

**OVERTON/PICKETT COUNTY E-911 EMERGENCY
COMMUNICATIONS DISTRICT
JUNE 30, 2011**

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Overton/Pickett County E-911 Emergency Communications District
Livingston, Tennessee

I have audited the accompanying financial statements of the Overton/Pickett County E-911 Emergency Communications District, a component unit of Overton County, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Overton/Pickett County E-911 Emergency Communications district's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Overton/Pickett County E-911 Emergency Communications District, as of June 30, 2011, and the results of its operations and the 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*, I have also issued my report dated August 25, 2011, on my consideration of the Overton/Pickett County E-911 Emergency Communications District's internal control over financial reporting and my 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 my 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 the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

GASB Statement No. 34 provides guidance on Management's Discussion and Analysis, which is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America; however, management has chosen to exclude this information.

The accompanying schedule of funding progress is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I 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, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements of Overton/Pickett County E-911 Emergency Communications District, taken as a whole. The accompanying supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statement of Overton/Pickett County E-911 Emergency Communications District. Such information has been subjected to the auditing procedures applied in the examination of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

August 25, 2011
Cookeville, Tennessee

Tamara L. Beckman, CPA

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 144,677.19	
Certificate of Deposit	111,612.85	
Accounts Receivable	271.08	
Due from State ECB	11,218.30	
Interest Receivable	2,592.17	
Prepaid Expenses	<u>3,277.68</u>	
<u>Total Current Assets</u>		\$ 273,649.27

Non-Current Assets

Land	19,625.00	
Land Improvements	24,802.25	
A/D-Land Improvements	(6,097.58)	
Building & Improvements	298,312.89	
A/D-Building & Improvements	(121,465.46)	
Furniture & Fixtures	75,542.03	
A/D-Furniture & Fixtures	(59,192.69)	
Office Equipment	161,516.36	
A/D-Office Equipment	(122,167.53)	
Communications Equipment	360,742.39	
A/D-Communications	(178,089.13)	
Vehicles	70,229.00	
A/D-Vehicle	(25,840.37)	
Construction In Progress	<u>150,856.50</u>	
<u>Total Non-Current Assets</u>		<u>648,773.66</u>

Total Assets **\$ 922,422.93**

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	8,770.38	
Accrued Payroll	8,830.49	
Payroll Tax Payable	283.48	
Payroll Deductions Payable	547.38	
Compensated Absences Payable	<u>20,585.12</u>	
<u>Total Current Liabilities</u>		<u>39,016.85</u>

Net Assets

Invested in Capital Assets	648,773.66	
Unrestricted Net Assets	<u>234,632.42</u>	
<u>Total Net Assets</u>		<u>\$ 883,406.08</u>

The Accompanying notes are in integral part of the financial statements

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

Operating Revenues

Emergency Telephone Service Charges	\$ 246,362.26	
State – Shared Wireless Charges	65,809.09	
State – Operational Funding Program	255,006.00	
Electrical Permits	<u>42,717.11</u>	
Total Operating Revenue		\$ 609,894.46

Operating Expense

Salaries & Wages

Director	\$ 53,926.73	
Dispatchers/Personnel	<u>415,415.98</u>	
Total Salaries & Wages		469,342.71

Employee Benefits

Social Security	28,837.27	
Medicare	6,744.19	
Medical/Life/Dental Insurance	86,234.56	
Unemployment Compensation	1,310.78	
Retirement Contributions	<u>19,853.32</u>	
Total Employee Benefits		142,980.12

Contracted Services

Addressing & Mapping	16,658.53	
Fees Paid to Service Providers	40,104.51	
Advertising	1,912.50	
Audit Services	2,000.00	
Accounting Services	1,618.75	
Legal Services	4,200.00	
Maintenance Agreements	880.76	
Pest Control	450.00	
<u>Lease/Rental</u>		
Office Equipment	1,561.29	
<u>Maintenance/Repairs</u>		
Communications Equipment	7,761.79	
Buildings & Facilities	6,042.02	
Office Equipment	70.08	
Vehicles	<u>2,962.30</u>	
Total Contracted Services		86,222.53

Supplies & Materials

Office Supplies	4,025.11
Custodial Supplies	6,425.71
Postage	488.14
Small Equip. Purchase	1,283.89

The Accompanying notes are in integral part of the financial statements

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011**

Uniforms & Shirts	6,378.79	
Utilities		
Electricity	18,860.74	
Gas	796.81	
Water & Sewer	741.01	
General Telephone	75.62	
Cell Phone	6,210.63	
Cable TV	748.50	
Internet	<u>131.30</u>	
Total Supplies & Materials		46,166.25
Other Charges		
Board Meeting Expenses	3,421.65	
Dues & Memberships	2,096.56	
Employee Testing	1,872.00	
Insurance		
Liabililty	10,451.00	
Worker's Comp	2,754.00	
Vehicle	2,390.00	
Licenses & Fees	355.00	
Premiums on Surety Bonds	1,060.01	
Public Education	6,641.81	
Service Awards	358.76	
Training Expenses	23,132.56	
Travel Expenses	6,059.50	
Electrical Permits	39,185.00	
Other	<u>335.78</u>	
Total Other Charges		100,113.63
Depreciation		<u>110,817.77</u>
Total Operating Expense		<u>955,643.01</u>
Operating Loss		(345,748.55)
Non-Operating Revenue & Expense		
UCEMC Contract	5,777.00	
State Grants/Reimbursements	237,349.02	
Interest Income	2,961.34	
Flood Recovery Donation	810.00	
Contributions from Other Governments	153,340.32	
Flood Recovery Supplies	(776.71)	
Interest Expense	<u>(91.31)</u>	
Total Non-Operating Revenue & Expense		<u>399,369.66</u>
Increase in Net Assets		53,621.11
Total Net Assets, July 1, 2010		829,784.97
Total Net Assets, June 30, 2011		<u>\$ 883,406.08</u>

The Accompanying notes are in integral part of the financial statements

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2011**

Cash Flows From Operating Activities

Cash Received from Customers	\$ 609,962.30	
Cash Paid to/for Employees for Services	(607,793.31)	
Cash Payments for Goods and Services	<u>(217,746.12)</u>	
Net Cash Used by Operating Activities		\$ (215,577.13)

Cash Flows from Capital & Related Financing Activities

Purchase of Equipment	(52,545.16)	
Construction In Progress	<u>(150,856.50)</u>	
Net Cash Used by Capital & Related Financing Activities		(203,401.66)

Cash Flows from Non-Capital Financing Activities

State Grants/Reimbursements	237,349.02	
UCEMC Contract	5,777.00	
Contributions from Other Governments	153,340.32	
Flood Recovery Donation (Less Supplies Purchased)	<u>33.29</u>	
Net Cash Provided by Non-Capital Financing Activities		396,499.63

Cash Flows from Investing Activities

Interest Received	2,802.92	
Transfer to CD	<u>(2,509.37)</u>	
Net Cash Provided by Investing Activities		<u>293.55</u>

Net Increase in Cash & Cash Equivalents		(22,185.61)
Cash and Cash Equivalent at 6-30-10		<u>166,862.80</u>
Cash and Cash Equivalent at 6-30-11		<u>\$ 144,677.19</u>

Reconciliation of Operating Loss to Net Cash

<u>Used by Operating Activities</u>		
Operating Loss	\$ (345,748.55)	
Interest Expense on Credit Cards used in Operations	(91.31)	
Depreciation	110,817.77	
Decrease in Accounts Receivable	470.36	
Increase in Due from State	(538.20)	
Decrease in Prepaid Expense	12,744.86	
Increase in Accounts Payable & Accrued Expenses	<u>6,767.94</u>	
Net Cash Used by Operating Activities		<u>\$ (215,577.13)</u>

The Accompanying notes are in integral part of the financial statements

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1-Organization

The Overton/Pickett County E-911 Emergency Communications District was established as a result of a merger between the Overton County Emergency Communications District and the Pickett County Emergency Communications District. The merger agreement was signed on January 22, 2002 for the purpose of improving the response of emergency services in Overton County and Pickett County and to provide an enhanced 911 service for Overton and Pickett County citizens by acquiring equipment that enables emergency service providers to respond more rapidly and effectively due to increased speed in the transmission of critical information and improved reliability of address information.

The Overton/Pickett County E-911 Emergency Communications District is a component unit of Overton County, the commissioners of which appoint the nine members of the Board. The remaining four are appointed by the Pickett County Commission. The District must file a budget with Overton County each year. Any bond issued by the district is subject to approval by Overton County.

Note 2 – Summary of significant accounting policies

Financial Statement Presentation

The Overton/Pickett county E-911 Emergency Communications district presents its financial statements on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20, follows pronouncements of the Financial Accounting Standards (FASB) issued before November 30, 1989 unless they conflict with or contradict GASB guidance. After November 30, 1989, the District follows GASB guidance only and does not follow any FASB guidance issued after that date.

Fixed Assets

Fixed assets are depreciated over their useful lives using the straight-line method over the following useful lives:

Building, Land & Building Improvements	10, 20 or 40 Years
Furniture & Fixtures	5, 7 Years
Equipment & Vehicles	3, 5, 7 or 10 Years

Note 3 – Cash and investments

The Tennessee Government Code requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105% of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2011:

Operating Checking-American Bank & Trust	\$ 75,341.55
Payroll Checking-First National Bank	27,371.29
CD-American Bank & Trust	111,612.85
Money Market-First National Bank	<u>41,964.35</u>
Total	<u>\$256,290.04</u>

At June 30, 2011, the carrying amount of the Overton/Pickett County E – 911 Emergency Communications District’s cash deposits was \$256,290.04. The District’s deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization pledged by First National Bank, held by Compass Bank in the District’s name. The District is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the Tennessee Code Annotated. [Acts 1992, ch. 891, section 10].

Note 4 – Risk Management

The Overton/Pickett County E-911 Emergency Communication District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases commercial insurance for all claims and for all other risks of loss. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Note 5 – Fixed Assets

The following is a schedule of equipment and depreciation at June 30, 2011:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Depreciation Expense</u>	<u>Net</u>
<u>Non-Depreciable Assets</u>				
Land	\$ 19,625.00	\$ --	\$ --	\$ 19,625.00
Construction in Progress	<u>150,856.50</u>	<u>--</u>	<u>--</u>	<u>150,856.50</u>
Total Non-depreciable Assets	<u>170,481.50</u>	<u>--</u>	<u>--</u>	<u>170,481.50</u>
<u>Depreciable Assets</u>				
Land Improvements	24,802.25	6,097.58	1,121.30	18,704.67
Building/Improvements	298,312.89	121,465.46	15,618.24	176,847.43
Furniture & Fixtures	75,542.03	59,192.69	6,287.12	16,349.34
Office Equipment	161,516.36	122,167.53	28,892.17	39,348.83
Communication Equipment	360,742.39	178,089.13	45,828.14	182,653.26
Vehicles	<u>70,229.00</u>	<u>25,840.37</u>	<u>13,070.80</u>	<u>44,388.63</u>
Total Depreciable Assets	<u>991,144.92</u>	<u>512,852.76</u>	<u>110,817.77</u>	<u>478,292.16</u>
Grand Total	<u>\$1,161,626.42</u>	<u>\$ 512,852.76</u>	<u>\$110,817.77</u>	<u>\$ 648,773.66</u>

The following is a schedule of equipment at June 30, 2011:

	<u>Balance 6-30-10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6-30-11</u>
<u>Non-Depreciable Assets</u>				
Land	\$ 19,625.00	\$ --	\$ --	\$ 19,625.00
Construction in Progress	<u>--</u>	<u>--</u>	<u>--</u>	<u>150,856.50</u>
Total Non-depreciable Assets	<u>19,625.00</u>	<u>150,856.50</u>	<u>--</u>	<u>170,481.50</u>
<u>Depreciable Assets</u>				
Land Improvements	21,553.09	3,249.16	--	24,802.25
Building/Improvements	294,124.41	4,188.48	--	298,312.89
Furniture & Fixtures	66,643.75	8,898.28	--	75,542.03
Office Equipment	154,511.54	7,004.82	--	161,516.36
Communication Equipment	338,037.97	22,704.42	--	360,742.39
Vehicles	<u>63,729.00</u>	<u>6,500.00</u>	<u>--</u>	<u>70,229.00</u>
Total Depreciable Assets	<u>938,599.76</u>	<u>52,545.16</u>	<u>--</u>	<u>991,144.92</u>
Grand Total	<u>\$ 958,224.76</u>	<u>\$ 203,401.66</u>	<u>\$ --</u>	<u>\$1,161,626.42</u>

Note 6 – Cash and Cash equivalents

Cash and Cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

Note 7– Compensated Absences

Compensated absences are calculated for full-time employees for annual and sick leave. However, the sick leave does not vest; therefore no liability has been recorded for sick leave. The liability shown in these statements of \$20,585.12 represents the amount owed to employees for annual leave as of June 30, 2011.

Note 8 – Funding Sources

Monthly fees provide funds for operations from service users in Overton and Pickett Counties. The service supplier in Overton and Pickett Counties, Twin Lakes Telephone Cooperative, collects the service fees and remits the funds to the District. The service supplier retains three percent of collections as an administration fee. The State of Tennessee remits to the District its share of wireless revenue.

Note 9 – Calculation of Net Assets Invested in Capital Assets

Net Book Value	<u>\$648,773.66</u>
Invested In Capital Assets	<u>\$648,773.66</u>

Note 10 – Budgetary Information

As stated in Note 1, the District must file a budget with Overton County each year which must be legally adopted by the County. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted is required at the program level as well as the object level.

Note 11– Pension Plan

Plan Description

Employees of Overton/Pickett County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), and 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 year of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Overton/Pickett County Emergency Communications 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 required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Overton Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

As of August 25, 2011, funding policy information for the year ending June 30, 2011 was not yet made available from the State of Tennessee, TCRS. Therefore, all amounts used were from the June 30, 2010 TCRS report.

Overton/Pickett County Emergency Communications District requires employees to contribute 5.0 percent of earnable compensation.

Overton/Pickett County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2010 was 5.27% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Overton/Pickett County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

As of August 25, 2011, funding policy information for the year ending June 30, 2011 was not yet made available from the State of Tennessee, TCRS. Therefore, all amounts used were from the June 30, 2010 TCRS report.

For the year ending June 30, 2010, Overton/Pickett County Emergency Communications District’s annual pension cost of \$18,558 to TCRS was equal to Overton/Pickett County Emergency Communications 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 calculation 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. Overton/Pickett County Emergency Communications 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 16 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost(APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2010	\$18,513	100.00%	\$0.00
June 30, 2009	18,513	100.00%	0.00
June 30, 2008	33,409	100.00%	0.00

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 56.54% percent funded. The actuarial accrued liability for benefits was \$0.32 million, and the actuarial value of assets was \$0.18 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.14 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.33 million, and the ratio of the UAAL to the covered payroll was 42.49% percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The Annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/(c)]
July 1, 2009	\$181	\$321	\$139	56.54%	\$328	42.49%
July 1, 2007	\$117	\$253	\$136	46.25%	\$350	38.86%

**OVERTON/PICKETT COUNTY EMERGENCY
COMMUNICATIONS DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2011

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

Schedule of Funding Progress for Overton County Emergency Communications District:

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/(c)]
July 1, 2009	\$181	\$321	\$139	56.54%	\$328	42.49%
July 1, 2007	\$117	\$253	\$136	46.25%	\$350	38.86%

**OVERTON/PICKETT COUNTY EMERGENCY
COMMUNICATIONS DISTRICT**

SUPPLEMENTARY INFORMATION

JUNE 30, 2011

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011**

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
<u>Operating Revenues</u>			
Emergency Telephone Service Charges	\$ 246,362.26	\$ 246,000.00	\$ (362.26)
State-Shared Wireless Charges	65,809.09	54,000.00	(11,809.09)
State-Operational Funding Program	255,006.00	212,384.00	(42,622.00)
Other Operating Revenue	42,717.11	44,000.00	1,282.89
Total Operating Revenues	\$ 609,894.46	\$ 556,384.00	\$ (53,510.46)
<u>Operating Expenses</u>			
<u>Salaries & Wages</u>			
Director	\$ 53,926.73	\$ 53,993.00	\$ 66.27
Dispatchers	415,415.98	415,452.00	36.02
Total Salaries & Wages	\$ 469,342.71	\$ 469,445.00	\$ 102.29
<u>Employee Benefits</u>			
Social Security Tax	28,837.27	28,900.00	62.73
Medicare Tax	6,744.19	6,753.00	8.81
Medical/Dental/Life Insurance	86,234.56	86,417.00	182.44
Unemployment	1,310.78	2,100.00	789.22
Retirement Contributions	19,853.32	20,161.00	307.68
Total Employee Benefits	\$ 142,980.12	\$ 144,331.00	\$ 1,350.88
<u>Contracted Services</u>			
Addressing/Mapping	16,658.53	17,400.00	741.47
Fees Paid to Service Providers	40,104.51	40,800.00	695.49
Advertising	1,912.50	2,000.00	87.50
Audit Services	2,000.00	2,000.00	-
Accounting Services	1,618.75	2,100.00	481.25
Legal Services	4,200.00	4,200.00	-
Maintenance Agreements	880.76	1,000.00	119.24
Pest Control	450.00	550.00	100.00
L&R-Office Equipment	1,561.29	1,900.00	338.71
M&R-Communication Equipment	7,761.79	9,000.00	1,238.21
M&R-Building & Facilities	6,042.02	6,200.00	157.98
M&R-Office Equipment	70.08	300.00	229.92
M&R-Vehicles	2,962.30	3,600.00	637.70
Total Contracted Services	\$ 86,222.53	\$ 91,050.00	\$ 4,827.47
<u>Supplies & Materials</u>			
Office Supplies	\$ 4,025.11	\$ 4,500.00	\$ 474.89
Custodial Supplies	6,425.71	7,200.00	774.29
Postage	488.14	600.00	111.86
Small Equipment Purchases	1,283.89	1,300.00	16.11
Uniforms	6,378.79	6,450.00	71.21
Utilities-Electric	18,860.74	19,300.00	439.26

**OVERTON/PICKETT COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011**

Utilities-Water	741.01	900.00	158.99
Utilities-Gas	796.81	1,400.00	603.19
General Telephone	75.62	200.00	124.38
Cell Phones	6,210.63	6,300.00	89.37
Cable TV	748.50	850.00	101.50
Internet	131.30	400.00	268.70
Total Supplies & Materials	<u>\$ 46,166.25</u>	<u>\$ 49,400.00</u>	<u>\$ 3,233.75</u>
Other Charges			
Board Meeting Expenses	3,421.65	3,800.00	378.35
Dues & Memberships	2,096.56	2,400.00	303.44
Employee Testing	1,872.00	2,000.00	128.00
Insurance-Liability	10,451.00	10,600.00	149.00
Insurance-Worker's Compensation	2,754.00	3,800.00	1,046.00
Insurance-Vehicle	2,390.00	2,400.00	10.00
Licenses & Fees	355.00	450.00	95.00
Premiums on Surety Bonds	1,060.01	1,200.00	139.99
Public Education	6,641.81	6,900.00	258.19
Service Awards	358.76	450.00	91.24
Training Expenses	23,132.56	24,000.00	867.44
Travel Expenses	6,059.50	7,000.00	940.50
Electrical Permits	39,185.00	40,000.00	815.00
Other	335.78	400.00	64.22
Total Other Charges	<u>\$ 100,113.63</u>	<u>\$ 105,400.00</u>	<u>\$ 5,286.37</u>
Depreciation	<u>\$ 110,817.77</u>	<u>\$ -</u>	<u>\$ (110,817.77)</u>
Total Operating Expenses	<u>\$ 955,643.01</u>	<u>\$ 859,626.00</u>	<u>\$ (96,017.01)</u>
Operating Income (Loss)	<u>\$ (345,748.55)</u>	<u>\$ (303,242.00)</u>	<u>\$ 42,506.55</u>
Non-Operating Revenue and (Expense)			
UCEMC Contract	5,777.00	5,600.00	(177.00)
State – Grants & Reimbursements	237,349.02	257,061.00	19,711.98
Interest Income	2,961.34	2,000.00	(961.34)
Flood Recovery Donation	810.00	25.00	(785.00)
Contributions from Other Govts	153,340.32	167,940.00	14,599.68
Flood Recovery Supplies	(776.71)	-	776.71
Interest Expense	(91.31)	(150.00)	58.69
Total Non-Operating Revenue & Expense	<u>\$ 399,369.66</u>	<u>\$ 432,476.00</u>	<u>\$ 33,223.72</u>
Increase in Net Assets	<u>\$ 53,621.11</u>	<u>\$ 129,234.00</u>	<u>\$ 75,612.89</u>
Total Net Assets, July 1, 2010	<u>829,784.97</u>	<u>829,784.97</u>	<u>-</u>
Total Net Assets, June 30, 2011	<u>\$ 883,406.08</u>	<u>\$ 959,018.97</u>	<u>\$ 75,612.89</u>

**OVERTON/PICKETT COUNTY E – 911
EMERGENCY COMMUNICATIONS DISTRICT
911 BOARD MEMBERS
JUNE 30, 2011**

Stanley Carter, Jr.
372 Booher Lane
Monroe, TN 38573
Home: (931) 823-8338
Work: (931) 243-4552
Cell: (931) 397-7933

Jeff Staggs
202 Shadow Lane
Rickman, TN 38580
Home: (931) 498-5309
Cell: (931) 265-0238

Rocky Dial - Vice Chairman
928 College St.
Livingston, TN 38570
Home: (931) 823-7665
Cell: (931) 397-6440

Garry Garrett
5086 Old KY Rd.
Byrdstown, TN 38549
Home: (931) 864-7161
Cell: (931) 267-7108

Buster Harmon
324 Harmon Farm Rd.
Pall Mall, TN 38577
Home: (931) 864-3132
Work: (931) 864-3859
Cell: (931) 319-9372

Carlos Wilson - Treasurer
714 Rickman Rd.
Livingston, TN 38570
Cell: (931) 239-4694

Jackson Carter
803 W. First Street
Livingston, TN 38570
Cell: (931) 265-0392

Ralph Robbins
827 Apple Drive
Livingston, TN 38570
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Work: (931) 823-5525

Ben Danner, Chairman
114 Danner Lane
Livingston, TN 38570
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Cell: (931) 644-5874
Home: (931) 823-0930

Misty Dowdy
8870 Faix Rd.
Byrdstown, TN 38549
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Cell: (931) 239-1714

Dr. Matthew Gaspar - Secretary
246 East Howard Rd.
Livingston, TN 38570
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Fax: (931) 403-1711
Home: (931) 403-1618
Cell: (931) 397-6170

Jeff Flowers
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Cell: (931) 265-7283

Darrell Hoover
1970 Hanging Limb Hwy.
Crawford, TN 38544
Home: (931) 445-7935
Cell: (931) 445-4100

**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 of the
Overton/Pickett County E-911 Emergency Communications District
Smithville, Tennessee

I have audited the financial statements of Overton/Pickett County Emergency Communications District as of and for the year ended June 30, 2011, and have issued my report thereon dated August 25, 2011. I conducted my 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 my audit, I considered Overton/Pickett County Emergency Communications District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of Overton/Pickett County Emergency Communications District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Overton/Pickett County Emergency Communications 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.

My 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, as defined above. I did not identify any

deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Overton/Pickett County Emergency Communications District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management and federal awarding agencies and pass-through entities and the State of Tennessee Comptroller of the Treasury and is not intended to be and should not be used by anyone other than these specified parties.

August 25, 2011
Cookeville, Tennessee

Tamara L. Beckman, CPA