

**DEKALB COUNTY E-911 EMERGENCY  
COMMUNICATIONS DISTRICT  
JUNE 30, 2012**

**TAMARA L. BECKMAN  
CERTIFIED PUBLIC ACCOUNTANT**

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
JUNE 30, 2012**

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**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
DeKalb County E-911 Emergency Communications District  
Ashland City, Tennessee

I have audited the accompanying financial statements of the DeKalb County E-911 Emergency Communications District, a component unit of DeKalb County, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the DeKalb 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 DeKalb County E-911 Emergency Communications District, as of June 30, 2012, 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* I have also issued my report dated September 6, 2012, on my consideration of the DeKalb County E-911 Emergency Communications District's internal control over financial reporting and on 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 the Governmental Accounting Standards Board; however, management has chosen to exclude this information. The Schedule of Funding Progress on page 13 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 DeKalb County E-911 Emergency Communications District, taken as a whole. The accompanying supplementary financial information (Budget and Actual and Schedule of Board Members) is presented for the purposes of additional analysis and is not a required part of the financial statement of DeKalb County E-911 Emergency Communications District. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 6, 2012  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 203,576.11	
Certificates of Deposit	375,219.22	
Accounts Receivable	529.96	
Due from State Emer. Comm. Board	9,500.38	
Interest Receivable	2,466.30	
Prepaid Expenses	<u>10,209.45</u>	
<b><u>Total Current Assets</u></b>		<b>\$ 601,501.42</b>

**Non-Current Assets**

Building & Improvements	31,643.89	
Less: Accumulated Depreciation	(17,529.90)	
Furniture & Fixtures	11,533.49	
Less: Accumulated Depreciation	(8,950.99)	
Office Equipment	8,191.30	
Less: Accumulated Depreciation	(6,985.03)	
Communications Equipment	217,455.39	
Less: Accumulated Depreciation	(133,536.28)	
Vehicles	9,018.03	
Less: Accumulated Depreciation	<u>(7,551.36)</u>	
<b><u>Total Non-Current Assets</u></b>		<b><u>103,288.54</u></b>

<b><u>Total Assets</u></b>		<b><u>704,789.96</u></b>
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**LIABILITIES**

Accounts Payable	14,598.08	
Wages Payable	5,925.57	
Payroll Taxes Payable	2,811.14	
Benefits Payable	<u>147.08</u>	
<b>Total Liabilities</b>		<b><u>23,481.87</u></b>

**Net Assets**

Invested in Capital Assets	103,288.54	
Unrestricted Net Assets	<u>578,019.55</u>	
<b><u>Total Net Assets</u></b>		<b><u>\$ 681,308.09</u></b>

The accompanying notes are in integral part of the financial statements

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

Operating Revenues

Emergency Telephone Service Charges	\$ 176,899.94
State – Wireless Charges	45,827.84
State – Operational Funding Program	142,813.84
Other Income	1,450.00
	<hr/>

**Total Operating Revenue** \$ 366,991.62

Operating Expense

Salaries & Wages

Director	\$ 44,928.94
Dispatchers	294,400.46
Part-Time Personnel	13,174.44
	<hr/>
Total Salaries & Wages	\$ 352,503.84

Employee Benefits

Social Security Tax	21,768.98
Medicare Tax	5,091.14
Unemployment Taxes	1,574.67
Medical Insurance	13,630.03
Retirement Contributions	17,653.41
	<hr/>
Total Employee Benefits	59,718.23

Contracted Services

Addressing/Mapping	5,189.69
Audit Services	2,750.00
Accounting Services	1,188.00
Fees Paid to Service Providers	5,320.09
Payroll Services	771.93
Maintenance Agreements	19,361.16
Mapping/DB Consultants	1,944.00
NCIC/TBI/TIES Expenses	5,560.00
<u>Lease &amp; Rental</u>	
Communication Equipment	10,880.41
<u>Maintenance &amp; Repairs</u>	
Communication Equipment	16,386.66
Office Equipment	1,594.10
Vehicle	2,943.46
	<hr/>
Total Contracted Services	73,889.50

The Accompanying notes are in integral part of the financial statements

*DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS CONT'D  
FOR THE YEAR ENDED JUNE 30, 2012*

<u>Supplies &amp; Materials</u>		
Office Supplies	3,435.68	
Postage	528.35	
<u>Utilities</u>		
Electric	8,816.40	
Water	216.06	
General Telephone	<u>15,345.72</u>	
Total Supplies & Materials		28,342.21
<u>Other Charges</u>		
Board Meeting Expenses	900.00	
Dues & Memberships	259.00	
Insurance-Worker's Compensation	1,288.78	
Premiums on Surety Bonds	842.10	
Training Expenses	2,987.93	
Wireless/Internet Charges	1,507.88	
Vehicle Expense	-	
Uniforms	2,481.97	
Other	<u>-</u>	
Total Other Charges		10,267.66
Depreciation		<u>19,351.45</u>
<b>Total Expenses</b>		<u>544,072.89</u>
Net Operating Loss		(177,081.27)
<u>Non-Operating Revenue and (Expense)</u>		
Interest Income	9,780.39	
State – Grants & Reimbursements	92,739.71	
Contributions from Primary Governments	<u>253,182.00</u>	
Total Non-Operating Revenue & Expense		<u>355,702.10</u>
<b>Increase in Net Assets</b>		178,620.83
Total Net Assets, July 1, 2011		519,574.42
Prior Period Adjustment		(16,887.16)
Total Net Assets, June 30, 2012		<u>\$ 681,308.09</u>

The Accompanying notes are in integral part of the financial statements

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Cash Flows From Operating Activities</u>		
Cash Received from Operations	\$ 367,300.84	
Cash Paid to/for Employees for Services	(417,876.83)	
Cash Payments for Goods and Services	<u>(101,798.82)</u>	
Net Cash Used in Operating Activities		\$ (152,374.81)
 <u>Cash Flows from Non-Capital Financing Activities</u>		
Grant Received	92,739.71	
Contributions from Primary Governments	<u>253,182.00</u>	
Net Cash Provided by Non-Capital Financing Activities		345,921.71
 <u>Cash Flows from Capital &amp; Related Financing Activities</u>		
Acquisitions of New Assets		(58,051.94)
 <u>Cash Flows from Investing Activities</u>		
Interest Received	9,676.52	
Transfer to CD	<u>(109,884.26)</u>	
Net Cash Used in Investing Activities		<u>(100,207.74)</u>
Net Decrease in Cash and Cash Equivalents		35,287.22
Cash and Cash Equivalent at 6-30-11		<u>168,288.89</u>
Cash and Cash Equivalent at 6-30-12		<u>\$ 203,576.11</u>
 <u>Reconciliation of Operating Income to Net Cash</u>		
<u>Used in Operating Activities</u>		
Net Operating Loss	\$ (177,081.27)	
Other Income	-	
Depreciation	19,351.45	
Increase in Accounts Receivable	(15.28)	
Decrease in Due from State ECB	324.50	
Increase in Prepaid Expense	(741.06)	
Increase in Accounts Payable	11,233.87	
Increase in Payroll Related Payables	<u>(5,447.02)</u>	
<u>Net Cash Provided by Operating Activities</u>		<u>\$ (152,374.81)</u>

The Accompanying notes are in integral part of the financial statements

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

Note 1 – Summary of Significant Accounting Policies

The Dekalb County E-911 Emergency Communication District was established for the purpose of providing an enhanced level of 911 services to the Dekalb County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Dekalb County. The Dekalb County E-911 Emergency Communications District is run by a board of directors, which is appointed by Dekalb County. The District must file a budget with Dekalb County each year. Any bond issued by the district is subject to approval by Dekalb County.

The District uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, issued after November 30, 1989.

Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when the fixed assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life</u>	<u>2012 Depreciation</u>
Building & Improvements	S/L	10-40 Years	\$ 1,868.63
Furniture & Fixtures	S/L	5-10 Years	1,033.00
Office Equipment	S/L	5-10 Years	496.26
Communications Equipment	S/L	5-10 Years	14,853.56
Vehicles	S/L	5 Years	<u>1,100.00</u>
			<u>\$19,351.45</u>

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. Non-operating revenue consists of a grant given by the State Emergency Communications Board to help the district employ dispatchers, interest and other refunds and reimbursements.

Note 2 – Cash and cash 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, 2012:

Checking – First Bank	\$203,576.11
CD – Dekalb Community Bank	29,639.95
CD – First Bank	101,290.93
CD – Liberty State Bank	<u>244,288.34</u>
Total Deposits	<u>\$578,795.33</u>

At June 30, 2012, the carrying amount of the Dekalb County E – 911 Emergency Communications District’s cash deposits was \$578,795.33. The District’s deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are still covered since First Bank, Liberty State Bank and Dekalb Community Bank (A branch of Wilson Bank & Trust) are members of the Government Collateralization Pool. 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 3 – Bonding

Dekalb County E-911 Emergency Communications District has a worker’s compensation policy covering employees of the district at June 30, 2012. Other risk areas include theft, property damage and public liability which are covered by the policy of the county. There have been no losses or settlements that exceeded coverage during the past three years.

Note 4 – Fixed Assets

The following is a schedule of equipment at June 30, 2012:

<u>Assets</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Comm. Equipment	\$272,416.74	\$55,669.32	<\$110,630.67>	\$217,455.39
Furniture & Fixtures	17,214.19	--	< 5,680.70>	11,533.49
Bldg & Improvements	58,005.68	2,382.62	< 28,744.41>	31,643.89
Vehicles	9,018.03	--	--	9,018.03
Office Equipment	<u>19,220.22</u>	<u>--</u>	<u>&lt; 11,028.92&gt;</u>	<u>8,191.30</u>
	<u>\$375,874.86</u>	<u>\$58,051.94</u>	<u>&lt;\$156,084.70&gt;</u>	<u>\$277,842.10</u>

<u>Assets</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2011</u>	<u>Current Year</u> <u>Depreciation</u>	<u>Current Year</u> <u>Retirements</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2012</u>
Comm. Equipment	\$229,313.39	\$ 14,853.56	<\$110,630.67>	\$133,536.28
Furniture & Fixtures	13,598.69	1,033.00	< 5,680.70>	8,950.99
Bldg & Improvements	27,518.52	1,868.63	< 11,857.25>	17,529.90
Vehicles	6,451.36	1,100.00	--	7,551.36
Office Equipment	<u>17,517.69</u>	<u>496.26</u>	<u>&lt; 11,028.92&gt;</u>	<u>6,985.03</u>
	<u>\$294,399.65</u>	<u>\$ 19,351.45</u>	<u>&lt;\$139,197.54&gt;</u>	<u>\$174,553.56</u>

Note 5 – 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 6 – Accounts Receivable/Due from State

The amounts due to the District from the wireless charges and other government agencies include the following:

Ben Lomand	\$ 529.96
State of Tennessee ECB	<u>9,500.38</u>
Total	<u>\$10,030.34</u>

Note 7 – Compensated Absences

There were no compensated absences for June 30, 2012.

Note 8 – Subsequent Events

The District has evaluated subsequent events through September 15, 2012, the date in which the financial statements were available to be issued.

Note 9 – Prior Period Adjustment

A prior period adjustment was made to Buildings & Improvements in the amount of \$28,744.41, which was overstated in the prior year. Also, a prior period adjustment was made to Accumulated Depreciation – Buildings & Improvements in the amount of \$11,857.25, which was also overstated in the prior year. The net adjustment to Net Assets was a decrease in the amount of \$16,887.16.

Note 10 – Calculation of Invested in Capital Assets

Net Book Value	\$103,288.54
Current and Non-Current Debt	-
Invested in Capital Assets	<u>\$103,288.54</u>

Note 11 – Budgetary Information

As stated in Note 1, the District must file a budget with DeKalb 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 12– Pension Plan

**Plan Description**

Employees of DeKalb 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 DeKalb 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, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

### **Funding Policy**

**As of September 6, 2012, funding policy information for the year ending June 30, 2012 was not yet made available from the State of Tennessee, TCRS. Therefore, all amounts used were from the June 30, 2011 TCRS report.**

DeKalb County Emergency Communications District requires employees to contribute 5.0 percent of earnable compensation.

DeKalb County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2011 was 5.58% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for DeKalb County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

**As of September 6, 2012, annual pension cost information for the year ending June 30, 2012 was not yet made available from the State of Tennessee, TCRS. Therefore, all amounts used were from the June 30, 2011 TCRS report.**

For the year ending June 30, 2011, DeKalb County Emergency Communications District's annual pension cost of \$14,448 to TCRS was equal to DeKalb County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2009 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 3.0 percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 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. DeKalb 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, 2009 was 19 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost(APC)</u>	Percentage of <u>APC Contributed</u>	Net Pension <u>Obligation</u>
June 30, 2011	\$14,448	100.00%	\$0.00
June 30, 2010	10,935	100.00%	0.00
June 30, 2009	10,947	100.00%	0.00

### Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 25.54% percent funded. The actuarial accrued liability for benefits was \$0.1 million, and the actuarial value of assets was \$0.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.01million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.2 million, and the ratio of the UAAL to the covered payroll was 37.90% percent.

The schedule 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 Plan Assets	Actuarial Accrued Liability (AAL -Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	<u>( a )</u>	<u>( b )</u>	<u>( b ) - ( a )</u>	<u>( a/b )</u>	<u>( c )</u>	<u>[( b-a )/( c )]</u>
July 1, 2009	\$29	\$112	\$84	25.54%	\$220	37.90%
July 1, 2007	\$0	\$0	\$0	0.00%	\$0	0.00%

**DEKALB COUNTY EMERGENCY  
COMMUNICATIONS DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2012**

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2012**

Schedule of Funding Progress for DeKalb County Emergency Communications District:

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (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	\$29	\$112	\$84	25.54%	\$220	37.90%
July 1, 2007	\$0	\$0	\$0	0.00%	\$0	0.00%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method went into affect during the year of 2007 actuarial valuation, therefore only the two most recent valuations are presented.

**DEKALB COUNTY EMERGENCY  
COMMUNICATIONS DISTRICT**

**SUPPLEMENTARY INFORMATION**

**JUNE 30, 2012**

**DEKALB COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
<u>Operating Revenues</u>			
Emergency Telephone Service Charges	\$ 176,899.94	\$ 172,891.00	\$ (4,008.94)
State-Shared Wireless Charges	45,827.84	44,000.00	(1,827.84)
State-Operational Funding Program	142,813.84	142,700.00	(113.84)
Other Operating Income	1,450.00	100.00	(1,350.00)
Total Revenue	<u>\$ 366,991.62</u>	<u>\$ 359,691.00</u>	<u>\$ (7,300.62)</u>
<u>Operating Expenses</u>			
<u>Salaries &amp; Wages</u>			
Director	\$ 44,928.94	\$ 46,900.00	\$ 1,971.06
Dispatchers	294,400.46	300,000.00	5,599.54
Part-Time Personnel	13,174.44	23,000.00	9,825.56
Total Salaries & Wages	<u>\$ 352,503.84</u>	<u>\$ 369,900.00</u>	<u>\$ 17,396.16</u>
<u>Employee Benefits</u>			
Social Security Tax	21,768.98	23,500.00	1,731.02
Medicare Tax	5,091.14	6,000.00	908.86
Unemployment Tax	1,574.67	1,700.00	125.33
Medical Insurance	13,630.03	22,000.00	8,369.97
Retirement Contributions	17,653.41	20,000.00	2,346.59
Total Employee Benefits	<u>\$ 59,718.23</u>	<u>\$ 73,200.00</u>	<u>\$ 13,481.77</u>
<u>Contracted Services</u>			
Addressing/Mapping	5,189.69	6,000.00	810.31
Audit Services	2,750.00	3,500.00	750.00
Accounting Services	1,188.00	5,000.00	3,812.00
Fees Paid to Service Providers	5,320.09	6,000.00	679.91
Payroll Services	771.93	1,000.00	228.07
Maintenance Agreements	19,361.16	21,000.00	1,638.84
Mapping/DB Consultants	1,944.00	2,000.00	56.00
NCIC/TBI/TIES Expenses	5,560.00	5,725.00	165.00
<u>Lease &amp; Rental</u>			
Communication Equipment	10,880.41	12,000.00	1,119.59
<u>Maintenance &amp; Repairs</u>			
Communication Equipment	16,386.66	16,500.00	113.34
Office Equipment	1,594.10	2,400.00	805.90
Vehicles	2,943.46	3,500.00	556.54
Total Contracted Services	<u>\$ 73,889.50</u>	<u>\$ 84,625.00</u>	<u>\$ 10,735.50</u>

**BUDGET AND ACTUAL (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<u>Supplies &amp; Materials</u>			
Office Supplies	\$ 3,435.68	\$ 5,270.00	\$ 1,834.32
Postage	528.35	550.00	21.65
<u>Utilities</u>			
Electric	8,816.40	12,000.00	3,183.60
Water	216.06	300.00	83.94
General Telephone	15,345.72	16,500.00	1,154.28
Total Supplies & Materials	<u>\$ 28,342.21</u>	<u>\$ 34,620.00</u>	<u>\$ 6,277.79</u>
 <u>Other Charges</u>			
Board Meeting Expenses	900.00	1,500.00	600.00
Dues & Memberships	259.00	1,000.00	741.00
Insurance-Worker's Compensation	1,288.78	2,000.00	711.22
Insurance-Contents	-	2,000.00	
Premiums on Surety Bonds	842.10	2,500.00	1,657.90
Training Expenses	2,987.93	12,000.00	9,012.07
Wireless/Internet Charges	1,507.88	2,000.00	492.12
Uniforms	2,481.97	3,000.00	518.03
Other	-	-	-
Total Other Charges	<u>\$ 10,267.66</u>	<u>\$ 26,000.00</u>	<u>\$ 13,732.34</u>
Depreciation	<u>\$ 19,351.45</u>	<u>\$ 26,250.00</u>	<u>\$ 6,898.55</u>
Total Operating Expenses	<u>\$ 544,072.89</u>	<u>\$ 614,595.00</u>	<u>\$ 70,522.11</u>
<u>Operating Income (Loss)</u>	<u>\$ (177,081.27)</u>	<u>\$ (254,904.00)</u>	<u>\$ (77,822.73)</u>
 <u>Non-Operating Revenue and (Expense)</u>			
Interest Income	9,780.39	3,000.00	(6,780.39)
State – Grants & Reimbursements	92,739.71	91,236.68	(1,503.03)
Contributions from Primary Govts	253,182.00	253,182.00	-
Other Income	-	600.00	600.00
Total Non-Operating Revenue & Expense	<u>\$ 355,702.10</u>	<u>\$ 348,018.68</u>	<u>\$ (7,683.42)</u>
 <b>Increase in Net Assets</b>	 <u>\$ 178,620.83</u>	 <u>\$ 93,114.68</u>	 <u>\$ (85,506.15)</u>
 <b>Total Net Assets, July 1, 2011</b>	 519,574.42	 519,574.42	 -
<b>Prior Period Adjustment</b>	<u>(16,887.16)</u>	<u>-</u>	<u>16,887.16</u>
<b>Total Net Assets, June 30, 2012</b>	<u>\$ 681,308.09</u>	<u>\$ 612,689.10</u>	<u>\$ (85,506.15)</u>

**DEKALB COUNTY E – 911  
EMERGENCY COMMUNICATIONS DISTRICT  
911 BOARD MEMBERS  
JUNE 30, 2012**

Ronald Rogers, Chairperson  
1219 Holiday Haven Rd.  
Smithville, TN 37166  
(931) 597-6344

Wayne Cantrell, Board Member  
575 Pine Grove Rd.  
Smithville, TN 37166  
(931) 597-7584

Jerry Scott, Vice-Chairman  
2054 Robinson Rd.  
Smithville, TN 37166  
(615) 597-7029

Tim Stribling, Board Member  
350 Riley Ave..  
Smithville, TN 37166  
(615) 597-4388

Billy Adcock, Board Member  
995 Keltonburg Rd.  
Smithville, TN 37166  
(615) 597-5949

Elmer Ellis, Jr., Board Member  
PO Box 217  
Alexandria, TN 37012  
(615) 548-8011

Marshall Ferrell, Board Member  
217 Marshall Lane  
Smithville, TN 37166  
(615) 597-5109

**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

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6 SOUTH MADISON AVENUE  
COOKEVILLE, TN 38501  
Office (931) 526-5489  
Fax (931) 526-9064

**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  
DeKalb County E-911 Emergency Communications District  
Smithville, Tennessee

I have audited the financial statements of DeKalb County Emergency Communications District as of and for the year ended June 30, 2012, and have issued my report thereon dated September 6, 2012. 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

Management of DeKalb County Emergency Communications District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered DeKalb 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 DeKalb County Emergency Communications District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of DeKalb 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. 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 DeKalb 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.

September 6, 2012  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*