

**DEKALB COUNTY E-911 EMERGENCY
COMMUNICATIONS DISTRICT
JUNE 30, 2013**

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2013**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of DeKalb County Emergency Communications District, a component unit of DeKalb County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise DeKalb County Emergency Communications District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of DeKalb County Emergency Communications District, a component unit of DeKalb County, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and the Schedule of Funding Progress on page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context.

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 historic context. The auditor's opinion on the basic financial statements is not affected by this missing information.

I have applied certain limited procedures to the Schedule of Funding Progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise DeKalb County Emergency Communications District's basic financial statements. The Budget and Actual schedule and the schedule of 911 Board Members on pages 15-17 are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budget and Actual schedule and the schedule of 911 Board Members are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Budget and Actual schedule and the schedule of 911 Board Members are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 3, 2013 on my consideration of DeKalb County 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeKalb County Emergency Communications District's internal control over financial reporting and compliance.

September 3, 2013
Cookeville, Tennessee

Tamara L. Beckman, CPA

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 190,517.78	
Certificates of Deposit	510,057.55	
Accounts Receivable	521.97	
Due from State Emer. Comm. Board	53,483.99	
Interest Receivable	2,561.37	
Prepaid Expenses	<u>18,455.06</u>	
Total Current Assets		\$ 775,597.72

Capital Assets

Building & Improvements	31,643.89	
Less: Accumulated Depreciation	(19,909.87)	
Furniture & Fixtures	10,330.00	
Less: Accumulated Depreciation	(8,780.50)	
Office Equipment	5,050.27	
Less: Accumulated Depreciation	(4,296.35)	
Communications Equipment	195,016.60	
Less: Accumulated Depreciation	(101,931.94)	
Vehicles	19,500.00	
Less: Accumulated Depreciation	<u>(7,233.33)</u>	
Total Capital Assets		<u>119,388.77</u>
Total Assets		894,986.49

LIABILITIES

Accounts Payable	2,733.72	
Wages Payable	6,643.59	
Payroll Taxes Payable	<u>179.31</u>	
Total Liabilities		<u>9,556.62</u>

Net Position

Net Investment in Capital Assets	119,388.77	
Unrestricted	<u>766,041.10</u>	
Total Net Position		<u>\$ 885,429.87</u>

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 POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

Operating Revenues

Emergency Telephone Service Charges	\$ 171,203.04
State – Wireless Charges	45,741.60
State – Operational Funding Program	142,860.00
Other Income	<u>25.00</u>

Total Operating Revenue \$ 359,829.64

Operating Expense

Salaries & Wages

Director	\$ 48,421.85
Dispatchers	305,454.23
Part-Time Personnel	<u>10,806.62</u>
Total Salaries & Wages	\$ 364,682.70

Employee Benefits

Social Security Tax	21,958.16
Medicare Tax	5,085.46
Unemployment Taxes	1,217.66
Medical Insurance	15,451.38
Retirement Contributions	<u>15,623.49</u>
Total Employee Benefits	59,336.15

Contracted Services

Addressing/Mapping	5,571.26
Audit Services	2,750.00
Accounting Services	1,025.00
Fees Paid to Service Providers	5,213.48
Payroll Services	763.68
Maintenance Agreements	21,265.39
Mapping/DB Consultants	1,944.00
NCIC/TBI/TIES Expenses	4,600.00

Lease & Rental

Communication Equipment	10,872.00
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Maintenance & Repairs

Building & Facilities	365.00
Communication Equipment	6,729.92
Office Equipment	5,029.11
Vehicle	<u>3,509.97</u>

Total Contracted Services **69,638.81**

*DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION CONT'D
FOR THE YEAR ENDED JUNE 30, 2013*

<u>Supplies & Materials</u>		
Office Supplies	3,265.86	
Postage	306.00	
Small Equipment Purchases	58,980.00	
<u>Utilities</u>		
Electric	7,825.54	
Water	222.06	
General Telephone	<u>14,910.87</u>	
Total Supplies & Materials		85,510.33
<u>Other Charges</u>		
Board Meeting Expenses	825.02	
Dues & Memberships	368.00	
Insurance-Worker's Compensation	1,377.00	
Premiums on Surety Bonds	927.10	
Training Expenses	6,598.82	
Wireless/Internet Charges	1,738.87	
Uniforms	1,696.34	
Other	<u>140.25</u>	
Total Other Charges		13,671.40
Depreciation		<u>24,194.61</u>
Total Expenses		<u>617,034.00</u>
Net Operating Loss		(257,204.36)
<u>Non-Operating Revenue and (Expense)</u>		
Interest Income	9,933.40	
State – Grants & Reimbursements	206,445.90	
Contributions from Primary Governments	253,182.00	
Proceeds from Sale of Vehicle	<u>1,870.00</u>	
Total Non-Operating Revenue & Expense		<u>471,431.30</u>
Net Increase in Net Position		214,226.94
Total Net Position, July 1, 2012		681,308.09
Prior Period Adjustment		<u>(10,105.16)</u>
Total Net Position, June 30, 2013		<u><u>\$ 885,429.87</u></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, 2013**

<u>Cash Flows From Operating Activities</u>		
Cash Received from Operations	\$ 315,854.02	
Cash Paid to/for Employees for Services	(426,079.74)	
Cash Payments for Goods and Services	<u>(188,930.51)</u>	
Net Cash Used by Operating Activities		\$ (299,156.23)
 <u>Cash Flows from Non-Capital Financing Activities</u>		
Grant & Reimbursements from State ECB	206,445.90	
Contributions from Primary Governments	<u>253,182.00</u>	
Net Cash Provided by Non-Capital Financing Activities		459,627.90
 <u>Cash Flows from Capital & Related Financing Activities</u>		
Acquisition of New Assets	(50,400.00)	
Proceeds from Sale of Assets	<u>1,870.00</u>	
Net Cash Used by Capital & Related Financing Activities		(48,530.00)
 <u>Cash Flows from Investing Activities</u>		
Interest Received	9,838.33	
Transfer to CD	<u>(134,838.33)</u>	
Net Cash Used by Investing Activities		<u>(125,000.00)</u>
Net Decrease in Cash and Cash Equivalents		(13,058.33)
Cash and Cash Equivalent at 6-30-12		<u>203,576.11</u>
Cash and Cash Equivalent at 6-30-13		<u>\$ 190,517.78</u>
 <u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used by Operating Activities</u>		
Net Operating Loss	\$ (257,204.36)	
Other Income	-	
Depreciation	24,194.61	
Decrease in Accounts Receivable	7.99	
Increase in Due from State ECB	(43,983.61)	
Increase in Prepaid Expense	(8,245.61)	
Decrease in Accounts Payable	(11,864.36)	
Decrease in Payroll Related Payables	<u>(2,060.89)</u>	
<u>Net Cash Used by Operating Activities</u>		<u>\$ (299,156.23)</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, 2013**

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>2013 Depreciation</u>
Building & Improvements	S/L	10-40 Years	\$ 2,379.97
Furniture & Fixtures	S/L	5-10 Years	1,033.00
Office Equipment	S/L	5-10 Years	452.35
Communications Equipment	S/L	5-10 Years	17,129.29
Vehicles	S/L	5 Years	3,200.00
			<u>\$24,194.61</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, 2013:

Checking – First Bank	\$190,517.78
CD – DeKalb Community Bank	156,126.01
CD – First Bank	104,658.30
CD – Liberty State Bank	<u>249,212.91</u>
Total Deposits	<u>\$700,515.00</u>

At June 30, 2013, the carrying amount of the Dekalb County E – 911 Emergency Communications District’s cash deposits was \$700,515.00. 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, 2013. 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, 2013:

<u>Assets</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Sale/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>
Bldg & Improvements	\$ 31,643.89	\$ --	<\$ -- >	\$ 31,643.89
Furniture & Fixtures	11,533.49	--	< 1,203.49>	10,330.00
Office Equipment	8,191.30	--	< 3,141.03>	5,050.27
Comm. Equipment	217,455.39	36,400.00	< 58,838.79>	195,016.60
Vehicles	<u>9,018.03</u>	<u>14,000.00</u>	<u>< 3,518.03></u>	<u>19,500.00</u>
	<u>\$277,842.10</u>	<u>\$50,400.00</u>	<u><\$ 66,701.34></u>	<u>\$261,540.76</u>

<u>Assets</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2012</u>	<u>Current Year</u> <u>Depreciation</u>	<u>Current Year</u> <u>Sale/</u> <u>Retirements</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2013</u>
Bldg & Improvements	\$ 17,529.90	\$ 2,379.97	<\$ -- >	\$ 19,909.87
Furniture & Fixtures	8,950.99	1,033.00	< 1,203.49>	8,780.50
Office Equipment	6,985.03	452.35	< 3,141.03>	4,296.35
Comm. Equipment	133,536.28	17,129.29	< 48,733.63>	101,931.94
Vehicles	<u>7,551.36</u>	<u>3,200.00</u>	<u>< 3,518.03></u>	<u>7,233.33</u>
	<u>\$174,553.56</u>	<u>\$ 24,194.61</u>	<u><\$ 56,596.18></u>	<u>\$142,151.99</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	\$ 521.97
State of Tennessee ECB	<u>53,483.99</u>
Total	<u>\$54,005.96</u>

Note 7 – Compensated Absences

There were no compensated absences for June 30, 2013.

Note 8 – Subsequent Events

The District has evaluated subsequent events through September 9, 2013, the date in which the financial statements were available to be issued.

Note 9 – Prior Period Adjustment

A prior period adjustment was made to Furniture & Fixtures in the amount of \$1,203.49, Office Equipment in the amount of \$3,141.03, Communications Equipment in the amount of \$58,838.79, Accumulated depreciation – Furniture & Fixtures in the amount of \$1,203.49, Accumulated Depreciation – Office Equipment in the amount of \$3,141.03 and Accumulated Depreciation – Communications Equipment in the amount of \$48,733.63 to remove assets from the depreciation schedule that fall below the board approved capitalization amount. The net adjustment to Net Position was a decrease in the amount of \$10,105.16.

Note 10 – Calculation of Net Investment in Capital Assets

Net Book Value	\$119,388.77
Current and Non-Current Debt	<u>-</u>
Net Investment in Capital Assets	<u>\$119,388.77</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 budget is required at the line-item 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, 10th 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 3, 2013, funding policy information for the year ending June 30, 2013 was not yet made available from the State of Tennessee, TCRS. Therefore, all amounts used were from the June 30, 2012 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, 2012 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 3, 2013, annual pension cost information for the year ending June 30, 2013 was not yet made available from the State of Tennessee, TCRS. Therefore, all amounts used were from the June 30, 2012 TCRS report.

For the year ending June 30, 2012, DeKalb County Emergency Communications District's annual pension cost of \$17,653 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, 2011, which established contribution rates effective July 1, 2012.

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, 2012	\$17,653	100.00%	\$0.00
June 30, 2011	14,448	100.00%	0.00
June 30, 2010	10,935	100.00%	0.00

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 53.57% percent funded. The actuarial accrued liability for benefits was \$0.19 million, and the actuarial value of assets was \$0.10 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.09 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.27 million, and the ratio of the UAAL to the covered payroll was 32.62% 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 <u>(a)</u>	Actuarial Accrued Liability (AAL) -Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>[(b-a)/(c)]</u>
July 1, 2011	101	188	87	53.57%	\$268	32.62%
July 1, 2009	29	112	84	25.54%	\$220	37.90%
July 1, 2007	0	0	0	0.00%	\$0	0.00%

**DEKALB COUNTY E-911 EMERGENCY
COMMUNICATIONS DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2013

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

JUNE 30, 2013

Schedule of Funding Progress for DeKalb County Emergency Communications District:

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) -Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>[(b-a)/(c)]</u>
July 1, 2011	101	188	87	53.57%	\$268	32.62%
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 E-911 EMERGENCY
COMMUNICATIONS DISTRICT**

SUPPLEMENTARY INFORMATION

JUNE 30, 2013

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
<u>Operating Revenues</u>			
Emergency Telephone Service Charges	\$ 171,203.04	\$ 165,000.00	\$ (6,203.04)
State-Shared Wireless Charges	45,741.60	44,000.00	(1,741.60)
State-Operational Funding Program	142,860.00	142,700.00	(160.00)
Other Operating Income	25.00	200.00	175.00
<u>Total Operating Revenue</u>	<u>\$ 359,829.64</u>	<u>\$ 351,900.00</u>	<u>\$ (7,929.64)</u>
<u>Operating Expenses</u>			
<u>Salaries & Wages</u>			
Director	\$ 48,421.85	\$ 51,000.00	\$ 2,578.15
Dispatchers	305,454.23	332,000.00	26,545.77
Part-Time Personnel	10,806.62	15,000.00	4,193.38
<u>Total Salaries & Wages</u>	<u>\$ 364,682.70</u>	<u>\$ 398,000.00</u>	<u>\$ 33,317.30</u>
<u>Employee Benefits</u>			
Social Security Tax	21,958.16	25,300.00	3,341.84
Medicare Tax	5,085.46	6,500.00	1,414.54
Unemployment Tax	1,217.66	2,000.00	782.34
Medical Insurance	15,451.38	20,000.00	4,548.62
Retirement Contributions	15,623.49	22,000.00	6,376.51
<u>Total Employee Benefits</u>	<u>\$ 59,336.15</u>	<u>\$ 75,800.00</u>	<u>\$ 16,463.85</u>
<u>Contracted Services</u>			
Addressing/Mapping	5,571.26	6,000.00	428.74
Audit Services	2,750.00	3,500.00	750.00
Accounting Services	1,025.00	3,600.00	2,575.00
Fees Paid to Service Providers	5,213.48	6,000.00	786.52
Payroll Services	763.68	1,000.00	236.32
Maintenance Agreements	21,265.39	27,000.00	5,734.61
Mapping/DB Consultants	1,944.00	2,000.00	56.00
NCIC/TBI/TIES Expenses	4,600.00	5,500.00	900.00
<u>Lease & Rental</u>			
Communication Equipment	10,872.00	12,000.00	1,128.00
<u>Maintenance & Repairs</u>			
Building & Facilities	365.00	365.00	-
Communication Equipment	6,729.92	8,000.00	1,270.08
Office Equipment	5,029.11	6,500.00	1,470.89
Vehicles	3,509.97	4,500.00	990.03
<u>Total Contracted Services</u>	<u>\$ 69,638.81</u>	<u>\$ 85,965.00</u>	<u>\$ 16,326.19</u>

**DEKALB COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Supplies & Materials</u>			
Office Supplies	\$ 3,265.86	\$ 4,500.00	\$ 1,234.14
Postage	306.00	600.00	294.00
Small Equipment Purchases	58,980.00	67,735.00	8,755.00
<u>Utilities</u>			
Electric	7,825.54	10,000.00	2,174.46
Water	222.06	300.00	77.94
General Telephone	14,910.87	17,000.00	2,089.13
Total Supplies & Materials	\$ 85,510.33	\$ 100,135.00	\$ 14,624.67
 <u>Other Charges</u>			
Board Meeting Expenses	825.02	1,500.00	674.98
Dues & Memberships	368.00	500.00	132.00
Insurance-Worker's Compensation	1,377.00	2,000.00	623.00
Insurance-Contents	-	2,000.00	2,000.00
Premiums on Surety Bonds	927.10	1,500.00	572.90
Training Expenses	6,598.82	8,500.00	1,901.18
Wireless/Internet Charges	1,738.87	3,500.00	1,761.13
Uniforms	1,696.34	3,000.00	1,303.66
Other	140.25	525.00	384.75
Total Other Charges	\$ 13,671.40	\$ 23,025.00	\$ 9,353.60
 Depreciation	 \$ 24,194.61	 \$ 32,000.00	 \$ 7,805.39
 <u>Total Operating Expenses</u>	 \$ 617,034.00	 \$ 714,925.00	 \$ 97,891.00
 <u>Operating Income (Loss)</u>	 \$ (257,204.36)	 \$ (363,025.00)	 \$ (105,820.64)
 <u>Non-Operating Revenue and (Expense)</u>			
Interest Income	9,933.40	3,000.00	(6,933.40)
State – Grants & Reimbursements	206,445.90	168,446.32	(37,999.58)
Contributions from Primary Govts	253,182.00	253,182.00	-
Proceeds from Sale of Assets	1,870.00	-	(1,870.00)
Total Non-Operating Revenue & Expense	\$ 471,431.30	\$ 424,628.32	\$ (46,802.98)
 Increase in Net Position	 \$ 214,226.94	 \$ 61,603.32	 \$ (152,623.62)
 Total Net Position, July 1, 2012	 681,308.09	 681,308.09	 -
Prior Period Adjustment	(10,105.16)	-	10,105.16
Total Net Position, June 30, 2013	\$ 885,429.87	\$ 742,911.41	\$ (142,518.46)
 Capital Expenditures	 \$ 50,400.00	 \$ 50,400.00	 \$ -

**DEKALB COUNTY E – 911
EMERGENCY COMMUNICATIONS DISTRICT
911 BOARD MEMBERS
JUNE 30, 2013**

911 Board Members

Ronald Rogers, Chairman
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

911 Advisory Board

Donny Green
3940 Nashville Hwy
Dowelltown, TN 37059

Ray Cook
153 Heather Heights
Bradyville, TN 37026

Randy Caplinger
Not Listed
Smithville, TN 37166

Patrick Ray, Sherriff
11515 Belk Rd.
Rock Island, TN 38581

Charlie Parker
947 Cordell Love Rd.
Smithville, TN 37166

Mark Collins
4970 McMinnville Hwy
Smithville, TN 37166

Dustin Johnson
Address Not Listed
Smithville, TN 37166

Mike Foster
522 Holiday Haven Rd.
Smithville, TN 37166

TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of DeKalb County Emergency Communications District, a component unit of DeKalb County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise DeKalb County Emergency Communications District's basic financial statements, and have issued my report thereon dated September 3, 2013.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered DeKalb County Emergency Communications District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DeKalb County Emergency Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of DeKalb County Emergency Communications District's internal control.

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. 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 3, 2013
Cookeville, Tennessee

Tamara L. Beckman, CPA