

**CROCKETT COUNTY EMERGENCY
COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2009

**CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
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INTRODUCTORY SECTION

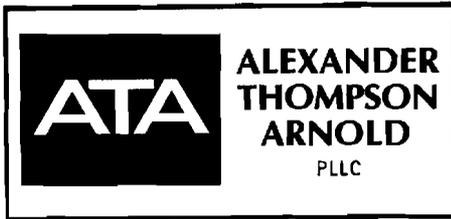
CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

SCHEDULE OF OFFICIALS

JUNE 30, 2009

<u>Official</u>	<u>Position</u>
Ben Mehr	Chairman
Brandon Ward	Vice-Chairman
Brian Black	Director
Casey Burnett	Board Member
William Young	Board Member
Jackie Perry	Board Member
Lloyd Johnson	Board Member
Jim Knox	Board Member
Timmy Williams	Board Member
Sherri Gideon	Board Member
Michelle Smallwood	Assistant Director

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crockett County Emergency
Communications District
Alamo, Tennessee

We have audited the accompanying financial statements of the Crockett County Emergency Communications District, a component unit of Crockett County, Tennessee, 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Crockett County Emergency Communications District at June 30, 2009, and the results of its operations and its 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 January 26, 2010 on our consideration of the Crockett 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 performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Crockett County Emergency Communications District has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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Jackson, TN
Martin, TN

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Board of Directors
Crockett County Emergency
Communications District
Alamo, Tennessee
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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and other supplementary information section include supplementary information that is presented for purposes of additional analysis and is not a required part of the financial statements of the Crockett County Emergency Communications District. The budgetary comparison schedule has been subjected to the auditing procedures applied in the audit of the accompanying financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and the schedule of information required by the Tennessee Emergency Communications Board 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.

Alexander Thomas Arnold PLLC

Dyersburg, Tennessee
January 26, 2010

**CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
STATEMENT OF NET ASSETS
June 30, 2009**

ASSETS

<u>Current Assets</u>		
Cash and cash equivalents		\$ 417,839
Prepaid insurance		430
Accounts receivable		<u>40,648</u>
Total Current Assets		458,917
 <u>Noncurrent Assets</u>		
<u>Capital Assets</u>		
Furniture and fixtures	17,575	
Office equipment	5,802	
Communications equipment	225,419	
Less: Accumulated depreciation	<u>(143,812)</u>	
Total Net Capital Assets		<u>104,984</u>
 Total Assets		 <u>563,901</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable		5,520
Payroll taxes payable		<u>1,530</u>
Total Current Liabilities		7,050
 <u>Net assets</u>		
Invested in capital assets		105,110
Unrestricted		<u>451,741</u>
Total Net Assets		<u>\$ 556,851</u>

**CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS
For the Year Ended June 30, 2009**

<u>Operating Revenue</u>		
Telephone revenue		\$ 55,539
ECB wireless revenue		29,756
State ECB income		79,868
Miscellaneous wireless revenue		3,706
Total Operating Revenue		<u>168,869</u>
<u>Operating Expenses</u>		
Salaries	66,374	
Mapping	1,163	
Professional fees	10,500	
Repair and Maintenance	6,860	
Telephone	38,331	
Depreciation	36,182	
Insurance	7,120	
Payroll taxes	5,192	
Supplies	5,184	
Training	6,046	
Dues and subscriptions	1,064	
Postage	333	
Uniforms	4,626	
Travel	9,146	
Interest	375	
Miscellaneous	902	
Total Operating Expenses		<u>199,398</u>
Operating Loss		(30,529)
<u>Non-Operating Revenue</u>		
State ECB grants and reimbursements	40,800	
Interest income	10,411	
		<u>51,211</u>
Change in Net Assets		20,682
Net Assets, July 1, 2008		557,738
Prior Period Adjustment		<u>(21,569)</u>
Net Assets July 1, 2008 (restated)		<u>536,169</u>
Net Assets, June 30, 2009		<u>\$ 556,851</u>

See accompanying notes to financial statements

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2009

<u>Cash Flows From Operating Activities</u>	
Cash received from customers	\$ 138,271
Cash payments to suppliers for goods and services	(89,504)
Cash payments to employees for services	<u>(67,537)</u>
Net Cash Used by Operating Activities	<u>(18,770)</u>
<u>Cash Flows From Investing Activities</u>	
Interest on investments	<u>10,411</u>
<u>Cash Flows From Capital and Financing Activities</u>	
Advances from state grants	40,800
Purchase of equipment	(10,513)
Capital lease payment	<u>(7,108)</u>
Net Cash Provided by Financing Activities	<u>23,179</u>
Net Increase in Cash	14,820
Cash and cash equivalents - July 1, 2008	<u>403,019</u>
Cash and cash equivalents - June 30, 2009	<u>\$ 417,839</u>
<u>Reconciliation of operating loss to net cash used by operating activities</u>	
Operating loss	\$ (30,529)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	36,182
Increase in accounts receivable	(30,598)
Increase in payroll taxes payable	1,530
Increase in accounts payable	<u>4,645</u>
Net Cash Used by Operating Activities	<u>\$ (18,770)</u>

See accompanying notes to financial statements

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - Significant Accounting Policies

A. Reporting Entity

The Crockett County Emergency Communications District (the "District") was formed under the provisions of the "Emergency Communications District Law" of the State of Tennessee on May 1, 1998. As such, it is considered to be a "municipality" or public corporation in perpetuity under its corporate name and shall be a body politic and corporate with power of perpetual succession, but without power to levy or collect taxes. All Tennessee emergency communications districts are required to follow the *Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts* developed by the Office of the Comptroller of the Treasury, Division of County Audit, pursuant to Section 7-86-304, *Tennessee Code Annotated*.

The District provides a uniform emergency number to shorten the time required for a citizen to request and receive emergency aid.

In evaluating how to define the Crockett County Emergency Communications District for financial reporting purposes, management has considered whether the District is a primary government or a component unit of another primary government. The decision to be included as a component unit of another reporting entity is made by applying the criteria set forth in Governmental Accounting Standards Board Statement 14 on *The Financial Reporting Entity*. The District must obtain the approval of the Crockett County Commission before issuance of most debt instruments. The County has determined that this constitutes fiscal dependency by the District and has, therefore, included the District as a component unit of Crockett County. The District has a board of directors appointed by the Crockett County legislative body.

The District includes only the funds relevant to the operation of the Crockett County Emergency Communications District. Therefore, the financial statements of the District include only those funds controlled and administered by the District and the governing board of directors. Control is determined on the basis of budget adoption, taxing authority, funding, and appointing of the governing board.

The District is deemed to be a municipality under Tennessee state law and, as such, is exempt from federal income taxes.

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

The Crockett 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.

The District's Board of Directors approves an appropriatory budget annually. The budget is prepared on a basis which differs from generally accepted accounting principles (GAAP) pertaining to proprietary funds, in that capital expenditures are budgeted as operating expenses rather than being capitalized as fixed assets. The only significant difference on the current financial statements is the difference between budget and actual depreciation.

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - Significant Accounting Policies - Continued

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 District 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

The District bills all telephone customers within its boundaries by a surcharge on the telephone bills. The telephone companies then remit the collections on a regular basis to the District. At June 30, 2009, these telephone companies are indebted to the District in the amount of \$40,648. There is no collateral or bonds securing these debts.

Capital assets

All capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 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.

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 – All other net assets that do not meet the description of the above category.

NOTE 2 – Detailed Notes on Accounts

A. Deposits and investments

Custodial Credit Risk – The District's policies limit deposits and investments to those instruments allowed by applicable state laws as described in Note 1. State statutes require 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 of 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. State statutes also authorize the District to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the State pooled investment fund, and mutual funds.

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – Detailed Notes on Accounts - Continued

Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction.

At June 30, 2009, the District had funds on deposit with several area financial institutions with book and bank balances of \$417,839 and \$412,501, respectively. All of these funds on deposit are fully insured by FDIC insurance or adequately collateralized.

B. Capital assets

Capital asset activity during the year was as follows:

Description	Balance at June 30, 2008	Additions	Disposals	Balance at June 30, 2009
Capital assets, being depreciated				
Furniture and fixtures	\$ 18,003	\$ 586	\$ (1,014)	\$ 17,575
Office equipment	13,230	323	(7,751)	5,802
Communications equipment	268,271	9,763	(52,615)	225,419
Total capital assets being depreciated	<u>299,504</u>	<u>10,672</u>	<u>(61,380)</u>	<u>248,796</u>
Less accumulated depreciation				
Furniture and fixtures	12,041	1,409	(612)	12,838
Office equipment	8,846	1,178	(7,564)	2,460
Communications equipment	126,395	33,594	(31,475)	128,514
Total accumulated depreciation	<u>147,282</u>	<u>36,181</u>	<u>(39,651)</u>	<u>143,812</u>
 Total capital assets, net	 <u>\$ 152,222</u>	 <u>\$ (25,509)</u>	 <u>\$ (21,729)</u>	 <u>\$ 104,984</u>

Depreciation expense for the year ended June 30, 2009 was \$36,182.

C. Capital leases

The district has entered into a lease agreement as lessee for financing the acquisition of a vehicle. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the proprietary fund. The terms of the lease are four annual payments of \$7,483 beginning in October 2005 and ended on October 2008.

The assets acquired as of June 30, 2009 through capital leases are as follows:

Asset	Basis	Accumulated Depreciation	Total
2005 Dodge Durango	\$ 27,756	\$ (20,817)	\$ 6,939

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 – Other Information

A. Commitments

The District obtained an operating lease of emergency telephone equipment from Bell South and Crockett Telephone Company. There is no pre-arranged lease term on this lease. The District is required to make monthly lease payments using an established rate for as long as the equipment is used by the District. At any time, the District may return the equipment and terminate the operating lease.

B. Risk Management

It is the policy of the Crockett County Emergency Communications District to purchase commercial insurance for the risks of losses to which it is exposed. These risks include property, casualty, and worker's compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

C. Stewardship, Compliance, and Accountability

The District's Board of Directors approves an appropriatory budget annually. The budgetary basis statement of revenue and expenses differs from generally accepted accounting principles (GAAP) pertaining to proprietary funds, in that interest income and operating expenses are budgeted on the cash basis, rather than the accrual basis.

The legal level of control is at each line item of expense; therefore, each line item must be amended prior to expending funds. For the year ended June 30, 2009, expenses exceeded appropriations in several budgetary line items.

NOTE 4 – Prior Period Adjustment

During the year ended June 30, 2009 there was a prior period adjustment of \$21,569 due to adjustment needed to reclassify items capitalized in prior year.

SUPPLEMENTARY INFORMATION

**CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2009**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<u>Operating Revenue - Budgetary Basis</u>				
Telephone revenue	\$ 60,000	\$ 60,000	\$ 55,539	\$ (4,461)
ECB wireless revenue	32,500	32,500	29,756	(2,744)
State ECB income	72,215	72,215	79,868	7,653
TECB Grants	24,878	24,878	40,800	15,922
Miscellaneous wireless revenue	7,500	7,500	3,706	(3,794)
Total Operating Revenue	<u>197,093</u>	<u>197,093</u>	<u>209,669</u>	<u>12,576</u>
<u>Operating Expenses - Budgetary Basis</u>				
Salaries	55,500	55,500	66,374	(10,874)
Mapping	10,600	10,600	1,163	9,437
Professional fees	5,100	5,100	10,500	(5,400)
Telephone expense	38,086	38,086	38,331	(245)
Depreciation	5,000	5,000	36,182	(31,182)
Insurance	7,120	7,120	7,120	-
Payroll taxes	20,000	20,000	5,192	14,808
Supplies	6,700	6,700	5,184	1,516
Maintenance	7,125	7,125	6,860	265
Dues and subscriptions	1,064	1,064	1,064	-
Training	5,700	5,700	6,046	(346)
Travel	9,150	9,150	9,146	4
Vehicle lease	7,483	7,483	7,483	-
Postage	340	340	333	7
Uniforms	5,000	5,000	4,626	374
Miscellaneous	2,000	2,000	902	1,098
Capital outlay	1,000	1,000	10,672	(9,672)
Total Operating Expenses - Budgetary Basis	<u>186,968</u>	<u>186,968</u>	<u>217,178</u>	<u>(30,210)</u>
Operating Loss - Budgetary Basis	10,125	10,125	(7,509)	(17,634)
<u>Non-Operating Revenue - Budgetary Basis</u>				
Interest income	11,000	11,000	10,411	(589)
Change in Net Assets - Budgetary Basis	<u>\$ 21,125</u>	<u>\$ 21,125</u>	<u>\$ 2,902</u>	<u>\$ (18,223)</u>
Reconciliation to GAAP				
Change in Net Assets - Budgetary Basis			\$ 2,902	
Adjustments for:				
Vehicle Lease			7,108	
Fixed assets capitalized			<u>10,672</u>	
Change in Net Assets			<u>\$ 20,682</u>	

See independent auditor's report

**CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
SCHEDULE OF INFORMATION REQUIRED BY THE TENNESSEE
EMERGENCY COMMUNICATIONS BOARD – UNAUDITED
For the Year Ended June 30, 2009**

At June 30, 2009, the Crockett County Emergency Communications District had only one public safety answering point (PSAP). The address of, and the type of equipment used by, the PSAP are as follows:

Address: 884 South Cavalier
Alamo, Tennessee 38001

Equipment: Motorola

The names, addresses, and numbers of the District's key officials are as follows:

Director: Brian Black
780 East Church Street
Alamo, Tennessee 38001
Tel. (731) 696-4833
Fax (731) 696-2030

Chairman: Ben Mehr
4179 Old Jackson Road
Bells, Tennessee 38006
Tel. (731) 663-3636
Fax (731) 664-9437



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Crockett County Emergency
Communications District
Alamo, Tennessee

We have audited the financial statements of the Crockett County Emergency Communications District, a component unit of Crockett County, Tennessee as of and for the year ended June 30, 2009 which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 26, 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 Crockett 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.

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 a combination of control deficiencies, that adversely affects the Crockett 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 Crockett County Emergency Communications District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting. The significant deficiencies are described in the accompanying schedule of findings as item 98-1.

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 Crockett County Emergency Communications 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we 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 the Crockett 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the schedule of findings as items 01-3 and 09-1.

Crockett County Emergency Communications District's responses to findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Crockett County Emergency Communications District and the State of Tennessee Comptroller of the Treasury and is not intended to be and should not be used by anyone other than these specified parties.



Dyersburg, Tennessee
January 26, 2010

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2009

Significant Deficiencies

98-1 Segregation of Duties

Condition: Due to the size of the staff, the Crockett County Emergency Communications District could not fully segregate the record-keeping, custodial and authorization functions of its internal accounting controls for the year ended June 30, 2009.

Criteria: Generally accepted accounting principles require that accounting functions be adequately segregated to ensure that the internal accounting controls are effective.

Effect: The risk of errors and irregularities occurring and not being detected in a timely manner increases when accounting functions are not adequately segregated.

Recommendation: While auditors recognize that staff size, due to funding limitations, is not adequate to fully segregate the functions mentioned above, management needs to be aware that this limitation of internal accounting controls does exist in the District.

Response: Due to the small staff of Crockett County Emergency Communications District, the Board feels comfortable with one signature on the checking account. It requires two signatures to cash in the certificate of deposit where most of the monies are located. Purchases are reviewed at each Board of Directors meeting. Any unusual purchase is approved by the Board or a Director before consummated.

Compliance and Other Matters

01-3 Budget Amendments - material

Condition: The budgetary financial statement reflected that expenditures exceeded appropriations by \$18,223.

Criteria: The Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts requires that expenses be presented at the legal level of control, which is defined to be at the line-item level.

Effect: The District has made expenses not legally appropriated by the Council.

Recommendation: We recommend the District carefully monitor its budget each month and make amendments as appropriate in order to include all expenditures. All final budget amendments for a current fiscal year must be approved prior to June 30.

Response: We have started reviewing expenses over the budget each month.

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2009

Compliance and Other Matters - Continued

09-1 Chart of Accounts - material

Condition: During the year ended June 30, 2009, we noted that there were account numbers that did not agree to the Tennessee Uniform Chart of Accounts.

Criteria: The Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts requires that account numbers follow the Uniform Chart of Accounts.

Effect: The District is not in compliance with the State Accounting and Financial Reporting Manual.

Recommendation: We recommend the District carefully monitor the account numbers that are being used and work towards compliance with State requirements.

Response: We will begin using the appropriate chart of accounts.

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ALAMO, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2009

98-1 Segregation of Duties - Repeated

01-3 Budget Exceeded – Repeated

08-1 General Accounting Functions - Corrected