

**WEAKLEY COUNTY EMERGENCY
COMMUNICATIONS DISTRICT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2010

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
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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

Howard Ross, Member
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

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Martin, TN 38257

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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, 2010, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Weakley County Emergency Communications District, as of June 30, 2010, 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 December 21, 2010, 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 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.

Dyersburg, TN
Henderson, TN
Jackson, TN
Martin, TN
McKenzie, TN

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

Accounting principles generally accepted in the United States of America require that the schedule of funding progress on page 12 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 accordance with auditing standards generally accepted in the United States of America, which consisted 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 financial statements that collectively comprise the District's financial statements as a whole. The introductory section and the other supplementary information section are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing reconciling information directly to the underlying accounting and other records 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 as a whole. The introductory section has not been subjected to the auditing process applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Alexander Thompson Arnold PLLC

Martin, Tennessee
December 21, 2010

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

Assets

Current assets

Cash and cash equivalents	\$ 486,381
Investments	48,373
Accounts receivable	<u>16,427</u>
Total current assets	<u>551,181</u>

Noncurrent assets

Capital assets being depreciation	
Office equipment	72,658
Accumulated depreciation - Office equipment	(27,258)
Communications equipment	687,000
Accumulated depreciation - Communications equipment	(400,621)
Vehicles	45,076
Accumulated depreciation - Vehicles	<u>(35,876)</u>
Net capital assets	<u>340,979</u>

Total assets	<u>892,160</u>
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Liabilities

Current liabilities

Accounts payable	4,115
Compensated absences payable	<u>2,426</u>
Total current liabilities	6,541

Net assets

Invested in capital assets	340,979
Unrestricted net assets	<u>544,640</u>

Total net assets	<u>\$ 885,619</u>
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**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

Operating Revenues

Emergency Telephone Service Charge	\$ 141,834
Tennessee Emergency Communications Board - Shared Wireless Charge	106,577
Tennessee Emergency Communications Board - Operational Funding	<u>152,963</u>

Total operating revenue 401,374

Operating Expenses

Salaries and Wages	
Director	41,447
Administrative Personnel	8,220
Employee Benefits	
Social Security	3,828
Retirement Contributions	12,930
Contracted Services	
Addressing/Mapping Expenses	1,730
Audit Services	2,395
Contracts with Government Agencies	979
Fees Paid to Service Providers	43,193
Impact Payments	98,787
NCIC Expenses	3,400
Maintenance Agreements	13,910
Maintenance and Repairs-Communications Equipment	3,903
Maintenance and Repairs - Office Equipment	146
Maintenance and Repairs -Vehicles	1,335
Fuel - Vehicles	2,734
Supplies and Materials	
Office Supplies	2,166
Custodial Supplies	341
Postage	302
Capital Projects: Non Depreciable	161,675
Uniforms and Shirts	1,379
Utilities-General Telephone	1,988
Utilities-Cell Phones and Pagers	2,512
Other Charges	
Board Meeting Expense	1,815
Dues and Memberships	467
Insurance-Liability	2,760
Premiums on Surety Bonds	455
Training Expenses	14,140
Travel Expenses	20,007
Other Charges	1,421
Depreciation	<u>61,218</u>

Total operating expenses 511,583

Operating income (loss) (110,209)

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

Nonoperating Revenues (Expenses)	
Interest income	7,470
Tennessee Emergency Communications Board - Grants and Reimbursements	48,460
Insurance Reimbursements	<u>1,493</u>
Total nonoperating revenues (expenses)	<u>57,423</u>
Increase (decrease) in net assets	(52,786)
Net assets, July 1, 2009	<u>938,405</u>
Net assets, June 30, 2010	<u>\$ 885,619</u>

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

Cash flows from operating activities

Cash received from surcharges and other revenues	\$ 485,579
Cash payments to suppliers for goods and services	(390,997)
Cash payments for payroll, taxes and related benefits	<u>(67,028)</u>
Net cash provided (used) by operating activities	<u>27,554</u>

Cash flows from noncapital financing activities

Grants/ Reimbursements TECB	48,460
Insurance reimbursement	<u>1,493</u>
Net cash provided (used) by noncapital financing activities	<u>49,953</u>

Cash flows from capital and related financing activities

Purchase of capital assets	<u>(171,101)</u>
Net cash used provided (used) for capital and related financing activities	<u>(171,101)</u>

Cash flows from investing activities

Interest income received	<u>7,470</u>
Net cash provided (used) by investment activities	<u>7,470</u>

Net increase (decrease) in cash and cash equivalents (86,124)

Cash and cash equivalents at beginning of year- July 1, 2009 620,878

Cash and cash equivalents at end of year- June 30, 2010 \$ 534,754

Cash and cash equivalents

Cash	\$ 486,381
Investments	<u>48,373</u>
Total cash and cash equivalents	<u><u>\$ 534,754</u></u>

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

Operating income (loss)	\$ (110,209)
<i>Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities</i>	
Depreciation and amortization	61,218
Changes in assets and liabilities	
(Increase) decrease in current receivables	84,205
Increase (decrease) in accounts payable	(7,057)
Increase (decrease) in compensated absences payable	<u>(603)</u>
Total adjustments	<u>137,763</u>

Net cash provided (used) by operating activities \$ 27,554

WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010

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. The District's capitalization threshold is set at \$5,000 per unit cost. 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, 2010, all bank deposits were fully collateralized or insured.

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

B. Capital assets

Capital asset activity during the year was as follows:

<u>Description</u>	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2010</u>
Capital assets being depreciated				
Communication equipment	\$ 515,899	\$ 171,101		\$ 687,000
Office equipment	72,658	-	-	72,658
Vehicles	45,076	-	-	45,076
Total capital assets being depreciated	<u>633,633</u>	<u>171,101</u>	<u>-</u>	<u>804,734</u>
Less accumulated depreciation				
Communication equipment	354,154	46,468		400,622
Office equipment	17,108	10,150	-	27,258
Vehicles	31,276	4,600	-	35,876
Total accumulated depreciation	<u>402,538</u>	<u>61,218</u>	<u>-</u>	<u>463,756</u>
Total capital assets, net	<u>\$ 231,095</u>	<u>\$ 109,883</u>	<u>\$ -</u>	<u>\$ 340,978</u>

Depreciation expense for the year ended June 30, 2010, was \$61,218.

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

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the *Tennessee Code Annotated* (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as 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 PSP. 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.tn.gov/treasury/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, 2010 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, 2010, Weakley County Emergency 911 District's annual pension cost of \$12,930 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 12,930	100.00%	\$ 0.00
June 30, 2009	12,915	100.00%	0.00
June 30, 2008	10,619	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, 2010**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/01/09	\$106	\$181	\$74	58.84%	\$58	127.88%

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, 2010**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenue				
Emergency Telephone Service Charge	\$ 148,000	\$ 148,000	\$ 141,834	\$ (6,166)
Tennessee Emergency Communications Board - Shared Wireless Charge	70,000	70,000	106,577	36,577
Tennessee Emergency Communications Board - Operational Funding	108,000	108,000	152,963	44,963
Other Operational Revenue	<u>5,000</u>	<u>5,000</u>	<u>1,493</u>	<u>(3,507)</u>
Total operating revenue	<u>331,000</u>	<u>331,000</u>	<u>402,867</u>	<u>71,867</u>
Operating Expenses				
Salaries and Wages				
Director	41,500	41,500	41,447	(53)
Administrative Personnel	4,500	4,500	8,220	3,720
Employee Benefits				
Social Security	3,519	3,519	3,828	309
Retirement contributions	12,770	12,770	12,930	160
Other Fringe Benefits	600	600	-	(600)
Contracted Services				
Addressing / Mapping	10,000	10,000	1,730	(8,270)
Advertising	250	250	-	(250)
Audit Services	3,000	3,000	2,395	(605)
Contracts with Government Agencies	1,400	1,400	979	(421)
Fees Paid to Service Providers	41,000	41,000	43,193	2,193
Impact Payments	98,787	109,958	98,787	(11,171)
Maintenance Agreements	14,000	14,000	13,910	(90)
NCIC / TBI / TIES expense	3,500	3,500	3,400	(100)
Maintenance and repairs				
Communications Equipment	750	750	3,903	3,153
Office Equipment	250	250	146	(104)
Vehicle	1,500	2,205	1,335	(870)
Fuel expense - Vehicles	3,000	3,000	2,734	(266)
Supplies and Materials				
Office Supplies	2,200	1,885	2,166	281
Custodial Supplies	800	395	341	(54)
Postage	350	350	302	(48)
Capital Projects: Non Depreciable	128,110	128,110	161,675	33,565
Uniforms and Shirts	1,500	1,500	1,379	(121)
Utilities - General Telephone	1,700	1,865	1,988	123
Utilities - Cell Phone and Pagers	2,000	2,385	2,512	127
Other Charges				
Board Meeting Expenses	2,000	2,100	1,815	(285)
Dues and Memberships	550	550	467	(83)
Employee Testing and Exams	600	875	580	(295)
Insurance - Liability	4,000	3,175	2,760	(415)
Premiums on Surety Bonds	700	600	455	(145)
Public Education	250	250	217	(33)
Service Awards	300	300	297	(3)

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Training Expenses	16,000	15,000	13,046	(1,954)
Travel Expenses	18,000	19,000	20,007	1,007
Mileage - mapping	-	-		-
Internet Charges	1,500	1,515	1,421	(94)
Depreciation	<u>55,000</u>	<u>83,000</u>	<u>61,218</u>	<u>(21,782)</u>
Total operating expenses	<u>475,886</u>	<u>515,057</u>	<u>511,583</u>	<u>(3,474)</u>
Operating income (loss)	<u>(144,886)</u>	<u>(184,057)</u>	<u>(108,716)</u>	<u>(292,773)</u>
Nonoperating Income (Expenses)				
Interest Income	15,000	15,000	7,470	(7,530)
Tennessee Emergency Communications Board- Grants and Reimbursements	<u>10,000</u>	<u>10,000</u>	<u>48,460</u>	<u>38,460</u>
Total non-operating income	<u>25,000</u>	<u>25,000</u>	<u>55,930</u>	<u>30,930</u>
Net income (loss)	<u>\$ (119,886)</u>	<u>\$ (159,057)</u>	<u>\$ (52,786)</u>	<u>\$ (261,843)</u>

INTERNAL CONTROL AND COMPLIANCE SECTION



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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 Weakley County Emergency Communications District (a component unit of Weakley County, Tennessee), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 21, 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 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 deficiency in internal controls 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.

Dyersburg, TN
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*

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*.

We noted certain matters that we reported to management of the District, in a separate letter dated December 21, 2010.

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
December 21, 2010

**WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF FINDINGS
JUNE 30, 2010**

**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, 2010**

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

None noted in prior years.