

Cozart & Associates, PC

Certified Public Accountants

Haywood County Emergency
Communications District

*Financial Statements
And Supplementary Information
For the Year Ended June 30, 2009*

*29 North Lafayette Avenue
Brownsville, TN 38012*

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2009

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HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT**ROSTER OF MANAGEMENT OFFICIALS AND BOARD MEMBERS****FOR THE YEAR ENDED JUNE 30, 2009**

Management Officials

Kenneth Buie
911 Director

Board Members

Joe Stephens, Chairman

Barbara Phillips, Secretary

Jimmy Studdard Sr., Member

Lewis Pearson, Member

Jerry White, Member

Kizzie Boyd, Member

Ervin Turner, Member

Patricia Herron, Member

Deane Walton, Member

James Ernest, Member

"Unaudited"

Financial Section

Kenneth Cozart & Associates PC

Certified Public Accountants
29 N. LAFAYETTE
BROWNSVILLE, TN 38012
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KENNETH COZART, CPA
BOB COZART, CPA

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Haywood County Emergency Communications District

We have audited the accompanying financial statements of the Haywood County Emergency Communications District (the "District"), a component unit of Haywood County, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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.

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 Haywood County Emergency Communications District, as of June 30, 2009 and the respective changes in financial position, cash flows thereof, for the year 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 17, 2010, on our consideration of the Haywood County Emergency Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit

assessing the results of our audit.

The Management Discussion and Analysis on pages 4 through 6 is not a required part of the basic 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 opinions on the financial statements that collectively comprise the Haywood County Emergency Communications District's basic financial statements. The accompanying supplementary information, such as the budgetary comparison on page 14 and the Schedule of State Awards on page 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements, but have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Roster of Management Officials and Board Members on page 1 and Schedule of Information Required by the Tennessee Emergency Communications Board on page 15 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Bob Cozart, CPA". The signature is written in a cursive style with a horizontal line through the middle.

Bob Cozart

Certified Public Accountant
Kenneth Cozart and Associates, CPA, PC

Brownsville, Tennessee
February 17, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS
HAYWOOD COUNTY EMERGENCY COMMUNICATION DISTRICT (911)**

As management of Haywood County Emergency Communications District (the District), we offer readers of the Haywood County Emergency Communication District's financial statements this narrative overview the analysis of financial activities of the District for the fiscal year ended June 30, 2009. All amounts, unless otherwise indicated, are expressed in actual dollars. Comparative analyses of key elements of total funds have been provided.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis (MD & A) serves as an introduction to, and should be read in conjunction with, the financial statements and other supplementary information. Summary financial data, key financial and operational indicators are made up of three sections: 1) the introductory section, 2) the financial section, 3) the internal control and compliance section. The introductory section includes the District's directory. The financial section includes the MD & A, the independent auditor's report, and the financial statements with accompanying notes. The internal control and compliance section includes the report on internal control and compliance.

REQUIRED FINANCIAL STATEMENTS

Due to the District being a single governmental fund entity, and receiving fund through the wireless charges the enterprise fund statements are used to prepare financial statements. Enterprise funds are reported using the flow of economic resources measurement focus and the accrual basis of accounting. These are the same measurement focus and basis of accounting used by private business enterprises. Revenue are recognized in enterprise funds when they are earned and expenses are recognized as soon as a liability is incurred.

The following statements are included in the financial statements of the District.

The Statement of Net Assets includes all of the District's assets and obligations to the District's creditor (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure, 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:

1) measures the success of the District's operation; 2) determines whether the District has been successfully recovered all of its costs; 3) measures the District's profitability and credit creditworthiness.

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.

Budgetary Comparison Schedule presents the results the results of activities over the course of the fiscal year in comparison with the original and final budget. An additional column is presented showing the difference between the final budget and the actual expenses for the year.

PROPRIETARY FUND FINANCIAL ANALYSIS

Statement of Net Assets - As noted earlier, net assets may serve as a useful indicator of the district's financial position. In the case of the District, assets exceeded liabilities by \$675,353 at the close of the most fiscal year. A portion of the District's net assets (17.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding. Although the District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont.)

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and Other Assets	\$564,947	\$394,670	\$170,277	143.14%
Capital Assets (net of Accumulated Dep.)	112,864	132,026	(19,162)	85.49%
Total Assets	\$677,811	\$526,696	\$151,115	128.69%
Current Liabilities	2,458	2,371	87	103.67%
Long-term Liabilities		0	0	0.00%
Total Liabilities	2,458	2,371	87	103.67%
Invested in Capital Assets	112,864	132,026	(19,162)	85.49%
Unrestricted	562,489	392,299	(954,788)	143.38%
Total Net Assets	\$675,353	\$524,325	\$151,028	128.80%

During the 2009 fiscal year, the Districts net assets increased by \$151,028. The investment in certificate deposits was updated which resulted in an increase of \$17,227 and the remaining increase is the result of decrease in expenses, and increase in revenues from shared wireless charges.

Statement of Activities -- Revenues exceeded expenses by \$133,801.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>Increase (Decrease)</u> <u>\$ Variance</u>	<u>% Variance</u>
Operating Revenue	\$229,201	\$218,817	\$10,384	104.75%
Non-Operating Revenue	20,328	2,147	18,181	946.81%
Total Revenues	249,529	220,964	28,565	112.93%
Operating Expenditures	96,566	95,393	1,173	101.23%
Depreciation	19,162	19,162	0	100.00%
Total Expenditures	115,728	114,555	1,173	101.02%
Change in Net Assets	133,801	106,409	27,392	-125.74%
Beginning Net Assets	524,325	417,916	(26,219)	-125.46%
Prior Period Adjustment	17,227	0	17,227	
Beginning Net Assets - restated	541,552	417,916	123,636	129.58%
Ending Net Assets	\$675,353	\$524,325	\$142,036	128.80%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont.)

COMMENTS ON FUND FINANCIAL STATEMENTS

The District uses proprietary fund accounting to ensure and demonstrate compliance with finance-related requirements.

Enterprise Funds -- The focus of the District's enterprise fund is to provide information on cash inflows from shared wireless charges, outflows for related expenses, and balances of spendable resources. Such information are necessary to assess the District's financial requirements.

In particular, unrestricted fund balance may serve as useful measure of a government's net resources available for spending at the end of fiscal year to meet obligations of creditors and operational requirements of the District.

Revenues in the enterprise fund increased by \$28,565 in fiscal 2009 in comparison with 2008 year. The significant changes in the current period were revenue received in the form of donated assets from the TENA, shared wireless charges from AT & T and other telephone service providers.

Expenses in the enterprise fund decreased \$1,173 in 2009 in comparison with prior year. The significant expenses were usual and consistent in comparison with 2008.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets -- At the end of fiscal year, the District had invested \$112,864 net of accumulated depreciation in a variety of capital assets. Accumulated depreciation at the end of period was \$104,558. Depreciation expense during the current period was \$19,162.

Long-Term Debt -- At the end of current fiscal year, the District had no long-term debt.

REQUEST FOR INFORMATION

This financial report is prepared to provide a general overview of the District's finances for citizens, taxpayers, customers, investors, creditors and all other with an interest in the Districts finances. Questions concerning any information provided in this report or requests for additional finance information should be addressed to:

Haywood County Emergency Communications District
County Mayor -- Executive
1 N. Washington
Brownsville, TN 38012

Basic Financial Statements

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET ASSETS
June 30, 2009

	Business-type Activities - Enterprise Fund	Total
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$530,372	\$530,372
Accounts Receivable	31,597	31,597
Accrued Interest - Receivable	2,978	2,978
Total Current Assets	<u>564,947</u>	<u>564,947</u>
Noncurrent Assets:		
Capital Assets:		
Communications Equipment	217,422	217,422
Less: Accumulated Depreciation	<u>(104,558)</u>	<u>(104,558)</u>
Total Noncurrent Assets	<u>112,864</u>	<u>112,864</u>
Total Assets	<u>677,811</u>	<u>677,811</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>2,458</u>	<u>2,458</u>
Total Current Liabilities	<u>2,458</u>	<u>2,458</u>
NET ASSETS		
Invested in Capital Assets	112,864	112,864
Unrestricted	<u>562,489</u>	<u>562,489</u>
Total Net Assets	<u><u>\$675,353</u></u>	<u><u>\$675,353</u></u>

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Fund	Total
Operating Revenues:		
Charges for sales and services:		
Emergency Telephone Service Charges	\$11,136	\$11,136
Shared Wireless Charges	81,020	81,020
Tennessee Emergency Communications Board - Operating Fund	137,045	137,045
Total Operating Revenues	<u>229,201</u>	<u>229,201</u>
Operating Expenses:		
Administrative Personnel	4,200	4,200
Director	3,600	3,600
Dispatchers	46,500	46,500
Audit Services	1,500	1,500
Equipment Rental	28,277	28,277
Office Supplies	0	0
Postage	300	300
Dues/Memberships	168	168
Travel	1,692	1,692
Surety Bond	0	0
Education/Continued	625	625
Building Inspection	6,000	6,000
Depreciation	19,162	19,162
Data Software, GIS	3,640	3,640
Miscellaneous	64	64
Total Operating Expenses	<u>115,728</u>	<u>115,728</u>
Operating Income	<u>113,473</u>	<u>113,473</u>
Nonoperating Revenues (Expenses):		
Interest Income	5,753	5,753
Tennessee Emergency Communications Grant	14,575	14,575
Total Nonoperating Revenues (Expenses)	<u>20,328</u>	<u>20,328</u>
Change in Net Assets	133,801	133,801
Total Net Assets - Beginning	524,325	524,325
Prior Period Adjustment - Note (III.B.2.)	17,227	17,227
Total Net Assets - Ending	<u><u>\$675,353</u></u>	<u><u>\$675,353</u></u>

Notes to financial statements are an integral part of this statement.

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from Surcharges and Other Revenues	\$229,201	\$229,201
Cash payments to suppliers	(61,989)	(61,989)
Cash payments to employees	(50,700)	(50,700)
Net cash provided by operating activities	<u>116,512</u>	<u>116,512</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions from other governments	<u>14,575</u>	<u>14,575</u>
Net cash provided by noncapital financing activities	<u>14,575</u>	<u>14,575</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant income	0	0
Net cash used by capital and related financing activities	<u>0</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>5,753</u>	<u>5,753</u>
Net cash provided by investing activities	<u>5,753</u>	<u>5,753</u>
Net Increase in Cash and Cash Equivalents	\$136,840	\$136,840
Cash and Cash Equivalents - July 1	<u>393,532</u>	<u>393,532</u>
Cash and Cash Equivalents - June 30	<u><u>\$530,372</u></u>	<u><u>\$530,372</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income	<u>\$113,473</u>	<u>\$113,473</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation Expense	\$19,162	\$19,162
Increase in accounts receivable	(16,210)	(16,210)
Increase in accounts payable	87	87
Total Adjustments	<u>\$3,039</u>	<u>\$3,039</u>
Net cash provided by operating activities	<u><u>\$116,512</u></u>	<u><u>\$116,512</u></u>

Notes to financial statements are an integral part of this statement.

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I.A.1. INTRODUCTION

The Haywood County Emergency Communications District (the District), a component unit of Haywood County, is a quasi-municipality which was formed in order to establish and provide emergency communications services to the occupants of Haywood County. Revenues are received from a tariff charged and collected by area telephone companies. The District's Board is appointed by the County. The County is provided with the Board's budget for information purposes prior to the beginning of the respective fiscal year. The board of directors for communication districts have responsibility for all major budget decisions.

The accounting and reporting framework and the more significant accounting principles and practices of the Haywood County Emergency Communications District are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the fiscal year year June 30, 2009.

I.B.1. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*Fund Financial Statements*

Fund Financial Statements are provided for the proprietary fund which is considered a major fund. There are no non-major funds that should be reported in a separate column.

I.B.2. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued November 30, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The District has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating activities of the District are charges to customers for services. Operating expenses for this fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I.B.3. FUND TYPES AND MAJOR FUNDS*Proprietary Funds*

Enterprise Fund - reports as the fund of the District. This fund is used to account for all financial resources. There are no other funds used in the District.

I.C.1. CASH , INVESTMENTS AND REGUALTIONS

The District considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. State statute's authorize the government and the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments for the Emergency Communications District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulation. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2009, investments consisted entirely of certificate of deposits with a local bank.

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

JUNE 30 ,2009

I.C.1. CASH, INVESTMENTS AND REGULATIONS (CONT.)

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. Collateral is required for demand deposits and certificate of deposits at 105% of all amounts not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of Tennessee and its subdivisions. As of June 30, 2009, there was no exposure to custodial credit risk due to being entirely covered by federal depository insurance and pledged collateral held by the pledging financial institution's agency in the entity's name.

Haywood County Emergency Communications District has disbursed its cash and investments in three different banks to eliminate custodial credit risk, since each depositor of each financial institution is insured up to \$250,000 by Federal Deposit Insurance Corporation. The investment of certificate of deposit for \$362,533 is deposited with a financial institution that is within the Tennessee Bank Collateral Pool.

I.C.2. CAPITAL ASSETS AND DEPRECIATION

The District's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The District generally capitalizes assets with cost of \$400.00 or more as purchase occur. The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	40
Improvements	40
Furniture, Machinery, and Equipment	10
Vehicles	5

I.C.3. FUND EQUITY

The proprietary fund financial statements report restricted net assets for amounts not available for appropriation or legally restricted for specified purposes.

II.A. BUDGETARY INFORMATION

II.A.1. BUDGET POLICY AND PRACTICE

The District's Chairman of the Board submits an annual budget to the Board. The budget is presented to the Board for review and discussion of the allocation of resources. Once approved, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

II.B.2. BASIS OF BUDGETING

The fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenses are budgeted by class as follows: salaries, compensation related, services and supplies, computer and equipment supplies, core material, and miscellaneous. Expenses may not exceed appropriations.

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

June 30, 2009

The budget for the operating funds are prepared on the cash and expenditures basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued.

Budgetary Information

The County Commission is provided with the District's budget for information purposes prior to the beginning of the respective fiscal year. Once approved the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. However, final authority on all major decisions rests with the County Commission.

During the year ended June 30, 2009, expenditures did not exceed the budget level of appropriations.

III. DETAILED NOTES ON FUND

III.A.1. RECEIVABLES

Accounts receivable are tariffs due from area telephone companies with the next month. Revenue is recorded when eligibility requirements are met.

III.A.2. CAPITAL ASSETS

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	<u>Capital Assets Depreciated</u> <u>Equipment</u>
Primary Government	
<i>Business-Type Activities</i>	
Balance June 30, 2008	\$217,422
Increases	0
Decreases	0
Adjustments	0
Prior Period Adjustment	0
Balance June 30, 2009	<u>\$217,422</u>
Accumulated Depreciation	
Balance June 30, 2008	(\$85,396)
Increases	(19,162)
Decreases	
Balance June 30, 2008	<u>(104,558)</u>
<i>Business -Type Activities</i>	
Capital Assets, Net	<u>\$112,864</u>

III.B.1. RISK MANAGEMENT - CLAIMS AND ADJUSTMENTS

The District is vulnerable to two types of losses. The first is the physical loss of fixed assets from theft, fire, etc. The other is from civil action based on negligence in relation to the disposition of emergency calls. Neither of these losses have occurred since the District's inception. However, the District has third party insurance coverage that is adequate in order to cover any occurrence.

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

June 30, 2009

III.B.2. PRIOR PERIOD ADJUSTMENT

Fund Balance was understated by \$17,227 as result of a certificate deposit not updated.

Fund Balance Beginning	\$524,325
Prior Period Adjustment	<u>17,227</u>
Fund Balance Beginning - Restated	<u><u>\$541,552</u></u>

Supplementary Information

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGETARY COMPARISON
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Emergency Telephone Service Charge	\$85,000	\$85,000	\$81,020	(\$3,980)
Shared Wireless Charge		0	11,136	\$11,136
Tennessee Emergency Communications Board - Operating Fund	128,000	128,000	137,045	\$9,045
Total Revenues	<u>213,000</u>	<u>213,000</u>	<u>229,201</u>	<u>16,201</u>
Operating Expenses:				
Administrative Personnel	4,200	4,200	4,200	0
Dispatchers	46,500	46,500	46,500	0
Director	3,600	3,600	3,600	0
Audit Services	1,500	1,500	1,500	0
Legal Services	1,000	1,000	0	1,000
Equipment Rental - Communications	29,000	29,000	28,277	723
Office Supplies	1,000	1,000	0	1,000
Postage	300	300	300	0
Dues/Memberships	250	250	168	82
Surety Bonds	450	450	0	450
Travel Expenses	4,500	4,500	1,692	2,808
Continued Education	0	0	625	(625)
Building Inspection	6,000	6,000	6,000	0
Depreciation	20,000	20,000	19,162	838
Data Software - GIS	0	0	3,640	(3,640)
Miscellaneous	0	0	64	(64)
Total Expenses	<u>118,300</u>	<u>118,300</u>	<u>115,728</u>	<u>6,276</u>
Operating Income	94,700	94,700	113,473	9,925
Nonoperating Revenue (Expenses):				
Interest Income	2,000	2,000	5,753	3,753
Tennessee Emergency Communications Grant	0	0	14,575	14,575
Total Nonoperating Revenues (Expenses)	<u>2,000</u>	<u>2,000</u>	<u>20,328</u>	<u>18,328</u>
Increase (Decrease) in Net Assets	96,700	96,700	133,801	28,253
Net Assets - Beginning	524,325	524,325	524,325	524,325
Prior Period Adjustment -Note (III.B.2.)	17,227	17,227	17,227	17,227
Net Assets - Beginning - Restated	541,552	541,552	541,552	541,552
Net Assets - Ending	<u><u>\$638,252</u></u>	<u><u>\$638,252</u></u>	<u><u>\$675,353</u></u>	<u><u>\$569,805</u></u>

Notes to financial statements are an integral part of this statement.

**HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF INFORMATION REQUIRED BY
THE TENNESSEE EMERGENCY COMMUNICATIONS BOARD
YEAR ENDED JUNE 30, 2009**

Number of public safety answering points (PSAP):	1
Address of the PSAP:	Haywood County Emergency Communications District 1 N Washington Ave. Brownsville, TN 38012
Type of system/equipment and databased used by PSAP:	Positron System/Lifeline 100 Program from Bell South - Intrado
Chairman's name, address, phone and fax numbers:	Joe Stephens 1 N. Washington Brownsville, TN 38012 phone: 731-772-1432 fax: 731-772-3864

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
June 30, 2009

	Grant Number	Contract Date	State Grant Amount	Beginning Balance	Receipts	Expenditures	Ending Balance
Department of Commerce and Insurance	Z-08-211940	01/15/08 - 06/30/12	\$44,575	\$0	\$14,575	\$14,575	\$0
			\$44,575	\$0	\$14,575	\$14,575	\$0

Kenneth Cozart & Associates PC

Certified Public Accountants
29 N. LAFAYETTE
BROWNSVILLE, TN 38012
TELEPHONE: 731-772-2273
FAX: 731-772-2275

KENNETH COZART, CPA
BOB COZART, CPA

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**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**

The Board of Directors
Haywood County Emergency Communications District

We have audited the financial statements of the Haywood County Emergency Communications District (the "District"), as of and for the year ended June 30, 2009, and have issued our report thereon dated February 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Haywood County Emergency 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 a combination of control deficiencies, that adversely affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity'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 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 material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haywood 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 Standard*.

This report is intended solely for the information and use of the Haywood County Emergency Communications District's audit committee, management, County Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Bob Cozart
Certified Public Accountant

Kenneth Cozart & Associates, CPA, PC
Brownsville, Tennessee
February 17, 2010

HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2009

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the accompanying financial statements of the Haywood County Emergency Communications District.
2. No material weaknesses identified or significant deficiencies identified that are considered to be material weaknesses.
3. No instances of noncompliance was disclosed during the audit.

Findings - Financial Statement Audit

Current Year Findings

NONE

Prior Year Disposition

08-1 Exceeding Budgeted Expenditures (Non-compliance)