

**OBION COUNTY  
EMERGENCY COMMUNICATIONS DISTRICT**

**FINANCIAL STATEMENTS**

**June 30, 2012**

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

<b>Introductory Section</b>	
Schedule of Officials .....	1
<b>Financial Section</b>	
Independent Auditor’s Report.....	2
Statement of Net Assets .....	4
Statement of Revenues, Expenses and Changes in Net Assets .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7
<b>Supplementary Information Section</b>	
Budgetary Comparison Schedule.....	11
<b>Internal Control and Compliance Section</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15
Summary Schedule of Prior Findings.....	16

## **INTRODUCTORY SECTION**

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

June 30, 2012

**Board Members**

Mark Watson – Chairman

Bob Reavis – Vice-Chairman

John Horner – Treasurer

Polk Glover – Secretary

Dan Boykin  
Kathy Forrester  
Kenny Thurmond  
Tim Partin  
Judy Barker

**Management Official**

Sherri Hanna – Executive Director

**Independent Certified Public Accountants**

Alexander Thompson Arnold PLLC  
Union City, Tennessee

## **FINANCIAL SECTION**



Certified Public Accountants

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Tennessee Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

## Independent Auditor's Report

Board of Directors  
Obion County Emergency Communications District  
Union City, Tennessee

We have audited the accompanying financial statements of the Obion County Emergency Communications District, a component unit of Obion County, Tennessee, 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 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 financial position of the Obion County Emergency Communications District as of June 30, 2012, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2012, 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.

Board of Directors  
Obion County Emergency Communications District

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Obion County Emergency Communications District's financial statements as a whole. The Schedule of Officials and Budgetary Comparison Schedule 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 and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Schedule of Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Alexander Thompson Arnold PLLC*

Union City, Tennessee  
August 17, 2012

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF NET ASSETS**  
June 30, 2012

**Assets**

Current assets

Cash		\$ 180,818
Investments - certificates of deposit		273,996
Accounts receivable		18,594
Due from Tennessee Emergency Communications Board		47,358
Prepaid expenses		<u>31,137</u>
Total current assets		551,903

Noncurrent assets

Capital assets

Office equipment and furniture	146,962	
Vehicles	14,617	
Communications and mapping equipment	554,390	
Building and improvements	<u>507,743</u>	
Total capital assets	1,223,712	
Accumulated depreciation	<u>(472,888)</u>	
Net capital assets		<u>750,824</u>

**Total assets** **1,302,727**

**Liabilities**

Current liabilities

Accounts payable		<u>7,669</u>
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**Net assets**

Invested in capital assets	750,824	
Unrestricted	<u>544,234</u>	
<b>Total net assets</b>		<b><u>\$ 1,295,058</u></b>

*The accompanying notes are an integral part of these financial statements.*

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
For the Year Ended June 30, 2012

<b>Operating revenue</b>		
Emergency telephone service charge		\$ 242,074
State Emergency Communications Board - shared wireless charge		74,249
State Emergency Communications Board - operational funding		218,130
Miscellaneous income		<u>602</u>
Total operating revenue		535,055
<b>Operating expenses</b>		
Salaries and wages	236,532	
Employee benefits	23,256	
Contracted services	53,273	
Supplies and materials	21,682	
Other charges	23,854	
Depreciation and amortization	<u>73,101</u>	
Total operating expenses		<u>431,698</u>
<b>Operating income</b>		<b>103,357</b>
<b>Non-operating income</b>		
Interest income	6,233	
State reimbursements	<u>34,895</u>	
Total non-operating income		<u>41,128</u>
<b>Net income</b>		<b>144,485</b>
Net assets - July 1, 2011		<u>1,150,573</u>
Net assets - June 30, 2012		<u><u>\$ 1,295,058</u></u>

*The accompanying notes are an integral part of these financial statements.*

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2012

<b>Cash flows from operating activities</b>		
Cash received from customers		\$ 530,968
Cash payments to suppliers for goods and services		(150,786)
Cash payments to employees for services		<u>(236,532)</u>
Net cash provided by operating activities		143,650
<b>Cash flows from capital and related financing activities</b>		
Purchase of property, plant and equipment		(34,895)
<b>Cash flows from investing activities</b>		
Purchase of investments	(23,162)	
Interest earned on investments	<u>6,233</u>	
Net cash used by investing activities		<u>(16,929)</u>
<b>Net increase in cash</b>		<b>91,826</b>
Cash - July 1, 2011		<u>88,992</u>
Cash - June 30, 2012		<u>\$ 180,818</u>

**Reconciliation of operating income to net cash provided by operating activities**

Operating income		\$ 103,357
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	62,436	
Amortization	10,665	
Increase in accounts receivable	(5,698)	
Decrease in due from TECB	1,611	
Increase in prepaid expenses	(32,956)	
Increase in accounts payable	<u>4,235</u>	
Total adjustments		<u>40,293</u>
Net cash provided by operating activities		<u>\$ 143,650</u>

*The accompanying notes are an integral part of these financial statements.*

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Obion County Emergency Communications District was created on May 16, 1988, by the legislative body of Obion County, Tennessee, to be an emergency communications district as defined by Tennessee state law. As such, it is considered to be a "municipality" or public corporation in perpetuity under its corporate name and shall be a body politic and corporate with power of perpetual succession, but without power to levy or collect taxes. All Tennessee emergency communications districts are required to follow the *Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts* developed by the Office of the Comptroller of the Treasury, Division of County Audit, pursuant to Section 7-86-304, *Tennessee Code Annotated*.

In evaluating how to define the Obion County Emergency Communications District for financial reporting purposes, management has considered whether the District is a primary government or a component unit of another primary government. The decision to be included as a component unit of another reporting entity is made by applying the criteria set forth in Governmental Accounting Standards Board Statement 14, *The Financial Reporting Entity*. The District must obtain the approval of the Obion County Commission before issuance of most debt instruments. The County has determined that this constitutes fiscal dependency by the District, and has, therefore, included the District as a component unit of Obion County.

The District is deemed to be a municipality under Tennessee state law and, as such, is exempt from federal income taxes.

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

The Obion County Emergency Communications District accounts for its financial position and results of operations in accordance with generally accepted accounting principles for proprietary funds as defined in the statements of the 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 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 defines cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception. As of June 30, 2012, the District had no short-term investments meeting this definition.

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

State statutes authorize the System to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations by the U.S. government or its agencies, repurchase agreements, as approved by the state director of local finance, and the State's local government investment pool.

**Accounts receivable**

Accounts receivable represents amounts due from various phone companies.

**Capital assets**

All capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 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**

Employees are entitled to paid vacation and sick leave based on terms of employment and other factors. Any accumulated vacation time earned must be taken within one year of the employment anniversary date. No carryover for compensated absences to future years is permitted. Due to this policy, the cost of future absences at the balance sheet date is not material; therefore, no accrual has been recorded in the financial statements. It is the District's practice to expense these costs when paid to the employees.

**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 – all other net assets that do not meet the description of the above category.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

The District's Board of Directors approves an appropriatory budget annually. The budgetary basis statement of revenue and expenses differs from generally accepted accounting principles (GAAP) pertaining to proprietary funds, in that revenues and expenses are budgeted on the cash basis, rather than the accrual basis. A reconciliation of budgetary basis to GAAP basis is presented below.

Net income - budgetary basis	\$ 108,677
Accounts receivable	38,982
Accounts payable	<u>(3,174)</u>
Net income - GAAP basis	<u>\$ 144,485</u>

The legal level of control is at each line item of expense; therefore, each line item must be amended prior to expending funds.

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2012

**NOTE 3 – DETAILED NOTES ON ACCOUNTS**

**A. Deposits and investments**

The District has its cash deposits in local banks. Investments on the balance sheet as of June 30, 2012, consisted of certificates of deposit issued by local banks.

Custodial Credit Risk – The District’s policies limit deposits and investments to those instruments allowed by applicable state laws as described in Note 1. State statutes require 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. State statutes also authorize the District to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the State pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2012, all of the District’s deposits were insured.

**B. Capital assets**

Capital asset activity during the year was as follows:

Description	Balance 7/01/11	Additions	Disposals	Balance 6/30/12
Capital assets, being depreciated				
Office equipment and furniture	\$ 151,312	\$ -	\$ (4,350)	\$ 146,962
Vehicles	14,617	-	-	14,617
Communications and mapping equipment	521,250	34,895	(1,755)	554,390
Building and improvements	<u>507,743</u>	-	-	<u>507,743</u>
Total capital assets being depreciated	<u>1,194,922</u>	<u>34,895</u>	<u>(6,105)</u>	<u>1,223,712</u>
Less accumulated depreciation				
Office equipment and furniture	60,492	13,215	(4,350)	69,357
Vehicles	14,617	-	-	14,617
Communications equipment	286,229	35,467	(1,755)	319,941
Building and improvements	<u>55,219</u>	<u>13,754</u>	-	<u>68,973</u>
Total accumulated depreciation	<u>416,557</u>	<u>62,436</u>	<u>(6,105)</u>	<u>472,888</u>
Total capital assets, net	<u>\$ 778,365</u>	<u>\$ (27,541)</u>	<u>\$ -</u>	<u>\$ 750,824</u>

Depreciation expense for the year ended June 30, 2012, was \$62,436.

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 4 – OTHER INFORMATION**

**Risk Management**

The District is exposed to various risks related to general and public official's liability, officer's/director's omissions liability, automobile liability, property and casualty losses, and workers' compensation. To cover these risks, the District joined the Tennessee Municipal League (TML), which is a public entity risk pool established to provide insurance coverage to local governments in Tennessee and is self-sustaining through member premiums. The Pool is a cooperative risk sharing arrangement that works in many ways like a traditional insurer. The District pays annual premiums to the Pool based on its prior claims history. The Pool provides the specified coverage and pays all claims from its member premiums charged or through its reinsurance policies. In addition, the District has purchased commercial insurance to provide for employee health insurance. Settlements have not exceeded insurance coverage in any of the prior three years. The District is self-insured for unemployment claims by its employees, which means that the District will reimburse the State's workforce development agency for any claims against the District as they occur. There were no claims made during the year ended June 30, 2012.

## **SUPPLEMENTARY INFORMATION SECTION**

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Over (Under)</u>
<b>Operating revenue</b>				
Emergency telephone service charge	\$ 201,500	\$ 234,300	\$ 236,377	\$ 2,077
TECB - shared wireless charge	75,000	75,000	75,859	859
TECB - operational funding	215,800	215,800	218,130	2,330
Miscellaneous income	<u>500</u>	<u>500</u>	<u>602</u>	<u>102</u>
Total operating revenue	<u>492,800</u>	<u>525,600</u>	<u>530,968</u>	<u>5,368</u>
<b>Operating expenses</b>				
Salaries and wages				
Director	38,000	38,100	38,000	(100)
Dispatchers	223,600	200,200	198,532	(1,668)
Employee benefits				
Social security	16,200	14,800	14,220	(580)
Medicare	3,800	3,500	3,326	(174)
Unemployment	6,300	6,300	-	(6,300)
Life insurance	300	300	178	(122)
Medical insurance	8,700	7,700	5,563	(2,137)
Supplementary insurance	250	250	(31)	(281)
Contracted services				
Addressing/mapping expense	500	5,000	-	(5,000)
Advertising	500	300	229	(71)
Audit services	3,250	3,250	3,250	-
Accounting services	2,400	2,400	2,400	-
Fees paid to service providers	20,000	20,000	17,529	(2,471)
Maintenance agreement	25,000	25,000	21,309	(3,691)
Legal services	500	500	-	(500)
Pest control	400	500	435	(65)
Lease/Rental:				
Building rental	700	700	660	(40)
Maintenance and repairs				
Communications equipment	1,000	2,500	1,184	(1,316)
Building and facility	2,500	2,500	772	(1,728)
Office equipment	500	500	214	(286)
Vehicle	500	650	551	(99)
Fuel expense - vehicle	1,000	1,000	716	(284)
Language line	250	250	10	(240)
Other contracted services				
Mowing	1,000	1,000	840	(160)
Supplies and materials				
Office supplies	3,200	3,800	3,571	(229)
Custodial supplies	1,200	1,200	997	(203)
Data processing supplies	500	500	-	(500)
Postage	400	450	385	(65)
Small equipment purchases	400	1,500	1,045	(455)
Uniforms/identification badges	200	200	75	(125)

*See independent auditor's report*

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Over (Under)</u>
Utilities				
Electric	7,500	9,800	8,751	(1,049)
Gas - generator	800	800	710	(90)
Water	900	1,100	908	(192)
General telephone	4,200	4,400	4,180	(220)
Cell phones and pagers	1,200	1,200	1,060	(140)
Other charges				
Coke purchases, net	450	450	287	(163)
Cable	450	450	448	(2)
Board meeting expenses	1,600	1,600	1,258	(342)
Dues and memberships	1,000	1,000	858	(142)
Employee testing and exams	600	1,200	1,120	(80)
Insurance				
Workers compensation	1,000	1,000	807	(193)
Liability	5,300	5,850	5,850	-
Buildings and contents	2,000	2,500	2,411	(89)
Equipment	1,000	1,000	-	(1,000)
Vehicle	300	300	270	(30)
Legal notices	200	200	-	(200)
Premiums on surety bonds	2,000	2,200	1,750	(450)
Public education	400	400	-	(400)
Service awards	250	250	229	(21)
Training expenses	7,500	5,000	3,326	(1,674)
Travel expenses	5,000	5,000	4,455	(545)
Internet	900	1,000	788	(212)
Miscellaneous expense	350	350	(3)	(353)
Amortization of prepaid maintenance expense	12,000	12,000	10,665	(1,335)
Depreciation	64,000	64,000	62,436	(1,564)
Total operating expenses	<u>483,950</u>	<u>467,900</u>	<u>428,524</u>	<u>(39,376)</u>
<b>Operating income</b>	<b>8,850</b>	<b>57,700</b>	<b>102,444</b>	<b>44,744</b>
<b>Non-operating income</b>				
Interest income	5,000	5,000	6,233	1,233
Miscellaneous income	500	-	-	-
Total non-operating income	<u>5,500</u>	<u>5,000</u>	<u>6,233</u>	<u>1,233</u>
<b>Net income</b>	<b><u>\$ 14,350</u></b>	<b><u>\$ 62,700</u></b>	<b><u>\$ 108,677</u></b>	<b><u>\$ 45,977</u></b>

*See independent auditor's report*

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



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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***

Board of Directors  
Obion County Emergency Communications District  
Union City, Tennessee

We have audited the financial statements of the Obion County Emergency Communications District (a component unit of Obion County, Tennessee) as of and for the year ended June 30, 2012, and have issued our report thereon dated August 17, 2012. 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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings as Item 97-1, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Directors  
Obion County Emergency Communications District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Obion 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*.

Obion County Emergency Communications District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit Obion County Emergency Communications District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the board of directors, management, others within the entity, the State of Tennessee Comptroller's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Alexander Thompson Arnold PLLC*

Union City, Tennessee  
August 17, 2012

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF FINDINGS**

June 30, 2012

**97-1 Segregation of Duties**

Condition: Due to the size of the staff, the Obion County Emergency Communications District could not fully segregate the record-keeping, custodial and authorization functions of its internal accounting controls for the year ended June 30, 2012.

Criteria: Generally accepted accounting principles require that accounting functions be adequately segregated to ensure that the internal accounting controls are effective.

Effect: The risk of errors and irregularities occurring and not being detected in a timely manner increases when accounting functions are not adequately segregated.

Recommendation: While auditors recognize that staff size, due to funding limitations, is not adequate to fully segregate the functions mentioned above, management needs to be aware that this limitation does exist in the District's internal accounting controls.

Response: *The Obion County Emergency Communications District has segregated the internal control functions as much as possible to ascertain the integrity of all the financial records. We have a small staff employed, and it is financially infeasible for us to increase its size. We have, however, put into place additional controls regarding the handling of funds which are received in our office.*

**OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS**  
June 30, 2012

**DISPOSITION OF PRIOR YEAR FINDINGS**

97-1 Segregation of duties – repeated