

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009
AND
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Introductory Section

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
 A COMPONENT UNIT OF STEWART COUNTY
 FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
 Year Ended June 30, 2009

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STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
ROSTER OF BOARD MEMBERS
Year Ended June 30, 2009

Steve Douglass, Chairman
PO Box 309
Dover, TN 37058

Jim Darke, Treasurer
211 Deerfield Farm Road
Dover, TN 37058

Greg Barrow
119 Hillcrest Drive
Dover, TN 37058

Roger Allen
303 Natcor Drive
Dover, TN 37058

Jason Gillespie
PO Box 40
Cumberland City, TN 37050

Terry Watson
270 Shane Lee Circle
Dover, TN 37058

Jeff Milton
353 Leatherwood Road
Dover, TN 37058

Donna Lancaster
309 Castle Lane
Dover, TN 37058

John Vinson
534 Bumpus Mills Road
Dover, TN 37058

Management's Discussion

And

Analysis

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2009

The following discussion and analysis of the Stewart County E-911 Communications District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2009. Management encourages readers to consider the information presented here in conjunction with the accompanying financial statements and notes to the financial statements following this section.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$583,246 (net assets) for the year ended June 30, 2009. This compares to the previous year when assets exceeded liabilities by \$525,784.
- Total net assets are comprised of the following:
 - (1) Capital assets of \$76,482, includes communications equipment, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$506,766 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- Total liabilities of the District decreased by \$83 to \$4,734 during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) fund financial statements, and (2) notes to the financial statements. The District also includes in this report additional information to supplement the basic financial statements.

Fund Financial Statements

A fund is established to account for a specific activity or purpose. Law mandates the creation of some funds. Other funds are established by management to demonstrate financial compliance with budget or legal requirements. The Stewart County E-911 Communications District is a component unit of Stewart County and is accounted for as a proprietary fund.

Proprietary Funds

There are two types of proprietary funds. These are *enterprise funds* and *internal service funds*. The District is accounted for as an enterprise fund. *Enterprise funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises. Services are provided to customers external to the District.

Notes to the Financial Statements

The notes to the financial statements provide information essential to a full understanding of the fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain information required by the Tennessee Emergency Communications Board such as budget versus actual comparisons and a schedule of other information. This required supplementary information follows the notes to the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District. The District's net assets at June 30, 2009 are \$583,246. This is a \$57,462 increase over last year's net assets of \$525,784. A portion of the District's net assets (13 percent) reflects its investment in capital assets, such as office and communication equipment. The District uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. The remaining portion of net assets (87 percent) is available for future spending. The following table provides a summary of the District's net assets at June 30, 2009:

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 511,499	\$ 456,139
Capital assets	<u>76,481</u>	<u>74,462</u>
Total assets	<u>587,980</u>	<u>530,601</u>
Short-term liabilities	<u>4,734</u>	<u>4,817</u>
Total liabilities	<u>4,734</u>	<u>4,817</u>
Net assets:		
Invested in capital assets	76,481	74,462
Unrestricted	<u>506,765</u>	<u>451,322</u>
Total net assets	<u>\$ 583,247</u>	<u>\$ 525,784</u>

The District reported positive balances in net assets for both years. Total assets increased \$57,379 while total liabilities decreased \$83. As a result, total net assets increased \$57,462. The District's overall financial position improved during the fiscal year 2009.

Business-type Activities

The District's activities increased net assets by \$57,462. The costs of the District's activities this year were \$149,455. The amounts paid by users of the operations were \$113,657. The additional revenue sources include interest of \$11,045 and state grants of \$82,215. Comparative data is accumulated and presented in the following table to assist analysis.

	<u>2009</u>	<u>2008</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 113,6578	\$ 112,380
General Revenues:		
Interest	11,045	17,048
Other	<u>82,215</u>	<u>87,215</u>
Total Revenues	<u>206,917</u>	<u>216,643</u>
Expenses:		
Program Expenses:	<u>149,455</u>	<u>145,928</u>
Total Expenses	<u>149,455</u>	<u>145,928</u>
Change in Net Assets	57,462	70,715
Beginning Net Assets	<u>525,784</u>	<u>455,069</u>
Ending Net Assets	<u>\$ 583,247</u>	<u>\$ 525,784</u>

BUDGETARY HIGHLIGHTS

The budget for fiscal year 2009 was \$199,611. This was an increase of \$1,996 from the previous year's budget. This budget change is due to a small decrease in state grants that were anticipated in 2008. There is also a small increase in depreciation expense due to a new equipment purchase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2009 was \$76,482, an increase of 2.7 percent. This investment in capital assets is for a propane tank and new communications equipment. Additional information on the District's capital assets can be found in note D in the notes to the financial statements included in the basic financial statements.

Long-term Debt

The District had no long-term or short-term debt during the current or prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's revenue is dependent upon the number of subscribers to telephone service. In recent years the number of subscribers has continued to increase, especially with the increase in cellular telephone use. Economic factors do not appear to have a substantial impact on revenue. Telephone service is considered more of a necessity than a luxury and therefore its use does not increase or decrease with changes in the economy.

These factors were taken into consideration in preparing the budget for the year ended June 30, 2010. The District's customer base is expected to remain fairly stable. New equipment purchases are also expected to remain fairly consistent increasing slightly as technology improves. Cash reserves have also increased in recent years and money has been converted into interest bearing certificates of deposit. In total the expected amount of grants and reimbursements from the state have been reduced.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the District's Board of Directors, at PO Box 751, Dover, Tennessee 37058.

Financial Section



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A PROFESSIONAL SERVICE CORPORATION

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Board of Directors
Stewart County E-911 Communications District
Dover, Tennessee

INDEPENDENT AUDITOR'S REPORT

We have audited the Statement of Net Assets of Stewart County E-911 Emergency Communications District, a component unit of Stewart County, Tennessee as of June 30, 2009, and the related Statement of Activities, and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Stewart County E-911 Emergency Communication District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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, and the Audit Manual for Governmental Units and Recipients of Grant Funds published by the Tennessee office of the Comptroller of the Treasury. 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 Stewart County E-911 Emergency Communication District as of June 30, 2009, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2009, on our consideration of Stewart County E-911 Emergency Communication 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 and 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 is important for assessing the results of our audit.

The Management's Discussion and Analysis information on pages 2 through 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stewart County E-911 Emergency Communication District's basic financial statements. The financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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

Thurman, Campbell Group, PLC
November 6, 2009

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
STATEMENT OF NET ASSETS – PROPRIETARY FUND
June 30, 2009

<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 504,117
Accounts receivable	7,382
	511,499
Total current assets	
Noncurrent Asset:	
Property, plant and equipment	233,568
Less accumulated depreciation	(157,086)
	76,482
Total noncurrent assets	
	587,981
Total assets	
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,734
	4,734
Total current liabilities	
<u>NET ASSETS</u>	
Invested in capital assets	76,482
Unrestricted net assets	506,765
	583,247
Total net assets	
	\$ 583,247

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

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS – PROPRIETARY FUND
Year Ended June 30, 2009

OPERATING REVENUES	
Emergency telephone service charge–Tennessee Wireless	\$ 31,907
Emergency telephone service charge–Other	81,751
	<hr/>
Total operating revenues	113,658
	<hr/>
OPERATING EXPENSES	
Salaries and wages	
Dispatchers	47,137
Part-time personnel	9,000
Employee Benefits	
Social Security	3,129
Medicare	732
Life insurance	95
Medical insurance	11,393
Dental insurance	154
Unemployment compensation	168
Retirement contributions	5,231
Other fringe benefits	63
Contracted Services	
Audit services	2,500
Administrative fee-service charges	971
Engineering services	10,324
Maintenance agreements	400
Lease/Rental-communications equipment	28,552
Lease/Rental-communications equipment	42
Maintenance and repairs-buildings and facilities	687
Supplies and materials	
Office supplies	352
Data processing supplies	126
Postage	5
Small equipment purchases	404
Utilities-general telephone	2,708
Utilities-cell phone and pagers	603
Other Charges	
Bank charges	143
Board meeting expenses	114
Dues & memberships	255
Premiums on surety bonds	125
Training expenses	541
Depreciation	23,501
	<hr/>

The accompanying notes are integral part of these financial statements.

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS – PROPRIETARY FUND

Year Ended June 30, 2009

Continued

Total operating expenses	\$	<u>149,455</u>
Operating income (loss)		(35,797)
NON-OPERATING REVENUE		
Interest income		11,045
State Emergency Communications Board-grants and reimbursements		<u>82,215</u>
Total non-operating revenue		<u>93,260</u>
CHANGE IN NET ASSETS		57,463
NET ASSETS – BEGINNING OF YEAR		<u>525,784</u>
NET ASSETS – END OF YEAR	\$	<u><u>583,247</u></u>

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

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 113,657
Cash Payments for Goods and Services	<u>(126,037)</u>
Net Cash Used by Operating Activities	<u>(12,380)</u>
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Proceeds from State Grant	<u>82,215</u>
Net Cash Provided by Non-capital Financing Activities	<u>82,215</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Equipment	<u>(25,520)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(25,520)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>11,045</u>
Net Cash Provided by Investing Activities	<u>11,045</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 55,360
 CASH AND CASH EQUIVALENTS AT JULY 1, 2008	 <u>448,757</u>
 CASH AND CASH EQUIVALENTS AT JUNE 30, 2009	 <u>\$ 504,117</u>
 Reconciliation of Operating Income (Loss) to Net Cash Used By Operating Activities:	
Operating Income (Loss)	\$ (35,797)
Adjustments to Reconcile Operating Income to To Net Cash Used by Operating Activities	
Depreciation	23,5010
Decrease in Accounts Payable	<u>(83)</u>
Net Cash Used by Operating Activities	<u>\$ (12,380)</u>

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

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE A – REPORTING ENTITY

These are component unit financial statements of Stewart County Emergency Communications District, a component unit of Stewart County, Tennessee. The nine member governing board is appointed by Stewart County's Board of Commissioners. The District's budget is presented to the County Commissioners. Stewart County Commissioners must approve the issuance of any long-term debt.

TCA (Tennessee Code Annotated) 7-86-151 states, "The legislative body of any municipality or county is authorized by ordinance or resolution, respectively, to establish, operate and maintain an emergency communications system providing 911 service within its boundaries when funded by general revenues."

The Stewart County E911 Emergency Communications District was created by the legislative body of Stewart County, after a referendum authorizing the district was approved by a majority of the eligible voters within the area of the proposed district in 1990. TCA 7-86-106 states "The emergency communications district so created shall be a "municipality" or public corporation in perpetuity under its corporate name..."

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement focus and basis of accounting – The fund financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. The District is treated as an enterprise fund. The governing body intends that costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Financial statement presentation – The Stewart County Emergency Management Communication District's financial statements have been prepared in conformity with generally accepted accounting principles as set forth in the Pronouncements of the Governmental Accounting Standards Board (GASB) and applicable Financial Accounting Standards Board (FASB) pronouncements and applicable Accounting Principles Board (APB) opinions issued on or before November 30, 1989 unless they conflict with GASB pronouncements.

Source of funds – The board of directors of the District levy an emergency telephone service charge in the amount of 1 dollar per month for residential classification users and 2.50 dollars per month for business classification users to fund the 911 emergency telephone services. These funds are collected by the service supplier and remitted to the district each month. In December 1999 the State began remitting the District's share of charges collected for all wireless telephones in the amount of 85 cents per subscriber per month. The District receives 25 percent of all collected funds. These funds are collected by the State and remitted to the District every two months.

Cash and cash equivalents - Cash and cash equivalents include cash on hand, checking accounts, money fund accounts, certificates of deposit, and credit union accounts. For purposes of the statements of cash flows, the District considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fund financial statements – Fund financial statements are designed to present financial information at a detailed level. The focus of fund financial statements is on major funds. The District consists of only one fund, the enterprise fund, which is a proprietary fund type.

Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the continuing operations of the fund. Other revenue and expenses are classified as non-operating in the financial statements.

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Accounts receivable – Accounts receivable at June 30, 2009 consist of the following:

AT&T	\$ 5,838
Other	<u>1,544</u>
	<u>\$ 7,382</u>

No allowance for uncollectible accounts has been provided. Uncollectible amounts are recorded each month as a reduction in revenue due to the service providers withholding the amounts from the revenue due the District. For the year ended June 30, 2009 the total of uncollectible amounts reported by AT&T was \$907.

Property, plant and equipment - Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. Significant renewals and betterments are capitalized.

Accounts payable – Accounts payable at June 30, 2009 consist of the following:

BellSouth	\$ 2,234
Thurman, Campbell & Co.	<u>2,500</u>
	<u>\$ 4,734</u>

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

NOTE C – CONTRACTS, AGREEMENTS AND LEASES

- A. The District contracted with AT&T to implement an Enhanced 911 Emergency System in Stewart County, Tennessee. The billing of the District began when E911 was operational in January 1993. AT&T's monthly charge for equipment rental and maintenance is \$2,385. This operating lease is on a month-to-month basis.
- B. The District contracted with Stewart County Mayor's office to maintain the E911 database. The contract is on a month-to-month basis and covers the County's cost for the employee's wages and related benefits. The District is billed quarterly for these expenses. Since this is a cost reimbursement, the District does not record any compensated absences. Accordingly, the District has classified these expenses as salaries and benefits.

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE D – CAPITAL ASSETS

Capital assets consist of the following:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>Business-type activities:</u>				
Capital assets, being depreciated				
Equipment	\$ 206,182	\$ 25,520	-\$	231,702
Furniture & fixtures	1,866	-	-	1,866
Subtotal	<u>208,048</u>	<u>25,520</u>	-	<u>233,568</u>
Less accumulated depreciation				
Equipment	(131,720)	(22,594)	-	(154,314)
Furniture & fixtures	(1,866)	(907)	-	(2,773)
Subtotal	<u>(133,586)</u>	<u>(23,501)</u>	-	<u>(157,086)</u>
Capital assets, net	<u>\$ 74,462</u>	<u>\$ 2,019</u>	<u>-\$</u>	<u>76,482</u>

Depreciation expense was charged as follows:

Business-type activities-	
Stewart County E-911 Communications District	<u>\$ 23,501</u>
Total business-type activities depreciation expense	<u>\$ 23,501</u>

NOTE E – 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 is covered under the County's general liability insurance policy and workmen's compensation policy. There have been no insurance settlements relating to the Stewart County E911 Communications District during the past five fiscal years and there has been no significant reduction in the amount of coverage provided.

NOTE F – BONDS

The Chairman and treasurer of the District are bonded in the amount of \$50,000 each as required by the State.

NOTE G – BUDGET

The District prepares a budget in accordance with TCA 7-86-120. This budget is submitted to the Stewart County Executive and the County Commissioners for approval.

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE H – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District is exposed to custodial credit risk. The District maintains several checking accounts and certificates of deposit with five local financial institutions. Each institution is federally insured up to \$250,000. As of June 30, 2009 the District does not exceed the insured amount. However, if this did go over the federally insured amount, the excess would be on deposit with institutions that are members of the State of Tennessee Bank Collateral Pool.

NOTE I – NET WORKING CAPITAL

Current Assets	\$ 511,499
Less Current Liabilities	<u>4,734</u>
Net Working Capital	<u>\$ 506,765</u>

NOTE J – REPORT PRESENTATION

This report presentation follows the prescribed format of the Tennessee Emergency Communications Board.

SUPPLEMENTARY INFORMATION

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	Original Approved Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Income				
Charges for Services – Tennessee Wireless	\$23,000	\$24,996	\$31,907	\$6,911
Charges for Services – Other	81,600	81,600	81,751	151
Interest	10,800	10,800	11,045	245
Other	89,715	82,215	82,215	-
Total Income	205,115	199,611	206,918	7,307
Expenses				
Dispatchers	46,200	49,000	47,137	1,863
Part-time Personnel	9,000	9,000	9,000	-
Social Security	3,600	3,600	3,129	471
Medicare	800	800	732	68
Life Insurance	180	180	94	86
Medical Insurance	12,000	13,000	11,393	1,607
Dental Insurance	360	360	154	206
Disability Insurance	72	72	-	72
Unemployment Compensation	240	300	168	132
Retirement Contributions	1,320	6,000	5,231	769
Other Fringe Benefits	100	100	63	37
Audit Services	3,500	3,500	2,500	1,000
Administrative Fees-Service Charges	1,200	1,200	971	229
Data Processing Services	120	120	-	120
Engineering Services	1,000	10,500	10,324	176
Maintenance Agreements	1,200	1,200	400	800
Lease/Rental-Communications Equipment	30,000	30,000	28,683	1,317
Lease/Rental-Buildings and Facilities	42	42	42	-
Maintenance and Repairs-Comm. Equip	10,000	1,000	-	1,000
Maintenance and Repairs-Buildings	2,000	1,000	687	313
Maintenance and Repairs-Office Equipment	900	200	-	200
Maintenance and Repairs-Vehicles	1,800	500	-	500
Office Supplies	600	600	352	248
Data Processing Supplies	720	200	126	74
Postage	100	100	5	95
Small Equipment Purchases	1,200	500	404	96
Uniforms and Shirts	60	60	-	60
General Telephone	3,600	3,600	2,708	892
Cell Phones and Pagers	900	700	556	144
Other Supplies and Materials	60	60	-	60

See Accountant's Report

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009
(Continued)

Bank Charges	360	360	143	217
Board Meetings	250	250	114	136
Dues & Memberships	300	300	255	45
Premiums on Surety Bonds	480	480	125	355
Training Expenses	3,600	-	-	-
Travel	2,400	700	542	158
Depreciation	<u>25,000</u>	<u>25,000</u>	<u>23,501</u>	<u>1,499</u>
 Total Expenses	 <u>165,264</u>	 <u>164,584</u>	 <u>149,539</u>	 <u>15,045</u>
 Excess of Revenues over Expenses	 <u>\$39,851</u>	 <u>\$35,027</u>	 <u>\$57,379</u>	 <u>\$22,352</u>

See Accountant's Report

STEWART COUNTY E-911 COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF STEWART COUNTY
SCHEDULE OF INFORMATION REQUIRED
BY THE TENNESSEE EMERGENCY COMMUNICATIONS BOARD

1	Number of public safety answering points (PSAP)	1
2	Address of PSAP	Stewart County Sheriff's Department PO Box 69 Dover, Tennessee 37058
3	Type of system/equipment and database used	BellSouth/Positron System Intrado Database
4	Chairman of E911 Board	Steve Douglass PO Box 309 Dover, Tennessee 37058 Phone 931-232-5462 Fax 931-232-7661
5	Emergency Communications	John Vinson, Sheriff Stewart County Sheriff's Department PO Box 69 Dover, Tennessee 37058

Internal Control

And

Compliance Section



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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

The Board of Directors
Stewart County E-911 Communications District

We have audited the financial statements of the Stewart County E-911 Communications District, a component unit of Stewart County, Tennessee as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 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 Stewart County E-911 Communications District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stewart County E-911 Communications District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stewart County E-911 Communications 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 Stewart County E-911 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 Stewart County E-911 Communications District's financial statements that is more than inconsequential will not be prevented or detected by the Stewart County E-911 Communications 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 Stewart County E-911 Communications 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 a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stewart County E-911 Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, the State of Tennessee, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Thurman Campbell Group, PLC

Clarksville, Tennessee
November 6, 2009