

**Franklin County
Emergency Communications District**

Audit Report

June 30, 2010

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Emergency Communications District
Audit Report
June 30, 2010**

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**Franklin County Emergency
Communications District
Introductory Section - Unaudited
June 30, 2010**

Board Members

Danny Smith - Chairman
Winchester, TN

Eddie Clark – Vice Chairman
Winchester, TN

Jim Mitchell – Treasurer
Estill Springs, TN

John K. Bell – Secretary
Winchester, TN

Delinda McDonald
Winchester, TN

Scott Smith
Winchester, TN 37398

Rex Cowley
Decherd, TN

Rocky Morris
Sewanee, TN

Lorraine Singer
Winchester, TN

FRANKLIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Franklin County 9-1-1 Emergency Communications District (District) is presenting the following discussion and analysis in order to provide an overall review of the financial activities for the fiscal year ending June 30, 2010. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the basic financial statements to enhance their understanding of the financial performance.

FINANCIAL HIGHLIGHTS

Total assets increased \$49,251 while total liabilities decreased \$18,999.

Operating expenses increased \$97,787.

Operating revenues increased \$46,805.

Net assets increased \$68,250.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes the Management's Discussion and Analysis Report, the independent auditor's report and the District's basic financial statements, which include notes that explain in more detail some of the information in the financial statements. The annual report also includes supplemental information and a report on internal control over financial reporting and on compliance and other matters.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information using accounting methods similar to those used by private sector companies. The statements offer short and long-term financial information about its activities. 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 and the obligations to creditors. It also provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

All of the 2009-2010 years' revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This 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 and other charges, 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 balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

The statement of net assets and the statement of revenues, expenses and changes in net assets report information about the District activities in a way that will help show how they did financially. These two statements report the net assets of the District and the changes in them. One way to measure the financial health is the difference between assets and liabilities, net assets. Over time, increases or decreases in the District net assets are an indicator of whether financial health is improving or deteriorating. However, one will need to consider other non-financial factors as addition of new customers, economic conditions, and new or changed government legislation.

Table A-1
Condensed Statement of Net Assets

	FY 2010	FY 2009	Change	Percentage Change
Total current and other assets	\$ 478,133	429,218	48,915	11 %
Total noncurrent assets	332,452	332,116	336	0 %
Total assets	<u>810,585</u>	<u>761,334</u>	<u>49,251</u>	6 %
Total current liabilities	320	19,319	(18,999)	(98) %
Total noncurrent liabilities	0	0	0	0 %
Total liabilities	<u>320</u>	<u>19,319</u>	<u>(18,999)</u>	(98) %
Invested in capital assets	33,378	41,365	(7,987)	(19) %
Unrestricted	776,887	700,650	76,237	11 %
Total net assets	<u>\$ 810,265</u>	<u>742,015</u>	<u>68,250</u>	9 %

As can be seen from the above table total assets increased \$49,251 to \$810,585 in 2010 from \$761,334 in 2009. Also total liabilities decreased \$18,999 to \$320 in 2010 from \$19,319 in 2009.

Table A-2
Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	FY 2010	FY 2009	Change	Percentage Change
Operating revenues	\$ 423,175	376,370	46,805	12 %
Non-operating revenues	7,769	8,714	(945)	(11) %
Total revenues	<u>430,944</u>	<u>385,084</u>	<u>45,860</u>	12 %
Depreciation expenses	7,987	8,091	(104)	(1) %
Other operating expenses	354,707	256,816	97,891	38 %
Total expenses	<u>362,694</u>	<u>264,907</u>	<u>97,787</u>	37 %
Changes in net assets	68,250	120,177	(51,927)	(43) %
Beginning net assets	742,015	621,838	120,177	19 %
Ending net assets	<u>\$ 810,265</u>	<u>742,015</u>	<u>68,250</u>	9 %

While the statement of net assets shows the change in financial position, the statement of revenues, expenses, and changes in net assets provides answers as to the nature and source of these changes.

CAPITAL ASSETS

At June 30, 2010, the District had \$33,378 invested in capital assets.

Table A-3
Capital Assets

	<u>FY 2010</u>	<u>FY2009</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Equipment:	\$ 82,803	82,803	0	0 %
Less: accumulated depreciation	(49,425)	(41,438)	7,987	19 %
Total District assets	<u>\$ 33,378</u>	<u>41,365</u>	<u>(7,987)</u>	<u>(19)%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's board of directors consider many factors when setting the fiscal year 2010-2011 budget and charges. One of the factors is making enough money to meet our expenses, meet all state and federal requirements, and provide our customers with dependable emergency communication services.

DISTRICT CONTACT INFORMATION

This financial report is designed to provide our customers and general public with a general overview of the District's finances and to demonstrate their accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact Danny Smith at P.O. Box 711, Winchester, TN 37398.

BEAN, RHOTON & KELLEY, PLLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Franklin County Emergency
Communications District
Winchester, Tennessee

We have audited the accompanying financial statements of the business-type activities of Franklin County Emergency Communications District, a component unit of Franklin County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Franklin County Emergency Communications District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof 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 31, 2010, on our consideration of the Franklin County Emergency Communications District's internal control over financial reporting and 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 important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the managements' discussion and analysis on pages i through iii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in according with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Franklin County Emergency Communications District's basic financial statements as a whole. The introductory section and schedules listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. The schedules listed in the table of contents were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated 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 basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink, appearing to read "Bean, Rhoton & Kelley". The signature is written in a cursive, flowing style.

Bean, Rhoton & Kelley, PLLC
December 31, 2010

Franklin County Emergency
Communications District
Statement of Net Assets
June 30, 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 464,962.04
Account receivable	<u>13,170.95</u>
Total current assets	<u>478,132.99</u>

Noncurrent assets:

Certificates of deposit	299,073.41
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Capital assets:

Equipment, net accumulated depreciation	<u>33,378.27</u>
Total noncurrent assets	<u>332,451.68</u>

Total assets	\$ <u>810,584.67</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ <u>320.00</u>
Total current liabilities	<u>320.00</u>

Total liabilities

NET ASSETS

Invested in capital assets	\$ 33,378.27
Unrestricted	<u>776,886.40</u>
Total net assets	\$ <u><u>810,264.67</u></u>

**Franklin County Emergency
Communications District
Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2010**

OPERATING REVENUES	
Emergency telephone service charge	\$ 172,299.55
Tennessee Emergency Communications Board - grants and reimbursements	16,000.00
Tennessee Emergency Communications Board - shared wireless charge	<u>234,875.16</u>
Total operating revenues	<u>423,174.71</u>
OPERATING EXPENSES	
Depreciation	7,986.79
Addressing/mapping expense	41,857.00
Office supplies	586.51
Telephone charges	102,978.56
Security bonds	497.00
Contracted services	20,607.44
Advertising	480.01
Impact payments	182,382.78
Licenses and fees	709.00
Board meeting expenses	503.28
Insurance	1,687.00
Travel expense	2,418.68
Total operating expenses	<u>362,694.05</u>
Operating income	<u>60,480.66</u>
NONOPERATING REVENUES	
Interest revenue	<u>7,769.20</u>
Total nonoperating revenue	<u>7,769.20</u>
Change in net assets	68,249.86
Total net assets - beginning	<u>742,014.81</u>
Total net assets - ending	<u>\$ 810,264.67</u>

Franklin County Emergency
Communications District
Statement of Cash Flows
Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 454,438.54
Impact fee	(182,382.78)
Telephone charges	(102,978.56)
Mapping expense	(41,857.00)
Geographic information systems	-
Other receipts (payments)	<u>(30,488.24)</u>
Net cash provided by operating activities	<u>96,731.96</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	7,769.20
Invested in long term cash	<u>(8,322.01)</u>
Net cash provided by investing activities	<u>(552.81)</u>
Net increase in cash and cash equivalents	96,179.15

Balances - beginning of the year	<u>368,782.89</u>
Balances - end of the year	<u>\$ 464,962.04</u>

RECONCILIATION OF OPERATING INCOME
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 60,480.66
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	7,986.79
Change in assets and liabilities:	
Receivables, net	47,263.83
Accounts payable	<u>(18,999.32)</u>
Net cash provided by operating activities	<u>\$ 96,731.96</u>

**Franklin County Emergency
Communications District
Notes to Financial Statements
June 30, 2010**

1. Summary of Significant Accounting Policies -

Business Activities

The Franklin County Emergency Communications District provides funds & support to procure, lease and maintain necessary equipment and services related to fielding emergency phone calls in Franklin County.

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses. Actual results could vary from the estimates that were used.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Franklin County Emergency Communications District. Legally, the District is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but instead is entirely appointed by the County, the district can not be a primary government. Instead, it qualifies as a component unit of Franklin County, Tennessee (the primary government).

Three Board members of the District are appointed by the Franklin County Executive and confirmed by the Commission each year to serve four year terms. The District is primarily funded by user charges.

The District's reports are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual method of accounting, revenues are recorded as such when earned, and expenses are reported when incurred. The District applies all GASB pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash Deposits

The District is authorized to invest in the following types of securities and indebtedness, in accordance with governing statutes:

- (1) Bonds, notes, treasury bills or similar types of indebtedness to the United States.
- (2) Non-convertible debt including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association.
- (3) Other obligations not specified above which provide guaranteed principal and interest by the United States or any of its agencies.
- (4) Repurchase agreements which involve obligations of the United States or its agencies provided the term of the repurchase agreement does not extend beyond the maturity date of the obligation and the market value of the security exceeds the cost of the security.
- (5) Money market funds invested in any of the aforementioned securities.

The District's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial bank in the District's name. The carrying amount of total cash deposits for the year ended June 30, 2010, was \$764,035.45. The amount of deposits collateralized with securities held by pledging financial institution and federal depository insurance was \$764,035.45.

**Franklin County Emergency
Communications District
Notes to Financial Statements (continued)
June 30, 2010**

1. Summary of Significant Accounting Policies – (continued)

Utility Plant

Equipment and property additions are recorded at cost. Depreciated is calculated using the straight-line method over the estimated useful life. The District estimates the useful life of its equipment to be 10 years as well as 5 years for general office equipment.

Cash Flow

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the District. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the proprietary funds, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

2. Utility Plant -

A summary of changes in the utility plant is as follows:

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>
Equipment	\$ 82,802.90	\$ 0.00	\$ (0.00)	\$ 82,802.90
Less: Accumulated Depreciation	<u>(41,437.84)</u>	<u>(7,986.79)</u>	<u>0.00</u>	<u>(49,424.63)</u>
Total	<u>\$ 41,365.06</u>	<u>\$ (7,986.79)</u>	<u>\$ 0.00</u>	<u>\$ 33,378.27</u>

3. Cash & Cash Equivalents -

At June 30, 2010, total cash was \$764,035.45 of which \$299,073.41 is held in certificates of deposit with maturities of more than three months, leaving \$464,962.04 considered as cash equivalents.

4. Budgeting Procedures -

The official and amended budget for June 30, 2010, was prepared for adoption for the proprietary fund by June 15, 2009.

5. Exposure -

The District is included under the County coverage for the risks of losses to which it is exposed. These risks include general liability and property and casualty. Settlement claims have not exceeded coverage in the past three years, and there are currently no pending lawsuits.

6. Grants and Reimbursements -

The District received a dispatcher training grant totaling \$16,000.00 during the year from the Tennessee Emergency Communications Board.

Supplemental Information

Franklin County Emergency
Communications District
Schedule of Revenues, Expenses, and Changes in Fund Balance-
Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Operating Revenues				
Service charges	\$ 170,000.00	\$ 170,000.00	\$ 172,299.55	\$ 2,299.55
Shared wireless charges	210,000.00	210,000.00	234,875.16	24,875.16
Grants/reimbursements	133,000.00	133,000.00	16,000.00	(117,000.00)
Miscellaneous income	200.00	200.00	0.00	(200.00)
Total Operating Revenues	<u>513,200.00</u>	<u>513,200.00</u>	<u>423,174.71</u>	<u>(90,025.29)</u>
Expenses				
Depreciation	8,500.00	8,500.00	7,986.79	513.21
Board meeting expense	500.00	510.00	503.28	6.72
Addressing/mapping expense	44,000.00	44,000.00	41,857.00	2,143.00
Repairs and maintenance	600.00	600.00	0.00	600.00
Office supplies	1,000.00	1,000.00	586.51	413.49
Insurance	0.00	1,700.00	1,687.00	13.00
Training expenses	1,000.00	1,000.00	0.00	1,000.00
Service provider fees	110,000.00	110,000.00	102,978.56	7,021.44
Premiums on surety bonds	500.00	550.00	497.00	53.00
Public education	1,200.00	1,200.00	0.00	1,200.00
Contracted services	12,200.00	21,700.00	20,607.44	1,092.56
Dues and memberships	700.00	720.00	709.00	11.00
Impact fees	198,000.00	198,000.00	182,382.78	15,617.22
Geographic information systems	20,000.00	20,000.00	0.00	20,000.00
Travel	4,200.00	4,200.00	2,418.68	1,781.32
Legal notices	400.00	475.00	480.01	(5.01)
Total Expenses	<u>402,800.00</u>	<u>414,155.00</u>	<u>362,694.05</u>	<u>51,460.95</u>
Operating Income	<u>110,400.00</u>	<u>99,045.00</u>	<u>60,480.66</u>	<u>(38,564.34)</u>
Non-Operating Revenues				
Interest income	10,868.00	10,868.00	7,769.20	(3,098.80)
Total Non-Operating Revenues	<u>10,868.00</u>	<u>10,868.00</u>	<u>7,769.20</u>	<u>(3,098.80)</u>
	121,268.00	109,913.00	68,249.86	(41,663.14)
Total net assets-beginning	742,014.81	742,014.81	742,014.81	0.00
Total net assets-ending	<u>\$ 863,282.81</u>	<u>\$ 851,927.81</u>	<u>\$ 810,264.67</u>	<u>\$ (41,663.14)</u>

Franklin County Emergency
 Communication District
 Other Supplemental Information
 For the Year Ended June 30, 2010

Schedule of Expenditures of Federal Awards and State Financial Assistance

<u>Federal Grantor/ Pass - Through Grantor</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending (Accrued) Deferred</u>
Tennessee Emergency Communication Board		Training Reimbursement	\$ 7,936.93	\$ 23,936.93	\$ 0.00	\$ 16,000.00
Total State Awards			\$ 7,936.93	\$ 23,936.93	\$ 0.00	\$ 16,000.00

Basis of Presentation:

Note 1: The Training Reimbursement Program is a cost recovery program for expenses relating to the cost of dispatchers.

See accompanying accountants' report.

BEAN, RHOTON & KELLEY, PLLC

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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*

To the Board of Directors
Franklin County Emergency
Communications District
Winchester, Tennessee

We have audited the financial statements of the business-type activities of the Franklin County Emergency Communications District, a component unit of Franklin County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise the Franklin County Emergency Communications District's basic financial statements and have issued our report thereon dated December 31, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

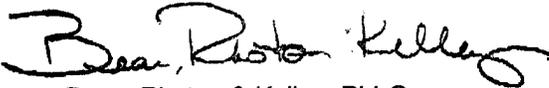
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting (09-2). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Franklin County Emergency Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses (09-4).

The District's responses to the findings identified in our audit are described below each finding. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, the State of Tennessee, management, 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.



Bean, Rhoton & Kelley, PLLC
December 31, 2010

**Franklin County Emergency Communications District
Schedule of Findings and Responses
June 30, 2010**

I. Summary of Auditors' Results

- A. The June 30, 2010 Auditors' Report on the Financial Statements was unqualified.
- B. Significant deficiencies in internal control were disclosed by the audit and are discussed below in the Schedule of Findings and Responses in finding 09-2.
- C. Reportable conditions in compliance were disclosed by the audit and are discussed below in the Schedule of Findings and Responses in finding 09-4.

II. Findings Related to the Financial Statements which are required to be reported in Accordance with Government Auditing Standards

(09-1) Disbursements

During our review of disbursements, we found instances where disbursements reviewed did not have adequate supporting documentation. – This problem no longer exists.

(09-2) Receipts

During our review, we found that receipts had not been written during the year. – This problem still exists.

Recommendation:

To ensure that all monies are accounted for and deposited into the bank, receipts should be written.

District's Comment:

Most money collected by the District is in the form of direct deposit. Due to lack of monies directly received and administrative resources available, the District does not view this condition as a high priority. If the situation changes, the District will begin writing receipts.

(09-3) Voided checks

During our review of disbursements, we found instances of checks not being "voided" properly. – This issue no longer exists

(09-4) Budget

We noted that actual expenditures exceeded the amount appropriated in the budget. – This problem still exists.

Recommendation:

All expenditures should be authorized either in the original budget or an amendment to that budget or in a supplemental appropriation.

District's Comment:

The budget will be monitored better in the future.