

**WILLIAMSON COUNTY EMERGENCY
COMMUNICATIONS DISTRICT
(A COMPONENT UNIT OF
WILLIAMSON COUNTY, TENNESSEE)**

FRANKLIN, TENNESSEE

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2012

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INTRODUCTORY SECTION

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Board of Directors (unaudited)

June 30, 2012

Ken Brison, Chairman

Tom Neill, Vice Chairman

Allen Lovett, Secretary-Treasurer

Tom Feuerborn

Presley Hughes

Houston Naron

Robert Ring

FINANCIAL SECTION



JOB, HASTINGS & ASSOCIATES

Certified Public Accountants

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Donna K. Hastings, CPA, CSEP
James R. Jobe, CPA
Joel H. Jobe (1944 – 2006)

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of net assets of Williamson County Emergency Communications District, a component unit of Williamson County, Tennessee, as of June 30, 2012, and the related statements of revenues, expenses, and changes in fund net assets, and cash flows for the year then ended. These financial statements are the responsibility of Williamson County Emergency Communications District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Williamson County Emergency Communications District as of June 30, 2012, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2012 on our consideration of Williamson County Emergency Communications 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.

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 of Williamson County Emergency Communications District. The introductory section and the supplementary section are presented for purposes of additional analysis and are not a required part of the financial statements. The introductory and the supplementary sections have 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 them.

Julie, Hastings; Associates
Certified Public Accountants

Murfreesboro, Tennessee
October 17, 2012

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Statement of Net Assets

June 30, 2012

ASSETS

Current Assets -

Cash	\$ 982,313
Certificates of deposit	750,000
Accounts receivable	119,230
Due from Tennessee Emergency Communications Board	<u>56,282</u>
TOTAL CURRENT ASSETS	\$ <u>1,907,825</u>

Noncurrent Assets -

Capital Assets -

Communications equipment	\$ 1,969,416
Office furniture and equipment	<u>67,772</u>
	\$ 2,037,188
Less: accumulated depreciation	<u>1,752,940</u>
	\$ <u>284,248</u>

TOTAL ASSETS \$ 2,192,073

LIABILITIES

Current Liabilities -

Accounts payable	\$ 9,761
Due to primary government	197,570
Due to others	<u>8,717</u>
TOTAL CURRENT LIABILITIES	\$ <u>216,048</u>

NET ASSETS

Invested in capital assets	\$ 284,248
Unrestricted net assets	<u>1,691,777</u>
TOTAL NET ASSETS	\$ <u>1,976,025</u>

See notes to financial statements.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Year Ended June 30, 2012

Operating Revenues -		
Emergency telephone service charge	\$	725,772
Tennessee Emergency Communications Board - shared wireless charge		339,333
Tennessee Emergency Communications Board - operational funding		374,495
Revenue from contracted services		26,000
Other operating revenue		5
	\$	<u>1,465,605</u>
Operating Expenses -		
Contracted Services -		
Accounting services	\$	9,080
Administrative fees-service charge		22,062
Contracts with government agencies		1,074,960
Fees paid to service providers		180,930
Legal services		4,680
Maintenance agreements		5,140
Maintenance and repairs - communications equipment		11,208
Maintenance and repairs - office equipment		1,751
	\$	<u>1,309,811</u>
Supplies and Materials -		
Office supplies	\$	203
Small equipment purchases		2,880
	\$	<u>3,083</u>
Other Charges -		
Dues and memberships	\$	600
Legal notices		38
Training expenses		59,486
Travel expenses		704
	\$	<u>60,828</u>
Depreciation expense	\$	<u>232,698</u>
	\$	<u>1,606,420</u>
	OPERATING LOSS	\$ <u>(140,815)</u>
Nonoperating Revenues (Expenses) -		
Interest income	\$	7,565
Tennessee Emergency Communications Board-grants and reimbursements		78,000
	\$	<u>85,565</u>
	CHANGE IN NET ASSETS BEFORE SPECIAL ITEM	\$ <u>(55,250)</u>
Special Item-Revenues (Expenses)		
Lawsuit settlement	\$	165,273
	CHANGE IN NET ASSETS	\$ <u>110,023</u>
Net assets, July 1, 2011		<u>1,866,002</u>
	NET ASSETS, JUNE 30, 2012	\$ <u><u>1,976,025</u></u>

See notes to financial statements.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Statement of Cash Flows

For the Year Ended June 30, 2012

Cash Flows From Operating Activities -		
Cash received from surcharges and other revenues	\$	1,630,460
Cash payments to suppliers for goods and services		(1,168,355)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u>462,105</u>
Cash Flows From Capital and Related Financing Activities -		
Grants and reimbursements	\$	78,000
Acquisition and construction of capital assets		(77,044)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$	<u>956</u>
Cash Flows from Investing Activities -		
Interest income received	\$	7,565
Purchases of certificates of deposit		(750,000)
NET CASH USED BY INVESTING ACTIVITIES	\$	<u>(742,435)</u>
	NET DECREASE IN CASH	\$ (279,374)
Cash, July 1, 2011		<u>1,261,687</u>
	CASH, JUNE 30, 2012	<u><u>982,313</u></u>

Reconciliation of Operating Loss to Net		
Cash Provided by Operating Activities -		
Operating loss	\$	(140,815)
Adjustments to reconcile operating loss to net cash provided by operating activities -		
Depreciation		232,698
Proceeds from lawsuit		165,273
Decrease in accounts receivable		1,147
Increase in due from Tennessee Emergency Communications Board		(10,282)
Increase in accounts payable		7,797
Increase in due to primary government		197,570
Increase in due to others		8,717
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u><u>462,105</u></u>

See notes to financial statements.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information - On May 15, 1984, the Tennessee state legislature approved the "Tennessee Emergency Communications District Law" (Acts 1984, ch. 867) which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, on March 11, 1988, the county legislative body of Williamson County, Tennessee approved resolution number 3-88-7, which established a district for their county, the Williamson County Emergency Communications District (the "District"). As provided by the Act, the District operates as a governmental organization through the directives of a seven-member board of directors and provides enhanced 9-1-1 emergency telephone service for its service area. The Williamson County Commission at its February 14, 2005 meeting added an eighth representative seat with the new director to be appointed from within the corporate limits of Franklin. For the year ended June 30, 2012, the eighth seat was unfilled. The directors serve without compensation for terms of four years.

Financial Reporting Entity - Component Unit - As specified and described by Standard 14 of the Governmental Accounting Standards Board (GASB); the District is a component unit of the primary government of Williamson County, Tennessee. The District reports its financial information separately from Williamson County; however, the District's financial information should also be discretely presented by the County in its financial report.

Legally, the District is a separate governmental entity that has considerable legal, financial and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the Williamson County mayor and approved by the Williamson County commission, the District cannot be a primary government. Instead it qualifies as a component unit according to the directives of GASB.

GASB 14 specifies that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. Two of these are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. By Tennessee Code Annotated 7-86-114, before issuing negotiable bonds, the District must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Williamson County commission has the ability to adjust the District's service charges. Because the District is both a legal entity and financially accountable to the primary government of Williamson County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Williamson County as described above, it is a component unit of Williamson County. The District did not engage in any activities that were subject to the approval of Williamson County.

Basis of Presentation and Accounting - As a governmental entity, the District conforms to generally accepted accounting principles applicable to state and local governments. 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 Audit of State and Local Governmental Units, and by the Financial Accounting Standard Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the District has elected not to apply financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The GASB periodically updates its codification of the existing Governmental Accounting and Standards, which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. Pronouncements require that the accrual method of accounting be used for governmental units that operate in a manner similar to a private business.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the District functions in a manner similar to a private business enterprise and utilizes the accrual method of accounting. 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 accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net assets, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenue; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components. As of June 30, 2012, the District had no debt that related to the aforementioned categories.

Budgetary Law and Practice - The treasurer of the District files an annual budget with the mayor of Williamson County in accordance with the Tennessee Code Annotated, Title 7, Chapter 86, Part 1. In March of each year, the treasurer presents a preliminary budget to the board of directors, which is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the modified-cash receipts and disbursements basis by line item accounts. Revenues are budgeted in the year receipt is expected and disbursements are budgeted in the year that the disbursement is expected to occur.

Equipment - Equipment is stated at cost or estimated historical cost if actual cost is not available and depreciated from two to ten years by the straight-line method of depreciation. The District defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as non-operating revenue or loss.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash Flow - Cash and Cash Equivalents - The District presents its cash flow statement using the direct method. For purposes of cash flow presentation, the District considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2012, there were no certificates of deposit that qualified as cash equivalents.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Facilities - The District conducts its operations in the Williamson County Government's office building at no cost to the District. The measurement of the contribution from Williamson County is not considered material for disclosure as in-kind support and as expense in the accompanying statements of revenue, expenses, and changes in net assets.

Operating Revenues and Expenses - The District's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the District's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

NOTE B - CASH AND CERTIFICATES OF DEPOSIT INVESTMENTS

The District is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2012 the board of directors chose to limit the investment of funds to certificates of deposit at banks. Cash reserves for operations were held in bank checking and savings accounts.

Cash - At June 30, 2012, the carrying amount of cash deposits was \$982,313 and the bank balance was \$1,037,631 as listed below. At June 30, 2012, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>June 30, 2012</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
Franklin Synergy Bank checking	.30%	\$ 727,098	\$ 782,416
Franklin Synergy Bank money market	.79%	<u>255,215</u>	<u>255,215</u>
		\$ <u>982,313</u>	\$ <u>1,037,631</u>

Certificates of Deposit - At June 30, 2012 the district held the following certificates of deposit:

<u>Bank</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Franklin Synergy Bank	12/09/12	1.06%	\$ 250,000
Franklin Synergy Bank	12/09/12	1.06%	250,000
Franklin Synergy Bank	12/09/12	1.06%	<u>250,000</u>
			\$ <u>750,000</u>

The certificates of deposit are insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool and are shown at their fair value.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2012

NOTE C - ACCOUNTS RECEIVABLE

The District receives the majority of its revenue from the telephone subscribers residing within Williamson County. As provided in the Act, telephone companies collect the 911 fees from the subscribers and remit the funds on a not longer than bi-monthly basis to the District. The policy of the telephone companies has been to remit based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts.

Also included in accounts receivable are amounts from the communities and organizations that have contracted with the District for 911 dispatch services.

The following is the detail of the receivables at June 30, 2012:

AT&T	\$ 33,426
Fairview	54,000
Windstream	10,750
XO Communications	4,572
Others	<u>16,482</u>
	<u>\$ 119,230</u>

NOTE D - CAPITAL ASSETS

Capital assets are summarized as follows:

	<u>June 30,</u> <u>2011</u>	<u>Additions</u>	<u>Dispositions</u>	<u>June 30,</u> <u>2012</u>
<u>Capital assets, being depreciated -</u>				
Communications equipment	\$ 1,892,372	\$ 77,044		\$ 1,969,416
Office furniture and equipment	<u>67,772</u>			<u>67,772</u>
Subtotal	\$ <u>1,960,144</u>	\$ <u>77,044</u>		\$ <u>2,037,188</u>
<u>Less accumulated depreciation -</u>				
Communications equipment	\$ (1,454,021)	\$ (231,495)		\$ (1,685,516)
Office furniture and equipment	<u>(66,221)</u>	<u>(1,203)</u>		<u>(67,424)</u>
Subtotal	\$ <u>(1,520,242)</u>	\$ <u>(232,698)</u>		\$ <u>(1,752,940)</u>
Capital assets, being depreciated, net	\$ <u>439,902</u>	\$ <u>(155,654)</u>		\$ <u>284,248</u>
Capital assets, net	\$ <u>439,902</u>	\$ <u>(155,654)</u>		\$ <u>284,248</u>

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is covered under insurance policies maintained by Williamson County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2012

NOTE F - ACCOUNTS PAYABLE

Accounts payable include the following:

Administrative fees-service charge to various telephone companies	\$ 1,957
Spring Hill, TN	<u>7,804</u>
	\$ <u>9,761</u>

NOTE G - DUE TO OTHERS

During the year ended June 30, 2012, the District was notified by a telephone company that the District was overpaid for emergency telephone fees in the amount of \$8,717.

NOTE H - RELATED PARTY TRANSACTIONS

Williamson County, TN, the County, provides dispatch employees and certain services to the District. The District and the County signed an interlocal contract effective from July 1, 1998 to June 30, 1999 that automatically renews each year unless one party notifies the other in writing within 60 days prior to the commencement of the new fiscal year. The expenses, which are primarily salaries, employee benefits, and services, are billed to the District quarterly and are included in the statement of revenues, expenses and changes in fund net assets as contracts with government agencies. Amounts paid or payable to the County for the fiscal year ended June 30, 2012 totaled \$1,074,960. The amount due to the County at June 30, 2012 was \$197,570.

SUPPLEMENTARY INFORMATION

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Comparison of Modified-Cash Receipts and Disbursements to Modified-Cash Budget (unaudited)

For the Year Ended June 30, 2012

	<u>Modified Cash Receipts and Disbursements</u>	<u>Modified Cash Budget</u>	<u>(Over) Under Budget</u>
Cash Receipts -			
Emergency telephone service charge	\$ 713,565	\$ 740,000	\$ 26,435
Tennessee Emergency Communications Board - shared wireless charge	329,052	269,336	(59,716)
Revenue from contracted services	26,000	26,000	-
Other operating revenue	165,278	165,000	(278)
Tennessee Emergency Communications Board - operational funding	452,495	452,931	436
Interest income	7,565	8,000	435
Total Cash Basis Receipts	<u>\$ 1,693,955</u>	<u>\$ 1,661,267</u>	<u>\$ (32,688)</u>
Cash Disbursements -			
Depreciation expense	<u>\$ 232,698</u>	<u>\$ 225,063</u>	<u>\$ (7,635)</u>
Contracted services -			
Accounting services	\$ 9,080	\$ 9,080	\$ -
Contracts with government agencies	877,390	1,061,092	183,702
Fees paid to service providers	180,930	185,000	4,070
Legal services	4,680	7,000	2,320
Maintenance agreements	5,140	6,000	860
Maintenance and repairs-communications equipment	11,208	16,000	4,792
Maintenance and repairs-office equipment	1,751	2,500	749
	<u>\$ 1,090,179</u>	<u>\$ 1,286,672</u>	<u>\$ 196,493</u>
Supplies and materials -			
Office supplies	\$ 203	\$ 300	\$ 97
Small equipment purchases	5,633	6,000	367
	<u>\$ 5,836</u>	<u>\$ 6,300</u>	<u>\$ 464</u>
Other charges -			
Dues and memberships	\$ 600	\$ 1,560	\$ 960
Legal notices	38	500	462
Training expense	51,682	76,000	24,318
Travel expenses	704	11,000	10,296
	<u>\$ 53,024</u>	<u>\$ 89,060</u>	<u>\$ 36,036</u>
Total Cash Basis Disbursements	<u>\$ 1,381,737</u>	<u>\$ 1,607,095</u>	<u>\$ 225,358</u>
Disbursements (Over) Under Receipts	<u>\$ 312,218</u>	<u>\$ 54,172</u>	<u>\$ 258,046</u>
Reconciliation of Cash Basis to Accrual Basis -			
Capital purchases	\$ 2,754		
Increase in current receivables	9,135		
Increase in accounts payable	(7,797)		
Increase in due to primary government	(197,570)		
Increase in due to others	(8,717)		
Net Reconciliation Cash to Accrual	<u>\$ (202,195)</u>		
CHANGE IN NET ASSETS (ACCRUAL)	\$ 110,023		
Net assets, July 1, 2011		1,866,002	
NET ASSETS, JUNE 30, 2012		<u>\$ 1,976,025</u>	

INTERNAL CONTROL AND COMPLIANCE SECTION



JOB, HASTINGS & ASSOCIATES

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Joel H. Jobe (1944 – 2006)

**INDEPENDENT AUDITOR'S 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
Williamson County Emergency Communications District
Franklin, Tennessee

We have audited the financial statements of Williamson County Emergency Communications District, a component unit of Williamson County, Tennessee, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 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 Audit Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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. We noted a certain matter that we reported to management of Williamson County Emergency Communications District, in a separate letter dated October 17, 2012.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson County Emergency Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of Williamson County Emergency Communication District, in a separate letter dated October 17, 2012.

This report is intended solely for the information and use of the board of directors, Williamson County Board of Commissioners, and appropriate regulatory authorities and is not intended to be and should not be used by anyone other than these specified parties.

Jobe, Hastings & Associates
Certified Public Accountants

Murfreesboro, Tennessee
October 17, 2012