JEFFERSON COUNTY E-911

Jefferson City, Tennessee

ANNUAL FINANCIAL REPORT
WITH SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2009

and

INDEPENDENT AUDITOR'S REPORT

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

ANNUAL FINANCIAL REPORT
WITH SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2009

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JEFFERSON COUNTY E-911

Jefferson City, Tennessee

SCHEDULE OF BOARD OF DIRECTORS

June 30, 2009

Members of the Board of Directors are as follows:

David Davenport	Chairman
Darrell Helton	Vice Chairman
Barbara Sheets	Secretary
David Voiles	Member
Chuck McSpadden	Member
Alan Palmieri	Member
Brad Phillips	Member
Billy John Cureton	Member
Sammy Solomon	Member

BROWN JAKE & McDANIEL, PC
CERTIFIED PUBLIC ACCOUNTANTS
2607 KINGSTON PIKE, SUITE 110
KNOXVILLE, TENNESSEE 37919-3336
865/637-8600 • fax: 865/637-8601

JOE L. BROWN, CPA, CGFM
MARILYN JAKE, CPA
FRANK D. McDANIEL, CPA, CGFM
TERRY L. MOATS, CPA
JAMES E. BOOHER, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
Jefferson County E-911
Jefferson City, Tennessee

We have audited the accompanying statement of net assets of Jefferson County E-911, a component unit of Jefferson County, Tennessee, as of and for the year ended 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 Jefferson County E-911'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 Jefferson County E-911 as of 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 December 28, 2009, on our consideration of Jefferson County E-911'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 conjunction with this report in considering the results of our audit.

The Management's 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.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplementary financial information on pages 17 through 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Brown Lake & McDaniel, PC

December 28, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2009

The financial statements of Jefferson County E-911 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The Statement of Net Assets include all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. The statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its fees, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balances during the reporting period.

Table 1

Condensed Statement of Net Assets

	June 30, 2009	June 30, 2008	Increase (Decrease)	%
Current and other assets	$ 253,895	$ 236,547	$ 17,348	7.33%
Capital assets	76,360	111,552	(35,192)	-31.55%
Total assets	$ 330,255	$ 348,099	$(17,844)	-5.13%
Long-term liabilities	$ -	$ -	$ -	- %
Current liabilities	94,256	94,109	147	0.16%
Total liabilities	$ 94,256	$ 94,109	$ 147	0.16%
Invested in capital assets	$ 76,360	$ 111,552	$(35,192)	-31.55%
Unrestricted	159,639	142,438	17,201	12.08%
Total net assets	$ 235,999	$ 253,990	$(17,991)	-7.08%

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

One way to measure financial health of a company is to look at its increases or decreases in net assets over time. Increases in net assets, in general, are signs that a company's financial health is improving. Decreases may indicate that its financial health is deteriorating. However, you will need to also consider non-financial factors such as economic conditions, service growth, and legislative mandates.

Jefferson County E-911's total net assets decreased $17,991 from last year. The decrease resulted from an increase in operating expense.

Table 2

Statement of Revenues, Expenses, and Changes in Net Assets

	June 30, 2009	June 30, 2008	Increase (Decrease)	%
Operating revenue	$ 567,920	$ 526,271	$ 41,649	7.91%
Non-operating revenue	401,100	402,172	(1,072)	-0.27%
Total revenues	969,020	928,443	40,577	4.37%
Direct operating expenses	536,908	505,384	31,524	6.24%
General and administrative expenses	416,053	423,724	(7,671)	-1.81%
Depreciation expense	44,050	40,310	3,740	9.28%
Total expenses	997,011	969,418	27,593	2.85%
Income (loss) before capital grants	(27,991)	(40,975)	12,984	-31.69%
Capital grants	10,000	47,383	(37,383)	-78.90%
Change in net assets	(17,991)	6,408	(24,399)	-380.76%
Beginning net assets	253,990	247,582	6,408	2.59%
Ending net assets	$ 235,999	$ 253,990	$(17,991)	-7.08%

As can be seen in Table 2, the change in net assets (formerly known as "net income") decreased from the prior year by $24,399. The primary reason for this was a decrease in operational and other grant money from the State of Tennessee.

MANAGEMENT'S DISCUSSION AND ANAYLSIS
(Continued)

Table 3

Capital Assets, Net of Accumulated Depreciation

	June 30, 2009	June 30, 2008	Increase (Decrease)
Capital assets, net	$ 76,360	$ 111,552	$ (35,192)

This year's capital additions include:

Operating equipment	$ 8,858
Total additions	$ 8,858

There are no large planned capital outlays for 2010 at present.

At June 30, 2009, the District had no outstanding long-term debt.

There were no significant variations from fiscal year 2009 budgeted operational expenditures and fiscal year 2009 actual operational expenditures. Fiscal year 2010 budget, approved in 2009, contains no significant operational increases or decreases from fiscal year 2009.

This financial report is designed to provide the public and creditors with an overview of the finances of the District and to demonstrate accountability for the money received. If there are questions, comments, or requests for additional information pertaining to this report, please contact:

Mr. David Davenport, Chairman
Jefferson County E-911
112 W. Broadway Blvd.
Jefferson City, TN 37760

Phone (865) 475-4911

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	
Current assets:	
Cash and cash equivalents	$ 141,011
Accounts receivable:	
Customers	47,263
State awards	48,340
Employee advances	2,343
Prepaid expenses	14,938
Total current assets	253,895
Capital assets:	
Capital assets, net of accumulated depreciation totaling $680,023	76,360
Total assets	$ 330,255
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accrued vacation leave	$ 21,241
Other current liabilities	73,015
Total liabilities	94,256
Net assets:	
Invested in capital assets	76,360
Unrestricted	159,639
Total net assets	235,999
Total liabilities and net assets	$ 330,255

See accompanying notes to basic financial statements.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2009

Operating revenue:	
Emergency telephone surcharges	$ 309,011
State shared wireless charges	114,250
State of Tennessee operational and other funding	135,074
Other	9,585
	567,920
Operating expenses:	
Salaries and wages	536,908
Employee benefits	212,356
Contracted services	144,135
Supplies and materials	26,978
Other charges	32,584
	952,961
Operating margin (loss) before depreciation	(385,041)
Depreciation expense	44,050
Operating margin (loss)	(429,091)
Non-operating revenue (expense):	
Interest income	1,100
Contribution from primary government	400,000
	401,100
Income (loss) before capital grants	(27,991)
Capital grants - State of Tennessee	10,000
Change in net assets	(17,991)
Net assets, beginning of the year	253,990
Net assets, end of the year	$ 235,999

See accompanying notes to basic financial statements.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2009

Cash flows from operating activities:	
Cash received from service fees and other operating revenues	$ 435,045
Cash received from state government	63,407
Cash paid to suppliers for goods and services	(409,928)
Cash paid to employees for services provided	(540,192)
Net cash used by operating activities	(451,668)
Cash flows from noncapital financing activities:	
Contribution from primary government	400,000
Net cash provided by noncapital financing activities	400,000
Cash flows from capital and related financing activities:	
Communication and operating equipment additions	(8,858)
Grant revenues received - State of Tennessee	46,831
Net cash provided by capital and related financing activities	37,973
Cash flows from investing activities:	
Interest income on investments	1,100
Net cash provided by investing activities	1,100
Net decrease in cash and cash equivalents	(12,595)
Cash and cash equivalents, beginning of the year	153,606
Cash and cash equivalents, end of the year	$ 141,011

Reconciliation of operating margin (loss) to net cash used by operating activities:	
Operating margin (loss)	$ (429,091)
Adjustments to reconcile operating margin (loss) to net cash used by operating activities:	
Depreciation	44,050
Increase in receivables	(69,469)
Decrease in prepaid expenses	2,694
Decrease in accounts payable	(3,896)
Decrease in accrued vacation leave	(3,284)
Increase in other current liabilities	7,328
Net cash used by operating activities	$ (451,668)

See accompanying notes to basic financial statements.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

1. Summary of Significant Accounting Policies

General Statement

Jefferson County E-911 (the District) is a 911 service which receives telephone requests for emergency services and provides for the dispatch of appropriate emergency service units. Jefferson County E-911 is a component unit of another governmental entity. Jefferson County, Tennessee is the primary government in whose financial reporting entity Jefferson County E-911 is included. The District receives a significant portion of its income from the tax revenues of Jefferson County. Also, Jefferson County's legislative body approves board members, debt issues, telephone surcharge rate changes and annual budgets of Jefferson County E-911.

The criteria for including organizations as component units within a County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is a fiscal dependency by the organization on the County

Basis of Presentation

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the District has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the District are described below.

The entity is a proprietary fund type known as an Enterprise Fund. The Enterprise Fund is used to account for operations that are financed and

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

operated in a manner similar to private business enterprises where the costs are financed through user charges.

Proprietary funds are accounted for on a "flow of economic resources" measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net assets.

Methods of Accounting

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Net Assets

The District follows the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It requires the classification of net assets into three components - 1) invested in capital assets, net of related debt service, 2) restricted for debt service, and 3) unrestricted.

Cash and Cash Equivalents

For purposes of these financial statements, the District considers all highly liquid investments having original maturity dates of three months or less to be cash equivalents.

Budgetary Principles

Prior to the beginning of the fiscal year, the Board of Directors adopts an annual budget. All revisions must be approved by the Board. All annual appropriations lapse at fiscal year end.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Budgetary Principles (Continued)

The District prepares its budget on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). The major difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP). At June 30, 2009, the District had no encumbrances.

Capital Assets

Capital assets owned by the District are recorded at cost, or if contributed property, at their fair market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating and Non-Operating Revenues

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2. Cash, Cash Equivalents and Deposits

Cash consisted of the following at June 30, 2009:

Cash in bank	$ 70,084
Certificate of deposit	70,926
	$ 141,010

At June 30, 2009, all of the District's deposits were either insured by federal depository insurance or guaranteed by bank participation in the Tennessee Bank Collateral Pool. Investment policies of the District follow state law and bond requirements prohibiting investments that are not secured or insured by the U.S. Government.

3. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Depreciation Rates
Capital assets, being depreciated:					
Leasehold improvements	$ 23,765	$ -	$ -	$ 23,765	5.0 - 20.0%
Office equipment and furniture	87,578	-	-	87,578	14.3 - 33.3%
Operating equipment	394,222	8,858	-	403,080	14.3 - 20.0%
Communication equipment	219,182	-	-	219,182	14.3 - 20.0%
Vehicle	22,778	-	-	22,778	
Total capital assets, being depreciated	747,525	8,858	-	756,383	
Less accumulated depreciation for:					
Leasehold improvements	(21,232)	(1,246)	-	(22,478)	
Office equipment and furniture	(43,135)	(12,066)	-	(55,201)	
Operating equipment	(352,315)	(18,312)	-	(370,627)	
Communication equipment	(196,513)	(12,426)	-	(208,939)	
Vehicle	(22,778)	-	-	(22,778)	
Total accumulated depreciation	(635,973)	(44,050)	-	(680,023)	
Total capital assets, being depreciated, net	111,552	(35,192)	-	76,360	
Total net capital assets	$ 111,552	$ (35,192)	$ -	$ 76,360	

Depreciation charged to expense totaled $44,050 for the year ended June 30, 2009.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4. Compensated Absences

The vacation year is a calendar year beginning January 1 and ending December 31. Regular full-time employees accrue one day of vacation per month. After five years of service, employees accrue one and one-half days of vacation per month. Employees on vacation are paid at the regular rate of pay during such leave. Employees may accrue annual vacation leave up to a maximum of thirty days. Unpaid vacation leave totaled $21,241 for the year ended June 30, 2009.

Sick leave is earned by regular full-time employees at the rate of one day per month. Employees may accumulate sick leave up to a maximum of one hundred twenty days. It is management's belief that sick leave does not vest, and therefore, no accrual of such leave has been made.

5. Retirement Plan

Plan Description

Effective July 1, 2004, employees of Jefferson County E-911 became members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The prior Section 457(k) defined contribution retirement plan was terminated at that time. The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Jefferson County E-911 participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

5. Retirement Plan (Continued)

Funding Policy

Jefferson County E-911 requires employees to contribute 5.0 percent of earnable compensation.

Jefferson County E-911 is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009 was 6.31% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Jefferson County E-911 is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2009, Jefferson County E-911's annual pension cost of $29,106 to the TCRS was equal to Jefferson County E-911's required and actual contributions. The required contribution was determined as part of the initial actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 3.0 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Jefferson County E-911's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2009	$29,106	100.00%	$0.00
June 30, 2008	33,647	100.00%	0.00
June 30, 2007	30,148	100.00%	0.00
June 30, 2006	26,239	100.00%	0.00

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

5. Retirement Plan (Continued)

Schedule of Funding Progress

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2007	$171	$157	$(14)	108.92%	$347	-4.03%

6. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all of these risks of loss. There have been no claims in the prior three years.

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Jefferson City, Tennessee

SCHEDULE OF EXPENDITURES OF STATE AWARDS

June 30, 2009

Description	Project Number	CFDA Number	Balance July 1, 2008	Receipts and Loans Received	Expenditures and Loans Paid	Balance June 30, 2009
Grants:						
Tennessee Department of Commerce and Insurance - Dispatcher Training	N/A	N/A	$ -	$ -	$ 30,993	$ 30,993
Tennessee Department of Commerce and Insurance - ECD/PSAP Essential and Necessary Equipment	N/A	N/A	36,832	36,832	-	-
Tennessee Department of Commerce and Insurance - GIS Mapping Maintenance	N/A	N/A	-	10,000	10,000	-
Tennessee Department of Commerce and Insurance - Operational Funding Distribution - 2008	N/A	N/A	-	86,734	104,081	17,347
Total Grants			$ 36,832	$133,566	$ 145,074	$ 48,340

See independent auditor's report.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

SCHEDULE OF BUDGET VS. ACTUAL REVENUES AND EXPENSES

For the Fiscal Year Ended June 30, 2009

	Budget	Actual
Operating revenues:		
Emergency telephone surcharges	$ 366,000	$ 309,011
State shared wireless charges	67,000	114,250
State reimbursement	73,000	135,074
Other	7,675	9,585
Total operating revenues	513,675	567,920
Operating expenses:		
Directors salary	47,362	47,362
Administrative personnel	34,445	34,445
Telecommunicators	269,473	269,473
Overtime pay	56,804	56,804
Part-time pay	45,536	45,536
Addressing/training coordinator	31,216	31,216
Holiday pay	11,680	11,680
Longevity pay	5,400	5,400
Sick leave	17,846	17,846
Vacation pay	17,146	17,146
Social security	33,907	33,907
Medicare	7,930	7,930
Life insurance	1,031	1,031
Health insurance	137,439	137,439
Unemployment taxes	2,637	2,637
Retirement contributions	29,412	29,412
Addressing/mapping expenses	250	250
Audit services	6,532	6,532
Accounting services	540	540
Administrative fees - service charge	2,780	2,780
Fees paid to service providers	90,000	86,877
Legal fees	1,000	916
Maintenance and repairs - equipment	52,414	43,062
Maintenance and repairs - building	2,500	69
Maintenance and repairs - vehicle	1,500	1,309
Tower rental	1,800	1,800
Office supplies	7,000	5,214
Data processing supplies	750	152
Postage	700	330
Small equipment purchases	3,000	453
Uniforms and shirts	3,108	3,108
Utilities - electric	1,500	1,200
Utilities - gas	300	187
Utilities - general telephone	12,500	11,461
Utilities - cell phone and pagers	2,000	4,825
Language lines	1,000	48
Board meeting expenses	1,500	616
Dues and memberships	400	169
Insurance - workers compensation	12,000	10,451
Insurance - equipment	7,887	7,887
Insurance - vehicle	1,200	1,082
Premiums on surety bonds	1,750	1,050
Training expenses	15,000	7,779
Fuel costs	7,000	1,009
Miscellaneous	3,000	2,541
Total operating expenses	990,175	952,961
Operating margin (loss) before depreciation	(476,500)	(385,041)
Depreciation expense	-	44,050
Operating margin (loss)	(476,500)	(429,091)
Non-operating income (expense):		
Interest income	1,500	1,100
Contribution from primary government	400,000	400,000
Total non-operating income (expense)	401,500	401,100
Income (loss) before capital contributions	(75,000)	(27,991)
Capital contributions	-	10,000
Change in net assets	$ (75,000)	$ (17,991)

See independent auditor's report.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

SCHEDULE OF OPERATING EXPENSES

For the Fiscal Year Ended June 30, 2009

Operating expense:	
Salaries and wages:	
Director	$ 47,362
Administrative personnel	34,445
Telecommunicators	269,473
Overtime pay	56,804
Part-time personnel	45,536
Addressing/training coordinator	31,216
Holiday pay	11,680
Longevity pay	5,400
Sick leave	17,846
Vacation pay	17,146
Total salaries and wages	536,908
Employee benefits:	
Social security	33,907
Medicare	7,930
Life insurance	1,031
Health insurance	137,439
Unemployment taxes	2,637
Retirement contributions	29,412
Total employee benefits	212,356
Contracted services:	
Addressing/mapping expenses	250
Audit services	6,532
Accounting services	540
Administrative fees - service charge	2,780
Fees paid to service providers	86,877
Legal fees	916
Maintenance and repairs - equipment	43,062
Maintenance and repairs - building	69
Maintenance and repairs - vehicle	1,309
Tower rental	1,800
Total contracted services	144,135
Supplies and materials:	
Office supplies	5,214
Data processing supplies	152
Postage	330
Small equipment purchases	453
Uniforms and shirts	3,108
Utilities - electric	1,200
Utilities - gas	187
Utilities - general telephone	11,461
Utilities - cell phones and pagers	4,825
Language lines	48
Total supplies and materials	26,978
Other charges:	
Board meeting expenses	616
Dues and memberships	169
Insurance - workers compensation	10,451
Insurance - liability	7,887
Insurance - vehicle	1,082
Premiums on surety bonds	1,050
Training expenses	7,779
Fuel costs	1,009
Miscellaneous	2,541
Total other charges	32,584
Total operating expenses	$952,961

See independent auditor's report.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

SCHEDULE OF TELEPHONE SURCHARGE RATES

June 30, 2009

Residential	$1.00/ month
Commercial	$3.00/ month
Wireless	$1.00/ month

See independent auditor's report.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

SCHEDULE OF INSURANCE COVERAGES

June 30, 2009

Commercial property and general liability:		
Property	$	324,480
General liability		2,000,000 (aggregate)
		1,000,000 (per occurrence)
Management liability		2,000,000 (aggregate)
		1,000,000 (per occurrence)
		5,000 (injunctive relief)
Business auto:		
Liability		1,000,000
Uninsured motorists		1,000,000
Employee dishonesty bond		100,000
Workers compensation		Statutory

See independent auditor's report.

JEFFERSON COUNTY E-911

Jefferson City, Tennessee

SCHEDULE OF INFORMATION REQUIRED BY THE
TENNESSEE EMERGENCY COMMUNICATIONS BOARD

June 30, 2009

Number of Public Safety Answering Points:	1
Location:	112 W. Broadway Blvd. Jefferson City, TN 37760
Type of System/Equipment and Database:	Positron Lifeline 100 1AP Plus Console Mount FOX Pro Database Zetron Consoles E.T. Software CAD Database
Director:	Marcus Reed P.O. Box 705 Jefferson City, TN 37760 (865) 475-4911 (865) 475-8881 Fax
Chairman of the Board:	Mr. David Davenport P.O. Box 705 Jefferson City, TN 37760 (865) 475-4911 (865) 475-8881 Fax

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MEMBERS
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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*

Board of Directors
Jefferson County E-911
Jefferson City, Tennessee

We have audited the financial statements of Jefferson County E-911 (the District), a component unit of Jefferson County, Tennessee, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

This report is intended solely for the information and use of the Board of Directors, management and the State of Tennessee and is not intended to be and should not be used by anyone other than these specified parties.

Brown Jake & McDaniel, PC

CERTIFIED PUBLIC ACCOUNTANTS

December 28, 2009