082	29.75%
Supplies and materials	2,442	1,337	1,105	82.65%
Other charges	51,941	69,302	(17,361)	-25.05%
Depreciation	55,646	41,520	14,126	34.02%
Total expenses	328,295	267,160	61,135	22.88%
Change in Net Assets	164,237	174,350	(10,113)	-5.80%
Beginning Net Assets	720,032	545,682	174,350	31.95%
Ending Net Assets	$ 884,269	$ 720,032	$ 164,237	22.81%

Operating revenues showed a 69.09% increase from 2007 to 2008 primarily from state of Tennessee wireless charges. Expenses increased from 2007 to 2008 primarily from an increase in dispatcher salaries and

depreciation on new equipment. Ending net assets showed an increase of 22.81% over 2007 due to increases in non-operating grant income and increases in cash and investments.

CAPITAL ASSETS

At the end of fiscal year 2008, the system had $251 thousand (net of accumulated depreciation) invested in a broad range of capital assets. This investment includes vehicles, communications equipment, and office equipment. Based on the uses of the aforementioned assets, they are classified for financial purposes as office equipment, communication equipment and vehicles. This investment represents an overall increase (net of increases and decreases) of $4 thousand, due to acquisition of assets and depreciation expense for the year.

The following tables summarize the District's capital assets, net of accumulated depreciation, and changes therein, for the year ended June 30, 2008. These changes are presented in Table 3 below and in detail in Note 2.B. to the financial statements.

Table 3

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

			Increase (Decrease)	
	June 30, 2008	June 30, 2007	$	%
Office equipment	$ 40,952	$ 9,075	31,877	351.26%
Communication equipment	192,275	238,219	(45,944)	-19.29%
Vehicles	18,399	-	18,399	100.00%
Total Capital Assets, Net of Acc Depr	$ 251,626	$ 247,294	$ 4,332	1.75%

The District plans on using existing financial resources to keep upgrading existing systems and adding new systems where it sees appropriate.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Due to the increased use of cellular phones, the District expects shared wireless revenue to continue to increase in future years. A state surcharge for each wireless phone is currently set at $1, of which the District receives $.25. That rate is not expected to increase in the coming year. Due to the decreased use of landline phones, the District expects the emergency telephone service charge revenue to continue to decrease in future years. The District's surcharge is currently set at $0.65 and $2.00 for residential lines and business lines, respectively.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any information provided in this report or requests for any additional information should be directed to the Executive Director of the Weakley County Emergency Communications District, 7951 Hwy 22, Dresden, Tennessee.

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

Assets	
Current assets	
Cash	$ 71,186
Investments	550,777
Accounts receivable	12,499
Total current assets	634,462
Noncurrent assets	
Captial assets	
Office equipment	50,600
Accumulated depreciation - Office equipment	(9,648)
Communications equipment	500,899
Accumulated depreciation - Communications equipment	(308,624)
Vehicles	45,075
Accumulated depreciation - Vehicles	(26,676)
Total capital assets	251,626
Total assets	**886,088**
Liabilities	
Current liabilities	
Compensated absences payable	1,819
Net assets	
Invested in capital assets	251,626
Unrestricted net assets	632,643
Total net assets	**$ 884,269**

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

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

Operating revenues	
Emergency telephone service charge	$ 152,228
Tennessee Emergency Communications Board - Shared Wireless Charge	287,528
Tennessee Emergency Communications Board - Operational Funding	5,570
Total operating revenue	445,326
Operating expenses	
Salaries and wages	
Salary - director	38,617
Dispatchers	98,787
Employee benefits	
Social security and medicare	3,114
Retirement contributions	10,619
Contracted services	
Addressing/mapping expense	14,441
Advertising	417
Audit services	2,295
Contracts with government agencies	1,178
Fees paid to service providers	36,743
Maintenance agreements	14,767
Maintenance - communication equipment	21,459
Maintenance - vehicles	6,011
Supplies and materials	
Office supplies	1,408
Custodial supplies	702
Postage	332
Uniforms and shirts	2,157
Utilities - general telephone	3,780
Other charges	
Board meeting expense	1,377
Dues and memberships	1,307
Insurance - liability	2,760
Premiums on surety bonds	455
Training expenses	5,242
Travel expenses	4,185
Other charges	496
Depreciation	55,646
Total operating expenses	328,295
Operating income	**117,031**

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

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

Nonoperating revenues (expenses)	
Interest income	17,780
Contributions from primary government	500
Tennessee Emergency Communications Board - grants and reimbursements	14,575
Miscellaneous income	14,351
Total nonoperating revneues (expenses)	47,206
Increase (decrease) in net assets	**164,237**
Net assets, July 1, 2007	720,032
Net assets, June 30, 2008	**$ 884,269**

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

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

Cash flows from operating activities	
Cash received from customers	$ 446,163
Cash payments to suppliers and employees	(258,298)
Net cash provided (used) by operating activities	187,865
Cash flows from noncapital financing activities	
Tennessee Emergency Communications Board - grants and reimbursements	14,575
Contributions from primary government	500
Net cash provided (used) by noncapital financing activities	15,075
Cash flows from capital financing activities	
Purchase of office and communication equipment	(59,979)
Net cash provided (used) by financing activities	(59,979)
Cash flows from investing activities	
Cash received from interest earnings	17,780
Net cash provided (used) by investment activities	17,780
Net increase (decrease) in cash	**160,741**
Cash and cash equivalents- July 1, 2007	461,222
Cash and cash equivalents- June 30, 2008	**$ 621,963**
Cash and cash equivalents	
Cash	$ 71,186
Investments	550,777
Total cash and cash equivalents	$ 621,963
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	$ 117,031
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation and amortization	55,646
Decrease in accounts receivable	837
Miscellaneous income	14,351
Total adjustments	70,834
Net cash provided (used) by operating activities	**$ 187,865**

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

NOTE 1 - Significant Accounting Policies

A. Reporting District

The Weakley County Emergency Communications District was approved by a referendum on August 4, 1994. The County Commissioners passed a resolution to establish the Emergency Communications District in accordance with Tennessee Code Annotated, 7-86-101 on August 22, 1994. The District accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Currently only a proprietary fund type is used that accounts for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises providing services to the public (enterprise fund).

The District's financial statements include all accounts of all the District's operations. The criteria for including organizations with the District's reporting district, as set forth in GASB No. 14, "The Financial Reporting District", is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon these criteria, there were no component units that required presentation.

The District is, however, considered a discretely presented component unit of Weakley County, Tennessee because of the following factors. The County appoints the Board and has a right to remove them. It provides office space for the District's business use. The District is accountable to County for fiscal matters.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Weakley County Emergency Communications District accounts for its financial position and results of operations in accordance with generally accepted accounting principles as defined in the Statements of Governmental Accounting Standards Board (GASB). Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector, and the measurement focus is on the determination of net income, financial position, and cash flows. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

C. Assets, Liabilities, and Net Assets

Deposits and investments
The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception.

State statutes authorize the System to invest in certificates of deposit, obligation of the U.S. Treasury, agencies and instrumentalities, obligations by the U.S. government or its agencies, repurchase

agreements, as approved by the state director of local finance, and the state's local government investment pool.

Accounts receivable
Accounts receivable represent amounts due from various phone companies.

Capital assets
All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets. For the year under review, there were no interest costs capitalized.

Compensated absences
The District has adopted Weakley County's Personnel Policies which allowed full-time employees one sick day for each month with a maximum carry over of ninety days to the subsequent year and one vacation day per month with a maximum carry over of fifteen days. These benefits normally are accrued in proprietary funds (using the accrual basis of accounting). Employees are not paid for unused sick days but may be paid for a maximum of fifteen unused vacation days. This liability is reflected in the current year's financial statements.

Net assets
Equity is classified as net assets and displayed in the following components:

- Invested in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted net assets– All other net assets that do not meet the description of the above category.

NOTE 2 – Detailed Notes on Accounts

A. Deposits and investments

The District has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures* for financial reporting of deposit risk.

Custodial Credit Risk – The District's policies limit investments to those instruments allowed by applicable state laws as described in Note 1. State statute required that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the District's agent in the District's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2008, all bank deposits were fully collateralized or insured.

B. Capital assets

Capital asset activity during the year was as follows:

Description	Balance at July 1, 2007	Additions	Disposals	Balance at June 30, 2008
Capital assets being depreciated				
Communication equipment	$ 500,899	$ -	$ -	$ 500,899
Office equipment	13,620	36,980	-	50,600
Vehicles	22,075	23,000	-	45,075
Total capital assets being depreciated	536,594	59,980	-	596,574
Less accumulated depreciation				
Communication equipment	262,681	45,943	-	308,624
Office equipment	4,545	5,103	-	9,648
Vehicles	22,076	4,600	-	26,676
Total accumulated depreciation	289,302	55,646	-	344,948
Total capital assets, net	$ 247,292	$ 4,334	$ -	$ 251,626

NOTE 3 - Other Information

A. Risk Management

The District's primary risk of loss is from suits filed for improper response or handling of emergency 911 calls. The District's significant losses are covered by commercial liability insurance. There were no claims or settlements made during this fiscal year and no losses were sustained. Board members with financial responsibility are bonded.

B. Employees' Retirement Plan

Plan Description

Employees of Weakley County Emergency 911 District are members of the Political Subdivision Pension Plan (PSPP), an 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 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 years 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 became 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 Weakley County Emergency 911 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 and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us/tcrs/PS/.

Funding Policy

Weakley County Emergency 911 District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

Weakley County Emergency 911 District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2008 was 25.41% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Weakley County Emergency 911 District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2008, Weakley County Emergency 911 District's annual pension cost of $10,619 to TCRS was equal to Weakley County Emergency 911 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 valuation 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. Weakley County Emergency 911 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 10 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ending	Percentage Annual Pension Cost (APC)	Net of APC Contributed	Pension Obligation
June 30, 2008	$ 10,619.00	100.00%	$ 0.00
June 30, 2007	8,921.00	100.00%	0.00
June 30, 2006	4,215.00	100.00%	0.00

REQUIRED SUPPLEMENTARY INFORMATION SECTION

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS –
EMPLOYEE RETIREMENT SYSTEM

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/01/07	$87	$157	$70	55.26%	$35	201.23%
7/01/05	$84	$124	$39	68.22%	$27	145.87%
7/01/03	$66	$110	$44	60.00%	$73	60.27%

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION SECTION

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amended Budget	Actual	Variance Over (Under)
Cash receipts				
Emergency telephone service charge	$ 150,000	$ 150,000	$ 139,731	$ (10,269)
Tennessee Emergency Communications Board - shared wireless charge	163,000	171,000	287,528	116,528
Tennessee Emergency Communications Board - operational funding	6,200	6,200	5,570	(630)
Total cash receipts	319,200	327,200	432,829	105,629
Cash expenditures				
Salaries and wages				
Director	41,500	41,500	38,617	(2,883)
Dispatchers	98,787	98,787	98,787	-
Employee benefits				
Social security and medicare	3,175	3,175	3,114	(61)
Medical insurance	4,500	4,500	-	(4,500)
Retirement contributions	10,700	11,550	10,619	(931)
Longevity benefits	600	600	-	(600)
Contracted services				
Addressing/mapping expense	10,000	10,200	14,441	4,241
Advertising	250	420	417	(3)
Professional services	3,000	2,360	2,295	(65)
Contracts with government agencies	1,400	1,400	1,178	(222)
Fees paid to service providers	41,000	40,230	36,743	(3,487)
Maintenance agreement	13,000	15,340	14,767	(573)
Maintenance and repairs				
Maintenance - communication equipment	6,000	21,500	21,459	(41)
Maintenance - vehicles	30,000	7,000	6,011	(989)
Supplies and materials				
Office supplies	2,000	2,000	1,408	(592)
Custodial supplies	500	710	702	(8)
Postage	400	400	332	(68)
Utilities -general telephone	7,000	5,390	3,780	(1,610)
Uniforms and shirts	3,000	3,000	2,157	(843)
Other charges				
Automobile expenses				
Board meeting expenses	1,000	1,400	1,377	(23)
Dues and memberships	1,300	1,310	1,307	(3)
Insurance - liability	4,000	4,000	2,760	(1,240)
Premiums on surety bonds	700	700	455	(245)
Training expenses	5,000	5,250	5,242	(8)
Travel expenses	5,000	5,000	4,185	(815)
Other operating expenses	500	500	497	(3)
Total cash expenditures	294,312	288,222	272,650	(15,572)
Cash basis net income (loss)	**24,888**	**38,978**	**160,179**	**199,157**

See independent auditor's report

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amended Budget	Actual	Variance Over (Under)
Other charges				
Interest income	7,000	15,000	17,780	2,780
Emergency Board Grant	10,000	10,000	15,075	5,075
Capital outlay	(1,000)	(60,010)	(59,980)	30
Miscellaneous	-	-	14,351	14,351
Total other charges	**16,000**	**(35,010)**	**(12,774)**	**22,236**
Increase (decrease) in net assets	**40,888**	**3,968**	**147,405**	**221,393**
Net assets, July 1, 2007	720,032	720,032	720,032	720,032
Net assets, June 30, 2008	**$ 760,920**	**$ 724,000**	**$ 867,437**	**$ 941,425**

Reconciliation between budgetary basis and GAAP:

Net income - budgetary basis	**$ 147,405**
Accrual adjustments	12,498
Capitalized expenditures	59,980
Depreciation expense	(55,646)
Net income - GAAP basis	**$ 164,237**

See independent auditor's report

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF INFORMATION REQUIRED BY
THE TENNESSEE EMERGENCY COMMUNICATIONS
BOARD - UNAUDITED
JUNE 30, 2008

The number of Public Safety Answering Points (PSAP): two

The addresses of each PSAP:

Primary – 7951 Hwy 22, Dresden, TN 38225
Secondary – 101 University Street, Martin, TN 38237

The type of system/equipment and database used by each PSAP: Emergi Tech – Teleco.

The name, address, telephone number, and facsimile number of the director of the Emergency Communications District:

Jamison Peevyhouse
P.O. Box 911
Dresden, TN 38225
Telephone: (731) 364-2647
Fax: (731) 364-6791

The name, address, telephone number, and facsimile number of the chairman of the Emergency Communications District:

John Bucy
111 Hunter Drive
Martin, TN 38237
Telephone: (731) 587-4213
Fax: (731) 364-6791

See independent auditor's report.

INTERNAL CONTROL AND COMPLIANCE SECTION

ALEXANDER THOMPSON ARNOLD PLLC

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Governmental Audit Quality Center – AICPA
Tennessee Society of Certified Public Accountants
Center for Public Company Audit Firms
Employee Benefit Plan Audit Quality Center – AICPA

www.atacpa.net

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*

Members of the Board of the Emergency Communications
District of Weakley County, Tennessee
Dresden, Tennessee 38225

We have audited the financial statements of the business-type activities of Weakley County Emergency Communications District, as of and for the year ended June 30, 2008, and have issued our report thereon dated February 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These financial statements present only the Weakley County Emergency Communications District and are not intended to present fairly the financial position of Weakley County, Tennessee, and the results of its operation and cash flows of its proprietary fund types in conformity with accounting principles accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Weakley County Communications District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Weakley County Emergency Communications District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the District's financial statements that is more than inconsequential will not be prevented or detected by the 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 the District's internal control.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board, County Commission, management, the State of Tennessee Comptroller's Office, and others within the District; and is not intended to be and should not be used by anyone other than these specified parties.

Alexander Thompson Arnold PLLC

Martin, Tennessee
February 2, 2009

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF FINDINGS
JUNE 30, 2008

FINDINGS RELATIVE TO THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Significant Deficiency

None noted this year.

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2008

PRIOR FINDINGS RELATIVE TO THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Reportable Conditions

07-01 ***Expenditures in Excess of Appropriations***

This finding was corrected.