

**WEAKLEY COUNTY EMERGENCY  
COMMUNICATIONS DISTRICT**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2009**

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
TABLE OF CONTENTS**

**Introductory Section**

Schedule of Officials ..... 1

**Financial Section**

Independent Auditor's Report ..... 2  
Management's Discussion and Analysis ..... 4  
Statement of Net Assets ..... 8  
Statement of Revenues, Expenses and Changes in Net Assets ..... 9  
Statement of Cash Flows ..... 11  
Notes to Financial Statements ..... 12

**Required Supplementary Information Section**

Schedule of Funding Progress – Employee Retirement System ..... 16

**Other Supplementary Information Section**

Budgetary Comparison Schedule ..... 17  
Schedule of Information Required by the Tennessee Emergency  
Communications Board – Unaudited ..... 19

**Internal Control and Compliance Section**

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* ..... 20  
Schedule of Findings ..... 22  
Schedule of Prior Year Findings ..... 23

**INTRODUCTORY SECTION**

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF OFFICIALS**

**Board Members**

John Bucy, Chairman  
111 Hunter Drive  
Martin, TN 38237

John Salmon, Vice Chairman  
273 Salmon Road  
Paris, TN 38242

Bob Dudley, Secretary  
102 Glendale Street  
Greenfield, TN 38230

Richard Phebus, Treasurer  
601 S. Lindell Street  
Martin, TN 38237

Shawn Francisco, Member  
701 Janes Mill Rd  
Gleason, TN 38229

Mr. Howard Ross  
463 Ross Road  
Gleason, TN 38229

Jeff Washburn, Member  
1530 Evergreen Street  
Dresden, TN 38225

Phillip Johnson, Member  
406 Doran Road  
Martin, TN 38237

Mike Wilson, Member  
P.O. Box 545  
Dresden, TN 38225

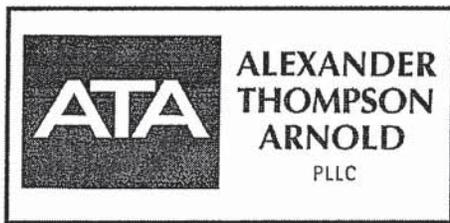
**Management Officials**

Jamison Peevyhouse, Director  
P.O. Box 911  
Dresden, TN 38225  
Telephone: 731-364-2647

**Independent Certified Public Accountants**

Alexander Thompson Arnold PLLC

**FINANCIAL SECTION**



Certified Public Accountants

[www.atacpa.net](http://www.atacpa.net)

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Martin, TN 38257

Telephone:(731) 587-5145  
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Members of

American Institute of Certified Public Accountants  
AICPA Center for Public Company Audit Firms  
AICPA Governmental Audit Quality Center  
AICPA Employee Benefit Plan Audit Quality Center  
Tennessee Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

### Independent Auditor's Report

Members of the Board of the Emergency  
Communications District of  
Weakley County, Tennessee  
Dresden, Tennessee 38225

We have audited the accompanying financial statements of the Weakley County Emergency Communications District, a component unit of Weakley County, Tennessee, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Weakley County Emergency Communications District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Weakley County Emergency Communications District, and are not intended to present fairly the financial position of Weakley County, Tennessee, and the results of its operations and cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, financial position of the Weakley County Emergency Communications District, as of June 30, 2009, and the respective 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 9, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

Martin, TN  
Milan, TN  
McKenzie, TN  
Paris, TN  
Trenton, TN

Dyersburg, TN  
Fulton, KY  
Henderson, TN  
Jackson, TN  
Union City, TN

internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 7 and the required supplementary information on page 16 are not a required part of the accompanying financial statements but are 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 an opinion on the basic financial statements of the District. The introductory section and the other supplementary information section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the District. Such information, except that which is marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the accompanying financial statements, and accordingly, we express no opinion on it.

*Alexander Thompson Arnold PLLC*

Martin, Tennessee  
November 9, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Weakley County Emergency Communications District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. All amounts, unless otherwise indicated, are expressed in actual dollars.

### FINANCIAL HIGHLIGHTS

Management believes the District's financial condition is strong. The District is well within its budget and the more stringent financial policies and guidelines set by the Board and management. The following are key financial highlights.

- Total assets at year-end were \$933,136 and exceeded liabilities in the amount of \$918,936 (i.e. net assets).
- Net assets increased \$34,667 during the current year due to operating and non-operating income exceeding operating expenses.
- Operating revenues were \$355,772, a decrease from year 2008 in the amount of \$89,554 or 20.11%.
- Operating expenses were \$384,088, an increase over year 2008 in the amount of \$57,804 or 17.61%. An increase in maintenance and training expenses contributed significantly to the increase in operating expenses.
- The operating loss for the year was \$(28,316) as compared to \$117,031 operating income during the 2006 fiscal year. The decrease in operating income and increase in operating expense resulted in the significant decrease in operating income.

### OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the District's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the District's strategic plan, budget and other management tools were used for this analysis. The Financial Statements and Supplementary Information Report is made up of five sections: 1) the introductory section, 2) the financial section, 3) required supplementary information section, 4) the other supplementary information section, and 5) the internal control and compliance section. The introductory section includes the District's schedule of officials. The financial section includes the independent auditor's report, the MD&A, the financial statements with accompanying notes. This is followed by the required supplementary information section. The other supplementary information section includes selected financial and operational information. The internal control and compliance section includes the report on internal control and compliance. These sections make up the financial report presented here.

### REQUIRED FINANCIAL STATEMENTS

A Proprietary Fund is used to account for the operations of the District, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

The *Statement of Net Assets* presents the financial position of the District on a full accrual, historical cost basis. The statement of net assets includes 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 the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement measures the success of the District's operations and can be used to determine whether the District has successfully recovered all of its costs. This statement also measures the District's profitability and credit worthiness.

The *Statement of Cash Flows* presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises.

The *Notes to the Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. A *Supplementary Schedule* comparing the budget to actual expenses is also presented.

## **FINANCIAL ANALYSIS**

One of the most important questions asked about the District's finances is "Is the District as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the District's activities in a way that will help answer this question. These two statements report the net assets of the District, and the changes in the net assets. Net assets are one way to measure the financial health or financial position of the District. Over time, increases or decreases in the District's net assets is an indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

The District's total net assets increased by \$34,667 and \$164,237 for the fiscal years ended June 30, 2009 and 2008, respectively. The analysis below focuses on the District's net assets (Table 1) and changes in net assets (Table 2) during the year.

	June 30, 2009	June 30, 2008	Increase (Decrease)	
			\$	%
Current and other assets	\$ 721,510	\$ 634,462	\$ 87,048	13.72%
Capital assets	211,626	251,626	(40,000)	-15.90%
Total assets	<u>\$ 933,136</u>	<u>\$ 886,088</u>	<u>\$ 47,048</u>	5.31%
Total liabilities	<u>\$ 14,200</u>	<u>\$ 1,819</u>	<u>\$ 12,381</u>	680.65%
Total net assets	\$ 918,936	\$ 884,269	\$ 34,667	3.92%

The changes in capital assets were funded primarily by operations and the use of unrestricted fund balance. The increase in current and other assets was due to an increase in cash and investments and accounts receivable. The overall increase in net assets was due to operating and other revenues exceeding expenses.

Changes in the District's net assets can be determined by reviewing the following condensed Statement of Income and Changes in Net Assets for the years.

	June 30, 2009	June 30, 2008	Increase (Decrease)	
			\$	%
Operating revenues	\$ 355,772	\$ 445,326	\$ (89,554)	-20.11%
Non-operating revenues	62,983	47,206	15,777	33.42%
Total revenues	<u>418,755</u>	<u>492,532</u>	<u>(73,777)</u>	-14.98%
Salaries and wages	146,625	137,404	9,221	6.71%
Employee benefits	16,568	13,733	2,835	20.64%
Contracted services	122,934	91,320	31,614	34.62%
Supplies and materials	8,877	8,379	498	5.94%
Other charges	34,084	21,813	12,271	56.26%
Depreciation	55,000	55,646	(646)	-1.16%
Total expenses	<u>384,088</u>	<u>328,295</u>	<u>55,793</u>	16.99%
Change in Net Assets	34,667	164,237	(129,570)	-78.89%
Beginning Net Assets	<u>884,269</u>	<u>720,032</u>	<u>164,237</u>	22.81%
Ending Net Assets	<u>\$ 918,936</u>	<u>\$ 884,269</u>	<u>\$ 34,667</u>	3.92%

Operating revenues showed a 20.11% decrease from 2008 to 2009 primarily from state of Tennessee wireless charges and ECB reimbursements. Expenses increased from 2008 to 2009 primarily from an increase in maintenance agreements and training expenses. Ending net assets showed an increase of 3.92% over 2008 due to total revenues exceeding total expenses.

## CAPITAL ASSETS

At the end of fiscal year 2009, the system had \$211 thousand (net of accumulated depreciation) invested in a broad range of capital assets. This investment includes vehicles, communications equipment, and office equipment. Based on the uses of the aforementioned assets, they are classified for financial purposes as office equipment, communication equipment and vehicles. This investment represents an overall decrease (net of increases and decreases) of \$40 thousand, due to write-off of surplus and junk equipment and depreciation expense for the year.

The following tables summarize the District's capital assets, net of accumulated depreciation, and changes therein, for the year ended June 30, 2009. These changes are presented in Table 3 below and in detail in Note 2.B. to the financial statements.

			Increase (Decrease)	
	June 30, 2009	June 30, 2008	\$	%
Office equipment	\$ 35,792	\$ 40,952	(5,160)	-12.60%
Communication equipment	161,675	192,275	(30,600)	-15.91%
Vehicles	14,159	18,399	(4,240)	0.00%
Total Capital Assets, Net of Acc Depr	\$ 211,626	\$ 251,626	\$ (40,000)	-15.90%

The District plans on using existing financial resources to keep upgrading existing systems and adding new systems where it sees appropriate.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Due to the increased use of cellular phones, the District expects shared wireless revenue to continue to increase in future years. A state surcharge for each wireless phone is currently set at \$1, of which the District receives \$.25. That rate is not expected to increase in the coming year. Due to the decreased use of landline phones, the District expects the emergency telephone service charge revenue to continue to decrease in future years. The District's surcharge is currently set at \$0.65 and \$2.00 for residential lines and business lines, respectively.

## CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any information provided in this report or requests for any additional information should be directed to the Executive Director of the Weakley County Emergency Communications District, 7951 Hwy 22, Dresden, Tennessee.

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

**Assets**

Current assets

Cash and cash equivalents	\$ 543,781
Investments	77,097
Accounts receivable	<u>100,632</u>
Total current assets	<u>721,510</u>

Noncurrent assets

Capital assets being depreciation	
Office equipment	72,658
Accumulated depreciation - Office equipment	(17,108)
Communications equipment	515,899
Accumulated depreciation - Communications equipment	(354,154)
Vehicles	45,076
Accumulated depreciation - Vehicles	<u>(31,276)</u>
Net capital assets	<u>231,095</u>

<b>Total assets</b>	<b><u>952,605</u></b>
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**Liabilities**

Current liabilities

Accounts payable	11,171
Compensated absences payable	<u>3,029</u>
Total current liabilities	14,200

**Net assets**

Invested in capital assets	231,095
Unrestricted net assets	<u>707,310</u>

<b>Total net assets</b>	<b><u>\$ 938,405</u></b>
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**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Operating Revenues**

Emergency Telephone Service Charge	\$ 145,957
Tennessee Emergency Communications Board - Shared Wireless Charge	157,729
Tennessee Emergency Communications Board - Operational Funding	<u>52,086</u>
 Total operating revenue	 <u>355,772</u>

**Operating Expenses**

Salaries and Wages	
Director	42,710
Administrative Personnel	4,628
Dispatchers	98,787
Other Salaries and Wages - Longevity	500
Employee Benefits	
Social Security	3,746
Medical Insurance	(93)
Retirement Contributions	12,915
Contracted Services	
Addressing/Mapping Expenses	9,371
Advertising	213
Audit Services	2,395
Contracts with Government Agencies	1,178
Fees Paid to Service Providers	39,378
Maintenance Agreements	13,203
Maintenance and Repairs-Communications Equipment	29,941
Maintenance and Repairs -Vehicles	5,197
Supplies and Materials	
Office Supplies	2,257
Custodial Supplies	769
Postage	270
Uniforms and Shirts	1,922
Utilities-General Telephone	3,659
Other Charges	
Board Meeting Expense	1,873
Dues and Memberships	467
Insurance-Liability	2,760
Premiums on Surety Bonds	261
Training Expenses	19,414
Travel Expenses	8,782
Other Charges	528
Depreciation	<u>57,588</u>
 Total operating expenses	 <u>364,619</u>
 <b>Operating income (loss)</b>	 <u><b>(8,847)</b></u>

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

<b>Nonoperating Revenues (Expenses)</b>	
Interest income	11,953
Tennessee Emergency Communications Board - Grants and Reimbursements	10,000
Insurance Reimbursements	<u>41,030</u>
Total nonoperating revenues (expenses)	<u>62,983</u>
<b>Increase (decrease) in net assets</b>	<b>54,136</b>
Net assets, July 1, 2008	<u>884,269</u>
<b>Net assets, June 30, 2009</b>	<b><u>\$ 938,405</u></b>

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

**Cash flows from operating activities**

Cash received from surcharges and other revenues	\$ 267,639
Cash payments to suppliers for goods and services	(132,667)
Cash payments for payroll, taxes and related benefits	<u>(161,983)</u>
Net cash provided (used) by operating activities	<u>(27,011)</u>

**Cash flows from noncapital financing activities**

Grants/ Reimbursements TECB	10,000
Insurance reimbursement	<u>41,030</u>
Net cash provided (used) by noncapital financing activities	<u>51,030</u>

**Cash flows from capital and related financing activities**

Purchase of capital assets	<u>(37,057)</u>
Net cash used provided (used) for capital and related financing activities	<u>(37,057)</u>

**Cash flows from investing activities**

Interest income received	<u>11,953</u>
Net cash provided (used) by investment activities	<u>11,953</u>

**Net increase (decrease) in cash and cash equivalents (1,085)**

Cash and cash equivalents at beginning of year- July 1, 2008 621,963

**Cash and cash equivalents at end of year- June 30, 2009 \$ 620,878**

**Cash and cash equivalents**

Cash	\$ 543,781
Investments	<u>77,097</u>
Total cash and cash equivalents	<u>\$ 620,878</u>

**Reconciliation of net operating income (loss) to net cash provided (used) by operating activities**

Operating income (loss)	\$ (8,847)
<i>Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities</i>	
Depreciation and amortization	57,588
Changes in assets and liabilities	
(Increase) decrease in current receivables	(88,133)
Increase (decrease) in accounts payable	11,171
Increase (decrease) in compensated absences payable	<u>1,210</u>
Total adjustments	<u>(18,164)</u>

**Net cash provided (used) by operating activities \$ (27,011)**

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1 - Significant Accounting Policies**

**A. Reporting District**

The Weakley County Emergency Communications District was approved by a referendum on August 4, 1994. The County Commissioners passed a resolution to establish the Emergency Communications District in accordance with Tennessee Code Annotated, 7-86-101 on August 22, 1994. The District accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Currently only a proprietary fund type is used that accounts for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises providing services to the public (enterprise fund).

The District's financial statements include all accounts of all the District's operations. The criteria for including organizations with the District's reporting district, as set forth in GASB No. 14, "The Financial Reporting District", is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon these criteria, there were no component units that required presentation.

The District is, however, considered a discretely presented component unit of Weakley County, Tennessee because of the following factors. The County appoints the Board and has a right to remove them. It provides office space for the District's business use. The District is accountable to County for fiscal matters.

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

The Weakley County Emergency Communications District accounts for its financial position and results of operations in accordance with generally accepted accounting principles as defined in the Statements of Governmental Accounting Standards Board (GASB). Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector, and the measurement focus is on the determination of net income, financial position, and cash flows. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

**C. Assets, Liabilities, and Net Assets**

**Deposits and investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception.

State statutes authorize the System to invest in certificates of deposit, obligation of the U.S. Treasury, agencies and instrumentalities, obligations by the U.S. government or its agencies, repurchase

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

agreements, as approved by the state director of local finance, and the state's local government investment pool.

**Accounts receivable**

Accounts receivable represent amounts due from various phone companies.

**Capital assets**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets. For the year under review, there were no interest costs capitalized.

**Compensated absences**

The District has adopted Weakley County's Personnel Policies which allowed full-time employees one sick day for each month with a maximum carry over of ninety days to the subsequent year and one vacation day per month with a maximum carry over of fifteen days. These benefits normally are accrued in proprietary funds (using the accrual basis of accounting). Employees are not paid for unused sick days but may be paid for a maximum of fifteen unused vacation days. This liability is reflected in the current year's financial statements.

**Net assets**

Equity is classified as net assets and displayed in the following components:

- Invested in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted net assets– All other net assets that do not meet the description of the above category.

**NOTE 2 – Detailed Notes on Accounts**

**A. Deposits and investments**

Custodial Credit Risk – The District's policies limit investments to those instruments allowed by applicable state laws as described in Note 1. State statute required that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the District's agent in the District's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2009, all bank deposits were fully collateralized or insured.

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**B. Capital assets**

Capital asset activity during the year was as follows:

<u>Description</u>	<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2009</u>
Capital assets being depreciated				
Communication equipment	\$ 500,899	\$ 15,000	\$ -	\$ 515,899
Office equipment	50,600	22,058	-	72,658
Vehicles	45,076	-	-	45,076
Total capital assets being depreciated	<u>596,575</u>	<u>37,058</u>	<u>-</u>	<u>633,633</u>
Less accumulated depreciation				
Communication equipment	308,624	45,530	-	354,154
Office equipment	9,648	7,460	-	17,108
Vehicles	26,676	4,600	-	31,276
Total accumulated depreciation	<u>344,948</u>	<u>57,590</u>	<u>-</u>	<u>402,538</u>
 Total capital assets, net	 <u>\$ 251,627</u>	 <u>\$ (20,532)</u>	 <u>\$ -</u>	 <u>\$ 231,095</u>

**NOTE 3 - Other Information**

**A. Risk Management**

The District's primary risk of loss is from suits filed for improper response or handling of emergency 911 calls. The District's significant losses are covered by commercial liability insurance. There were no claims or settlements made during this fiscal year and no losses were sustained. Board members with financial responsibility are bonded.

**B. Employees' Retirement Plan**

*Plan Description*

Employees of Weakley County Emergency 911 District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). 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 became 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

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

the Tennessee General Assembly. Political subdivisions such as Weakley County Emergency 911 District 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/tcrs/PS/](http://www.treasury.state.tn.us/tcrs/PS/).

*Funding Policy*

Weakley County Emergency 911 District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

Weakley County Emergency 911 District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009 was 30.75% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Weakley County Emergency 911 District is established and may be amended by the TCRS Board of Trustees.

*Annual Pension Cost*

For the year ending June 30, 2009, Weakley County Emergency 911 District's annual pension cost of \$12,915 to TCRS was equal to Weakley County Emergency 911 District's required and actual contributions. The required contribution was determined as part of the July 1, 2007 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. Weakley County Emergency 911 District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007 was 8 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

**Trend Information**

<u>Fiscal Year Ending</u>	<u>Percentage Annual Pension Cost (APC)</u>	<u>Net of APC Contributed</u>	<u>Pension Obligation</u>
June 30, 2009	\$ 12,915	100.00%	\$ 0.00
June 30, 2008	10,619	100.00%	0.00
June 30, 2007	8,921	100.00%	0.00

**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS –  
 EMPLOYEE RETIREMENT SYSTEM  
 June 30, 2009**

(Dollar amounts in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/01/07	\$87	\$157	\$70	55.41%	\$35	200.00%

See independent auditor's report.

**OTHER SUPPLEMENTARY INFORMATION SECTION**

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Operating Revenue</b>				
Emergency Telephone Service Charge	\$ 150,000	\$ 150,000	\$ 145,957	\$ (4,043)
Tennessee Emergency Communications Board - Shared Wireless Charge	173,000	173,000	158,942	(14,058)
Tennessee Emergency Communications Board - Operational Funding	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total cash receipts	<u>328,000</u>	<u>328,000</u>	<u>304,899</u>	<u>(23,101)</u>
<b>Operating Expenses</b>				
Salaries and Wages				
Director	41,500	41,500	41,500	-
Administrative Personnel	4,500	4,628	4,628	-
Dispatchers	98,787	98,787	98,787	-
Other Salaries and Wages - Longevity	550	550	500	(50)
Employee Benefits				
Social Security	3,500	3,750	3,746	(4)
Medical Insurance	-	-	(93)	(93)
Retirement contributions	12,770	12,920	12,915	(5)
Contracted Services				
Addressing/Mapping Expenses	10,000	10,000	9,371	(629)
Advertising	250	250	213	(37)
Audit Services	3,000	3,000	2,395	(605)
Contracts with Government Agencies	1,400	1,400	1,178	(222)
Fees Paid to Service Providers	40,000	40,000	39,378	(622)
Maintenance Agreements	13,000	13,210	13,203	(7)
Maintenance and Repairs - Communications Equipment	4,000	52,000	51,999	(1)
Maintenance and Repairs - Vehicles	5,500	5,500	5,197	(303)
Supplies and Materials				
Office Supplies	2,000	2,260	2,257	(3)
Custodial Supplies	750	770	769	(1)
Postage	400	400	270	(130)
Uniforms and Shirts	2,000	2,000	1,922	(78)
Utilities - General Telephone	4,500	4,500	3,659	(841)
Other Charges				
Board Meeting Expenses	1,000	1,875	1,872	(3)
Dues and Memberships	1,300	1,300	467	(833)
Insurance - Liability	4,000	4,000	2,760	(1,240)
Premiums on Surety Bonds	700	700	261	(439)
Training Expenses	5,000	19,500	8,243	(11,257)
Travel Expenses	5,000	8,800	8,782	(18)
Other Charges	<u>500</u>	<u>530</u>	<u>528</u>	<u>(2)</u>
Total cash expenditures	<u>265,907</u>	<u>334,130</u>	<u>316,707</u>	<u>(17,423)</u>
<b>Cash basis net income (loss)</b>	<u><b>62,093</b></u>	<u><b>(6,130)</b></u>	<u><b>(11,808)</b></u>	<u><b>(17,938)</b></u>

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Interest Income	15,000	15,000	11,953	(3,047)
Tennessee Emergency Communications Board- Grants and Reimbursements	10,000	10,000	10,000	-
Capital Purchases	(13,500)	(15,000)	(15,000)	-
Insurance Reimbursements	-	-	3,770	3,770
	<b>11,500</b>	<b>10,000</b>	<b>10,723</b>	<b>723</b>
<b>Total other charges</b>	<b>11,500</b>	<b>10,000</b>	<b>10,723</b>	<b>723</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 73,593</b>	<b>\$ 3,870</b>	<b>\$ (1,085)</b>	<b>\$ (17,215)</b>

**Reconciliation between budgetary basis and GAAP:**

(Increase) decrease in current receivables	88,133
Increase (decrease) in accounts payable	(11,171)
Increase (decrease) in compensated absences payable	(1,210)
Capitalized expenditures	37,057
Depreciation expense	(57,588)
Net reconciliation cash to accrual	55,221
Increase (decrease) in net assets (accrual)	54,136
Net assets, July 1, 2008	884,269
<b>Net assets, June 30, 2009</b>	<b>\$ 938,405</b>

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF INFORMATION REQUIRED BY  
THE TENNESSEE EMERGENCY COMMUNICATIONS  
BOARD - UNAUDITED  
JUNE 30, 2009**

The number of Public Safety Answering Points (PSAP): two

The addresses of each PSAP:

Primary – 7951 Hwy 22, Dresden, TN 38225  
Secondary – 101 University Street, Martin, TN 38237

The type of system/equipment and database used by each PSAP: Emergi Tech –  
Teleco.

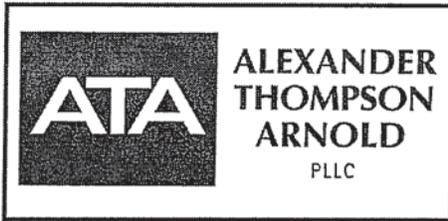
The name, address, telephone number, and facsimile number of the director of the  
Emergency Communications District:

Jamison Peevyhouse  
P.O. Box 911  
Dresden, TN 38225  
Telephone: (731) 364-2647  
Fax: (731) 364-6791

The name, address, telephone number, and facsimile number of the chairman of the  
Emergency Communications District:

John Bucy  
111 Hunter Drive  
Martin, TN 38237  
Telephone: (731) 587-4213  
Fax: (731) 364-6791

**INTERNAL CONTROL AND COMPLIANCE SECTION**



Certified Public Accountants

[www.atacpa.net](http://www.atacpa.net)

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Martin, TN 38257

Telephone: (731) 587-5145  
Fax: (731) 587-1952

Members of

American Institute of Certified Public Accountants  
AICPA Center for Public Company Audit Firms  
AICPA Governmental Audit Quality Center  
AICPA Employee Benefit Plan Audit Quality Center  
Tennessee Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

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

Members of the Board of the Emergency Communications  
District of Weakley County, Tennessee  
Dresden, Tennessee 38225

We have audited the financial statements of the Weakley County Emergency Communications District, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 9, 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. These financial statements present only the Weakley County Emergency Communications District and are not intended to present fairly the financial position of Weakley County, Tennessee, and the results of its operation and cash flows of its proprietary fund types in conformity with accounting principles accepted in the United States of America.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or 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.

Dyersburg, TN  
Fulton, KY  
Henderson, TN  
Jackson, TN  
Martin, TN

McKenzie, TN  
Milan, TN  
Murray, KY  
Paris, TN  
Trenton, TN  
Union City, TN

*The Weakley County Communications District Board  
Weakley County Communications District, Tennessee*

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as described above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board, County Commission, management, the State of Tennessee Comptroller's Office, and others within the District; and is not intended to be and should not be used by anyone other than these specified parties.

*Alexander Thompson Arnold PLLC*

Martin, Tennessee  
November 9, 2009

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF FINDINGS  
JUNE 30, 2009**

**FINDINGS RELATIVE TO THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

None noted this year.

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS  
JUNE 30, 2009**

**PRIOR FINDINGS RELATIVE TO THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None noted in prior years.