

DICKSON COUNTY EMERGENCY

COMMUNICATIONS DISTRICT

Financial Statements

June 30, 2009

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Table of Contents

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 7
Financial Statements	
Balance Sheet.....	8
Statement of Revenues, Expenses and Changes in Net Assets	9
Statement of Cash Flows.....	10
Notes to Financial Statements.....	11 - 15
Additional Information	
Statement of revenues, expenses, and changes in net assets - budget and actual (budget basis).....	16 - 17
Schedule of officials bonds	18
Schedule of Information Required by Tennessee Regulatory Board.	19
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting	20 - 22
Findings and Questioned Costs	23
Auditor's Comments on Audit Resolution Matters Relating to Prior Findings	24

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Independent Auditor's Report

Board of Directors
Dickson County Emergency Communications District
Dickson, Tennessee

I have audited the accompanying balance sheet of Dickson County Emergency Communications District, a component unit of Dickson County, Tennessee, as of June 30, 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of Dickson County Emergency Communications District's management. My responsibility is to express an opinion on the financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dickson County Emergency Communications District, as of June 30, 2009, and the revenues, expenses and changes in net assets, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated December 2, 2009 on my consideration of Dickson County Emergency Communications District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Board of Directors
Dickson County Emergency
Communications District
Page Two
December 2, 2009

The management's discussion and analysis on pages 3 through 7, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the basic financial statements. The accompanying financial information listed as additional information in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Dickson County Emergency Communications District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

December 2, 2009

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Management's Discussion and Analysis

June 30, 2009

This section of the Dickson County Emergency Communications District's financial statements present's management's overview and analysis of the Communications District's financial performance for the year ended June 30, 2009. This section should be read in conjunction with the financial statements which follow this section.

Financial Highlights

Key highlights for the year ended June 30, 2009 are as follows:

The District's net assets increased \$206,449.

At the end of the current year the District reported total net assets of \$1,250,074.

At the end of the current year the District reported current assets in excess of current liabilities of \$915,062.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the District's net assets changed during the fiscal 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. The final required statement is the statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non capital financing activities.

The financial statements can be found on pages 8-10 of this report.

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided within the financial statements. The notes to the financial can be found on pages 11-15 of this report.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Management's Discussion and Analysis

June 30, 2009

Financial Analysis

For the year ended June 30, 2009, assets exceeded liabilities by \$1,250,074. The Communications District has accumulated substantial current assets, 74% of the net assets are in current assets. The following is a summary of the Communications District's net assets.

	2009	2008	Change
Assets			
Current assets	\$ 931,781	\$ 710,884	\$220,897
Capital Assets	334,912	335,637	(725)
Other assets	<u>100</u>	<u>100</u>	<u>-</u>
Total assets	<u>1,266,793</u>	<u>1,046,621</u>	<u>220,172</u>
Liabilities			
Current liabilities	<u>16,719</u>	<u>2,996</u>	<u>13,723</u>
Net Assets			
Invested in capital assets- net	322,506	335,637	(13,131)
Unrestricted	<u>927,568</u>	<u>707,988</u>	<u>219,580</u>
Total net assets	<u>\$1,250,074</u>	<u>\$1,043,625</u>	<u>\$206,449</u>

The Communications District's net assets increased by \$206,449 in 2009. The following is a summary Statement of Statement of Revenues, Expenses, and Changes in Net Assets.

	2009	2008	Change
Operating revenues	\$328,421	\$305,598	\$22,823
Operating expenses	<u>238,076</u>	<u>240,139</u>	<u>(2,063)</u>
Operating income (Loss)	90,345	65,459	24,886
Non operating revenues	<u>116,104</u>	<u>142,898</u>	<u>26,794</u>
Change in net assets	<u>\$206,449</u>	<u>\$208,357</u>	<u>\$(1,908)</u>

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Management's Discussion and Analysis

June 30, 2009

Revenues

The Communications District's revenues for the year ended June 30, 2009 decreased \$3,971 or 1%.

The following is a summary of revenues:

	2009	2008	Change
Emergency telephone service charge	\$199,164	\$205,068	\$ (5,904)
Shared Wireless charge	129,267	100,530	28,727
Interest income	19,370	18,844	526
State Emergency Communications Board Grants	<u>96,734</u>	<u>124,054</u>	<u>(27,320)</u>
Total Revenues	<u>\$444,535</u>	<u>\$448,496</u>	<u>\$ (3,971)</u>

Expenses

The major change in operating expenses for the year ended June 30, 2009 was a increase in dispatch expenses and decrease in data processing and maintenance agreement expenses.

The following is a summary of operating expenses:

	2009	2008	Change
Dispatch expenses	\$ 8,049	\$ -	\$ 8,049
Audit services	3,500	3,500	-
Accounting services	6,000	6,000	-
Data processing services	28,444	39,392	(10,948)
Legal services	2,293	1,800	493
Maintenance agreements	4,493	13,904	(9,411)
Leased communications equipment	55,598	54,850	748
Lease expense	20,796	20,735	61
Repairs and maintenance	9,919	6,658	3,261
Office supplies	255	173	82
Postage	392	178	214
Utilities	2,488	2,219	269
Telephone	9,235	10,586	(1,351)
Dues	367	367	-
Insurance	1,541	1,746	(205)
Travel	6,911	2,969	3,942
Miscellaneous	867	1,970	(1,103)
Depreciation	<u>76,928</u>	<u>73,092</u>	<u>3,836</u>
Total expenses	<u>\$238,076</u>	<u>\$240,139</u>	<u>\$ (2,063)</u>

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Management's Discussion and Analysis

June 30, 2009

Cash Flows

Cash decreased \$197 for the year ended June 30, 2009.

The following is a summary of the Communications District's cash flows:

	2009	2008	Change
Cash Flows provided by operations	\$145,959	\$116,140	29,819
Cash Flows from Non-Capital Financing Activities	96,734	124,054	(27,320)
Cash Flows from Capital and Related Financing Activities	(63,797)	(98,367)	34,570
Cash Flows from Investing Activities	<u>(179,093)</u>	<u>(206,153)</u>	<u>27,060</u>
Change in cash	<u>\$ (197)</u>	<u>\$ (64,326)</u>	<u>\$ 64,129</u>

Capital Assets

The Communications District's investment in capital assets as of June 30, 2009 amounted to \$322,506, net of accumulated depreciation and related liabilities. Capital assets consist of computer equipment and buildings and building improvements. Investment in capital asset decreased by \$13,131 for the year. Depreciation expense was recorded in the amount of \$76,928 for the year.

	2009	2008	Change
Construction in progress	\$ 7,785	\$ -	\$ 7,785
Buildings	8,926	8,926	-
Equipment	<u>849,892</u>	<u>781,474</u>	<u>68,418</u>
Total property and equipment	866,603	790,400	76,203
Accumulated depreciation	<u>531,691</u>	<u>454,763</u>	<u>76,928</u>
Property and equipment - net	324,912	335,637	(725)
Related liabilities	<u>12,406</u>	<u>-</u>	<u>12,406</u>
Investment in capital assets	<u>\$322,506</u>	<u>\$335,637</u>	<u>\$ (13,131)</u>

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Management's Discussion and Analysis

June 30, 2009

Capital Assets - continued

Changes in investment in capital assets - net of related debt are as follows:

Acquisition of capital assets	
Construction in progress - tower	7,785
Server	12,406
Hard drives	2,538
Projector	820
Scanner	9,460
Activevoice equipment	35,084
Repeater	<u>8,110</u>
Total additions	76,203
Depreciation	(76,928)
Decrease in accounts payable equipment	<u>(12,406)</u>
 Change in investment in capital assets - net of related debt	 (13,131)
 Investment in capital assets - net of related debt - beginning of year	 <u>335,637</u>
 Investment in capital assets - net of related debt - end of year	 <u>\$322,506</u>

Economic Factors and Future Outlook

In light of the new Homeland Security requirements and the mandated requirements laid out by the Federal Communications Commission concerning narrow band communications the Dickson County Emergency Communications District understands we must focus our decisions and our budget on meeting those goals.

The Communications District's expectations for future improvements are as follows:

<u>Description</u>	<u>Estimated Cost</u>	<u>Funding</u>
Narrow band repeaters	\$100,000	100% local
Homeland Security		
Trunking system	not available	not available
New tower at Buckner		
Park	\$250,000	100% local
Possible purchase of E-911		
Building	not available	100% local

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Balance Sheet

June 30, 2009

Assets

Current Assets

Cash	\$ 154,051
Certificates of deposit	700,000
Tariffs receivable	75,455
Interest receivable	875
Inventory	<u>1,400</u>
Total Current Assets	931,781

Property and Equipment - Net 334,912

Other Assets

Deposits 100

Total Assets \$1,266,793

Liabilities and Net Assets

Current Liabilities

Accounts payable	4,313
Accounts payable - construction	<u>12,406</u>
Total Current Liabilities	<u>16,719</u>

Net Assets

Invested in capital assets - net of related debt	322,506
Unrestricted	<u>927,568</u>
Total Net Assets	<u>1,250,074</u>

Total Liabilities and Net Assets \$1,266,793

The accompanying notes are an integral part of these financial statements.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended June 30, 2009

<u>Operating Revenues</u>	
Emergency telephone service charge	\$ 199,164
State Emergency Communications Board - shared wireless charge	<u>129,257</u>
Total Operating Revenues	<u>328,421</u>
 <u>Operating Expenses</u>	
Dispatcher expenses	8,049
Audit services	3,500
Accounting services	6,000
Data processing services	28,444
Legal Services	2,293
Maintenance agreements	4,493
Leased communication equipment	55,598
Lease expense	20,796
Repairs and maintenance - communications equipment	9,919
Office supplies	255
Postage	392
Utilities	2,488
Telephone	9,235
Dues	367
Insurance	1,541
Travel	6,911
Miscellaneous	867
Depreciation	<u>76,928</u>
Total Expenses	<u>238,076</u>
Income (Loss) from Operations	<u>90,345</u>
 <u>Non-operating Revenues (Expenses)</u>	
Interest income	19,370
State Emergency Communication Board - grants & reimbursements	<u>96,734</u>
Total Non-operating Revenues (Expenses)	<u>116,104</u>
Change in Net Assets	206,449
<u>Net Assets</u> - beginning of year	<u>1,043,625</u>
<u>Net Assets</u> - end of year	<u>\$1,250,074</u>

The accompanying notes are an integral part of these financial statements.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Cash Flows

For the Year Ended June 30, 2009

<u>Cash Flows from Operations</u>	
Cash received from telephone tariffs	\$305,790
Cash paid to suppliers	<u>(159,831)</u>
Total Cash Provided by Operations	<u>145,959</u>
<u>Cash Flows from Non-Capital Financing Activities</u>	
State Emergency Communication Board Grants	<u>96,734</u>
Cash Provided by Non-Capital Financing Activities	<u>96,734</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of property and equipment	<u>(63,797)</u>
Cash Used by Capital and Related Financing Activities	<u>(63,797)</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of certificate of deposit	(199,942)
Interest income received	<u>20,849</u>
Cash Provided from Investing Activities	<u>(179,093)</u>
Total Decrease in Cash	(197)
<u>Cash</u> - beginning of year	<u>154,248</u>
<u>Cash</u> - end of year	<u>\$154,051</u>
Reconciliation of Net Operating Income to Net Cash Flows from Operating Activities	
Net Operating Income	\$ 90,345
Adjustment to reconcile excess revenues and other sources over expenses to net cash provided by operating activities	
Depreciation	76,928
(Increase) decrease in:	
Accounts receivable	(22,631)
Increase (decrease)	
Accounts payable	<u>1,317</u>
Net Cash Provided by Operations	<u>\$145,959</u>

Non cash capital investments amounted to \$12,406.

The accompanying notes are an integral part of these financial statements.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2009

Note 1 - Summary of Significant Accounting Policies

Business Activity - The Dickson County Emergency Communications District was created to provide enhanced emergency telephone communications service (E-911) within Dickson County.

Component Unit - The District is a component unit of Dickson County, Tennessee. Dickson County's board of commissioners appoints a voting majority to the District's board and is able to influence the operations of the District by regulating the tariff charged by the District for emergency telephone service.

Method of Accounting - The District recognizes income and expenses on the accrual basis of accounting, whereby operating income is reported as earned and expenses are reported when incurred. The financial statements have been prepared in conformity with all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Accounts receivable - The Board reports trade receivables at net realized value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, if a receivable is determined to be uncollectible, it is written off through a charge against an existing allowance account or against earnings. As of June 30, 2009 no allowance for doubtful accounts was deemed necessary.

Inventories - Inventories are stated at the lower of cost or market value, with cost determined by using the first-in, first-out method (FIFO).

Property and Equipment - Property and equipment are stated at cost. . The Board capitalizes expenditures when an individual cost exceeds \$500 and its estimated useful life is three years or greater. Depreciation is computed by the straight-line method based on the following estimated useful lives:

	<u>Years</u>
Buildings	15 - 25
Equipment	3 - 10

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2009

Note 1 - Summary of Significant Accounting Policies - continued

Cash and Cash Equivalents - For purpose of reporting cash flows, cash and cash equivalents include cash and all highly liquid investments with an original maturity of three months or less.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Operating and Non-operating revenues - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues not meeting this definition are reported as non-operating revenues.

Concentrations of Credit Risk - The District grants credit to various telephone and cellular service providers in the form of emergency telephone tariffs collected by the providers from their customers. It is the providers responsibility to forward to the Dickson County Emergency Communications District tariffs collected.

Note 2 - Cash - At June 30, 2009 cash consisted of the following accounts:

	Bank <u>Balance</u>	Carrying <u>Value</u>
Operating account	\$155,128	\$154,051
Certificates of deposit	<u>700,000</u>	<u>700,000</u>
Total	<u>\$855,128</u>	<u>\$854,051</u>

The District is exposed to custodial credit risk of the District's cash deposits being lost due to bank failure. The bank mitigates this risk, by complying with State statutes, and adopting a policy to require the financial institutions holding cash deposits to be members of the Tennessee Collateral Pool or pledge collateral for deposits in excess of federal depository insurance. The collateral is required to be held by the District or its agent in the District's name.

The above amounts are deposited in various banks in Dickson County area. The balance in one of the accounts presently exceeds FDIC insurance levels, the excess amounts, \$50,000 as of June 30, 2009, is covered by collateral agreement between the bank and the Board.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2009

Note 2 - Cash - Continued

State statutes authorize the District to invest in obligations of the Federal government, Federal agencies, the State investment pool, certificates of deposit, other time deposits, and repurchase agreements. The District's investment policy follows State law which authorizes investments for emergency communications district in Tennessee Code Annotated Section 5-8-301. All of the District's temporary investments are in certificates of deposits.

Note 3 - Property and Equipment - At June 30, 2009, property and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
<u>Non-depreciable assets</u>		
Construction in progress	\$ 7,785	
<u>Depreciable assets</u>		
Buildings and improvements	8,926	\$ 6,773
Equipment	<u>849,892</u>	<u>524,918</u>
Total Equipment	866,603	<u>\$531,691</u>
Less: accumulated depreciation	<u>531,691</u>	
Property and equipment - net	<u>\$335,912</u>	

	<u>Balance June 31, 2008</u>	<u>Additions</u>	<u>Transfers & Disposals</u>	<u>Balance June 30, 2009</u>
<u>Non-depreciable assets</u>				
Construction in progress	\$ -	\$ 7,785	\$ -	\$ 7,785
<u>Depreciable assets</u>				
Buildings	8,926	-	-	8,926
Equipment	<u>781,474</u>	<u>68,418</u>	-	<u>849,892</u>
Total	<u>\$790,400</u>	<u>\$76,203</u>	<u>\$ -</u>	<u>\$866,603</u>

Depreciation expense for the year ended June 30, 2008 amounted to \$76,928.

Note 4 - Leases

The District has entered into an operating equipment lease with Bell South for telephone communications equipment. During the year ended June 30, 2009 the District made payments on this lease totaling \$55,598, the District has no long term lease obligations as a result of this lease.

During the year ended June 30, 2009, the District paid the City of Dickson \$18,000 for building and equipment rental under the terms of an operating lease which expires June 30, 2009. The District has no long term lease obligations as a result of this agreement.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2009

Note 4 - Leases

The District has entered into a long-term operating lease for land located in Dickson, Tennessee. Terms of the lease require annual lease payments of \$2,000 until May 2034

Future minimum lease payments as a result of the above leases are as follows:

2010	\$2,000
2011	2,000
2012	2,000
2013	2,000
2014	2,000
2015 - 2019	10,000
2020 - 2024	10,000
2025 - 2029	10,000
2030 - 2034	<u>10,000</u>
Total	<u>\$50,000</u>

Note 5 - Changes in investment in capital assets - net of related debt

Changes in investment in capital assets - net of related debt are as follows:

Acquisition of capital assets	
Construction in progress - tower	7,785
Server	12,406
Hard drives	2,538
Projector	820
Scanner	9,460
Activevoice equipment	35,084
Repeater	<u>8,110</u>
Total additions	76,203
Depreciation	(76,928)
Decrease in accounts payable equipment	<u>(12,406)</u>
Change in investment in capital assets - net of related debt	(13,131)
Investment in capital assets - net of related debt - beginning of year	<u>335,637</u>
Investment in capital assets - net of related debt - end of year	<u>\$322,506</u>

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2009

Note 5 - Insurance Risk

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The district has an arrangement with the City of Dickson, Tennessee, whereby the City obtains general insurance coverage for the property of the District. The City participates in the Tennessee Municipal League Risk Management Pool (the Pool). The Pool operates as a common risk-sharing pool by which governments pool risks and funds and share in the cost of losses. The District purchase commercial insurance for the risks of losses not covered by the Pool. These risks include general fidelity bond for the board of directors. Settled claims have not exceeded this commercial coverage in the last three years.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Revenues, Expenditures
and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Actual Over (Under) <u>Budget</u>
Revenues			
Emergency telephone tariffs - BellSouth	\$210,000	\$ 217,611	\$ 7,611
Emergency telephone tariffs - other	98,000	88,179	(9,821)
State Emergency Communication Board - grants & reimbursements	144,000	96,734	(47,266)
Interest income	<u>8,000</u>	<u>20,849</u>	<u>12,849</u>
Total Revenues	<u>460,000</u>	<u>423,373</u>	<u>(36,627)</u>
Expenditures			
Dispatcher expenses		8,049	8,049
Audit services	3,500	3,500	-
Accounting services	6,000	6,000	-
Data processing services	23,000	28,444	5,444
Legal services	3,000	1,950	(1,050)
Maintenance agreements	15,000	4,493	(10,507)
Leased communications equipment	52,200	55,598	3,398
Lease expense buildings & facilities	20,735	20,796	61
Repairs & maintenance	20,000	8,612	(11,388)
Office supplies	1,500	255	(1,245)
Postage	210	392	182
Utilities	2,500	2,518	18
Telephone	10,980	9,773	(1,207)
Other supplies	10,000	-	(10,000)
Dues	400	367	(33)
Licenses and fees	5,000	-	(5,000)
Insurance	1,750	1,541	(209)
Travel	3,500	6,911	3,411
Miscellaneous	1,000	633	(367)
Construction in progress	300,000	7,785	(292,215)
Equipment purchases	<u>70,000</u>	<u>68,418</u>	<u>(1,582)</u>
Total Expenditures	<u>550,275</u>	<u>236,035</u>	<u>(314,240)</u>
Excess (deficiency) of revenues over expenditures	(90,275)	187,338	277,613
Net Assets, beginning of year	<u>1,043,625</u>	<u>1,043,625</u>	<u>-</u>
Net Assets, end of year	<u>\$ 953,350</u>	<u>\$1,230,963</u>	<u>\$277,613</u>

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Revenues, Expenditures
and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2009

The District budgets its revenues and expenses on a non-GAAP basis. The statement of revenues, expenses and changes in net assets presented on page 9 has been converted to this non-GAAP basis for purposes of comparison. Reconciliation of revenues and expenses between GAAP and budget basis is as follows:

Revenues (GAAP basis)	\$444,525
Increase in amounts due for tariffs	(22,631)
Increase in interest receivable	<u>1,480</u>
Revenues (budget basis)	<u>\$423,374</u>
Expenses (GAAP basis)	\$238,076
Increase in accounts payable	(1,316)
Depreciation expense	(76,928)
Equipment purchases	<u>76,203</u>
Expenditures (budget basis)	<u>\$236,035</u>

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Officials Bonds

June 30, 2009

The District maintains fidelity bonds on individuals authorized to sign checks for the District. At June 30, 2009 the following surety bonds were in force:

Chairman	\$200,000
Vice-chairman	200,000
Treasurer	200,000

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Information Required by Tennessee Regulatory Board

June 30, 2009

The following information is required by the Tennessee Regulatory Board.

a. The number of public safety answering point: one

b. The address of each public safety answering point:

202 South Main Street
Dickson, Tennessee 37055

c. The type of system/equipment and data base used be each public answering point:

Positron equipment
VisionAir cad System

d. Name, address, telephone number, fax number of the director of the emergency communications district.

Captain Larry M. Bruce
202 South Main Street
Dickson, Tennessee 37055
615-446-2151
615-441-5185 (fax)

e. Name, address, telephone number, fax number of the chairman of the emergency communications district.

Tom Wall
P.O. Box 177
146 County Jail Drive
Dickson, TN 37056
615-789-4130
615-789-4185 (fax)

JOHN J. MICHIE
Certified Public Accountant
2108 B WESTWOOD AVENUE
NASHVILLE, TENNESSEE 37212

TELEPHONE
(615) 383-8806

FACSIMILE
(615) 986-5551

Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with Governmental Auditing Standards

Board of Directors
Dickson County Emergency
Communications District
Dickson, Tennessee

I have audited the financial statements of Dickson County Emergency Communications District, a component unit of Dickson County, Tennessee, for the year ended June 30, 2009, and have issued my report thereon dated December 2, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My 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 described below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Dickson 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 the Dickson County Emergency Communications District's financial statements that is more than inconsequential will not be prevented or detected by the Dickson County Emergency Communications District's internal control.

Board of Directors
Dickson County Emergency
Communications District
Page Two
December 2, 2009

I considered the deficiency described in the accompanying schedule of findings and questioned costs Number 1 to be a significant deficiency in internal control over financial reporting.

The Dickson County Emergency Communications District's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the Dickson County Emergency Communications District's responses and, accordingly, I express no opinion on them.

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 Dickson County Emergency Communications District's internal control.

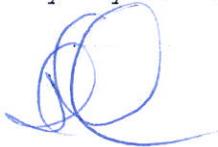
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickson County Emergency Communications District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item Number 2.

Dickson County Emergency Communications District's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Dickson County Emergency Communications District's response and, accordingly, I express no opinion on it.

This report is intended for the information of the management of the Dickson County Emergency Communications District, the County of Dickson, and the State of Tennessee, Comptroller's office and is not intended to be and should not be used by anyone other than these specified parties.



December 2, 2009

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2009

SIGNIFICANT DEFICIENCIES INVOLVING INTERNAL CONTROL STRUCTURE
BASED ON AUDIT OF GENERAL
PURPOSE FINANCIAL STATEMENTS

1. Finding

Accounting functions do not appear to adequately separated. Good internal accounting controls mandate that no one person should perform all phases of the transaction cycle from beginning to end. The District's bookkeeper is responsible for collecting tariffs, making deposits, writing and recording disbursements and reconciling bank statements. The Uniform Accounting Manual for Tennessee Municipalities, Section 06-7-0, provides the requirements for establishing an adequate system of internal control. Without proper segregation of duties, accounting errors or irregularities may occur and not be detected.

Recommendation

To strengthen internal controls, I recommend that the District establish a simple and flexible organizational plan which clearly places responsibility for specific activities upon specified individuals. I also recommend that the Board of Directors enforce the division of duties and provide a system of checks and balances so that no one person has control over a complete transaction.

Municipality's Response

The District is unable to completely separate duties because of the very limited staff available to perform the duties. However, the Board has implemented a new system of policies and procedures in order to strengthen internal control and provide proper separation of duties.

REPORTABLE CONDITIONS INVOLVING COMPLIANCE
BASED ON AUDIT OF GENERAL
PURPOSE FINANCIAL STATEMENTS

2. Finding

During the year ended June 30, 2009 the District expended funds in several expense categories in excess of adopted budget.

Recommendation

I recommend the District closely monitor expenditures to ensure amounts remain within adopted budget guidelines, and if necessary, amend the budget for unforeseen expenditures.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2009

Municipality's Response

The District will implement the above recommendations and closely monitor individual account expenditures in order to remain within budgetary guidelines and if necessary amend the budget for expenditures not taken into account when the original budget was prepared.

DICKSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Auditor's Comments on Audit Resolution Matters Relating to Prior Findings

Internal Control Structure

June 30, 2009

Finding No. 1 Accounting functions are not adequately separated.

Status Due to limited personnel the District continues to be unable to adequately segregate accounting functions. This finding is repeated in present year's findings and recommendation.

Auditor's Comments on Audit Resolution Matters Relating to Prior Findings

Compliance with Laws and Regulations

Finding No. 2 District expended funds in excess of adopted budget

Status During the year ended June 30, 2008 the District expended funds in several categories in excess of adopted budget. This finding is repeated in present year's findings and recommendation.