

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

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Coffee County E-911 Emergency Communications District
Manchester, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Coffee County E-911 Emergency Communications District, a component unit of Coffee County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Coffee County E-911 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 Coffee County E-911 Emergency Communications District, a component unit of Coffee 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

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.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Coffee County E-911 Emergency Communications District's basic financial statements. The Budget and Actual schedule and the schedule of 911 Board Members on pages 11-13 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 December 20, 2013 on my consideration of Coffee County E-911 Emergency Communications District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Coffee County E-911 Emergency Communications District's internal control over financial reporting and compliance.

December 20, 2013
Cookeville, Tennessee

Tamara L. Beckman, CPA

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

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 260,106.77
Investments - Certificate of Deposit	1,416,912.36
Accounts Receivable	11,597.37
Due from State Emer. Comm. Board	21,526.69
Interest Receivable	2,605.25
Prepaid Expenses	<u>10,617.43</u>

Total Current Assets \$ 1,723,365.87

Capital Assets

Building & Improvements	186,628.44
Accum. Deprec-Build. & Improv	(104,463.23)
Office Equipment	29,518.45
Accum. Deprec-Office Equipment	(28,822.56)
Furniture & Fixtures	42,249.00
Accum. Deprec.-Furn. & Fixtures	(39,700.21)
Communications Equipment	1,111,619.46
Accum. Deprec-Comm. Equipment	<u>(568,016.27)</u>

Total Capital Assets 629,013.08

Total Assets 2,352,378.95

LIABILITIES AND NET POSITION

Liabilities

Accounts Payable	7,090.79
Payroll Tax Payable	<u>33.11</u>

Total Liabilities 7,123.90

Net Position

Investment in Capital Assets	629,013.08
Unrestricted Net Position	<u>1,716,241.97</u>

Total Net Position \$ 2,345,255.05

The accompanying notes are in integral part of the financial statements

**COFFEE 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	\$ 175,597.84	
State – Wireless Charges	129,160.16	
State – Operational Funding Program	188,916.00	
Other Operating Revenue	857.18	
Total Operating Revenue		\$ 494,531.18

Operating Expense

Salaries & Wages

Part-Time Personnel		41,968.42
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Employee Benefits

Social Security	\$ 2,602.10	
Medicare	608.51	
Unemployment	99.17	

Total Employee Benefits		3,309.78
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Contracted Services

Addressing/Mapping Expense	800.00	
Audit Services	2,250.00	
Accounting Services	75.00	
Impact Payments	70,000.00	
Legal Service	13,600.00	
Maintenance Agreements	3,149.50	
NCIC / TBI / TIES Expense	2,240.00	
Pest Control	576.00	
Contract Labor	32,000.00	

Leases / Rentals

Communications Equipment	83,333.03	
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Maintenance & Repairs

Building/Landscaping	9,242.95	
Communications Equipment	11,930.35	
Office Equipment	1,723.66	
E. Agent	2,480.00	
Language Line	108.90	

Total Contracted Services		233,509.39
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Supplies & Materials

Office Supplies	6,580.80	
Custodial Supplies	515.48	
Data Process Supplies	4,013.34	
Postage	5.20	
Small Equipment	12,726.96	
Uniforms	3,089.00	

*COFFEE 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>Utilities</u>		
Electric	13,965.39	
Gas	539.53	
Water	1,051.11	
Telephone	8,971.37	
Cell Phones & Pagers	<u>2,074.97</u>	
Total Supplies & Materials		53,533.15
<u>Other Charges</u>		
Bank Charges	176.32	
Board Meetings	1,819.32	
Dues & Memberships	3,703.00	
Employee Testing	370.00	
<u>Insurance</u>		
Worker's Compensation	447.55	
Liability	5,069.83	
Building & Content	14,196.00	
Equipment	1,588.26	
Vehicle Insurance	553.72	
Legal Notice	805.79	
Surety Bonds	840.00	
Public Education	1,678.63	
Training	7,581.25	
Travel	19,592.08	
Internet/Cable	2,029.03	
Printing	<u>671.68</u>	
Total Other Charges		61,122.46
Depreciation		<u>101,808.70</u>
Total Operating Expenses		<u>495,251.90</u>
Net Operating Income (Loss)		(720.72)
<u>Non-Operating Revenue and Expense</u>		
Investment Income	32,030.41	
Interest Income	195.16	
State of TN ECB-Grants/Reimb	105,647.10	
Other Revenue	<u>12,078.82</u>	
Total Non-Operating Revenue & Expense		<u>149,951.49</u>
Increase in Net Position		149,230.77
Total Net Position, July 1, 2012		<u>2,196,024.28</u>
Total Net Position, June 30, 2013		<u>\$ 2,345,255.05</u>

The Accompanying notes are in integral part of the financial statements

**COFFEE COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2013**

Cash Flows From Operating Activities

Cash Received from Operations	\$ 500,033.18	
Cash Payments to/for Employees	(45,292.68)	
Cash Payments for Goods and Services	<u>(344,966.11)</u>	
Net Cash Provided by Operating Activities		\$ 109,774.39

Cash Flows from Non-Capital Financing Activities

Other Revenue	12,078.82	
State of TN ECB - Grants & Reimbursements	<u>105,647.10</u>	
Net Cash Provided by Non-Capital Financing Activities		117,725.92

Cash Flows from Capital & Related Financing Activities

Acquisition of New Assets	<u>-</u>	
Net Cash Used by Capital & Related Financing Activities		-

Cash Flows from Investing Activities

Interest/Investment Income Received	35,382.04	
Transfer To CD	<u>(164,012.82)</u>	
Net Cash Used by Investing Activities		<u>(128,630.78)</u>

Net Increase in Cash and Cash Equivalents	98,869.53
Cash and Cash Equivalent at 6-30-12	<u>161,237.24</u>
Cash and Cash Equivalent at 6-30-13	<u>\$ 260,106.77</u>

**Reconciliation of Net Operating Income (Loss) to Net Cash
Provided by Operating Activities**

Net Operating Income (Loss)	\$ (720.72)	
Depreciation	101,808.70	
Decrease in Accounts Receivable	6,693.28	
Increase in Due from State ECB	(1,191.28)	
Decrease in Prepaid Expense	487.83	
Increase in Accounts Payable	2,711.06	
Decrease in Payroll Tax Payable	<u>(14.48)</u>	
Net Cash Provided by Operating Activities		<u>\$ 109,774.39</u>

**COFFEE COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 1 – Summary of Significant Accounting Policies

The Coffee County E-911 Emergency Communication District was established on April 4, 1987 for the purpose of providing an enhanced level of 911 service to the Coffee 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 Coffee County. The Coffee County E-911 Emergency Communications District is run by a board of directors, which is appointed by Coffee County. The District must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The District uses the accrual basis of accounting and economic resource measurement focus. Revenues are recognized when earned and expenses are recognized when incurred.

Depreciation – Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. 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	10-30 Years	\$ 6,299.70
Office Equipment	S/L	5,7 & 10 Years	2,459.03
Furniture & Fixtures	S/L	5,7 & 10 Years	1,608.90
Communications Equipment	S/L	5,7,10 & 20 Years	<u>91,441.07</u>
Total			<u>\$101,808.70</u>

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The District's non-operating revenue consists of a grant, contributions from other governments & agencies, reimbursements, interest/investment income and sales of map books.

Note 2 – Subsequent Events

The District has evaluated subsequent events through December 31, 2013, the date in which the financial statements were available to be issued.

Note 3 – Cash and cash investments

The following is a schedule of bank accounts at June 30, 2013:

Checking – First National Bank	\$ 107,371.68
Money Market – American City Bank	105,222.00
Tower Fund – Coffee Co. Bank	47,513.09
Certificates of Deposit – Coffee County Bank	295,547.32
Certificates of Deposit – Coffee County Bank	255,032.28
Certificates of Deposit – Peoples Bank	157,795.76
Certificates of Deposit – Peoples Bank	256,578.47
Certificates of Deposit – First National Bank	301,958.53
Certificates of Deposit – First National Bank	<u>150,000.00</u>
Total	<u>\$1,677,019.13</u>

At June 30, 2013, the carrying amount of the Coffee County E-911 Emergency Communications District's cash deposits was \$1,677,019.13. The District's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the District's name. Peoples Bank and American City Bank 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 4 – Bonding & Insurance

Coffee County E-911 Emergency Communications District has a bond covering certain members of the board at June 30, 2013. The District has liability insurance covering the building and its contents. The policy also insures employees automobiles used in the counsel of business. The District had no settlements that exceeded the coverage for the past three years.

Note 5 – Fixed Assets

The following is a schedule of equipment at June 30, 2013:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
<u>Non-Depreciable Assets</u>			
Construction in Progress	\$ --	\$ --	\$ --
<u>Depreciable Assets</u>			
Building/Improvements	186,628.44	104,463.23	82,165.21
Office Equipment	29,518.45	28,822.56	695.89
Furniture & Fixtures	42,249.00	39,700.21	2,548.79
Comm. Equipment	<u>1,111,619.46</u>	<u>568,016.27</u>	<u>543,603.19</u>
Subtotal	<u>1,370,015.35</u>	<u>741,002.27</u>	<u>629,013.08</u>
Total Fixed Assets	<u>\$1,370,015.35</u>	<u>\$741,002.27</u>	<u>\$629,013.08</u>

	<u>Balance</u> <u>6/30/12</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/13</u>
<u>Non-Depreciable Assets</u>				
Construction in Progress	\$ --	\$ --	\$ --	\$ --
<u>Depreciable Assets</u>				
Building/Improvements	186,628.44	--	--	186,628.44
Office Equipment	29,518.45	--	--	29,518.45
Furniture & Fixtures	42,249.00	--	--	42,249.00
Communications Equip.	<u>1,111,619.46</u>	<u>--</u>	<u>--</u>	<u>1,111,619.46</u>
Subtotal	<u>1,370,015.35</u>	<u>--</u>	<u>--</u>	<u>1,370,015.35</u>
Total Fixed Assets	<u>\$1,370,015.35</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$1,370,015.35</u>

Note 6 – Cash and cash equivalents

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

Note 7 – Accounts Receivable/Due from State Emergency Communications Board

The amounts due to the District from subscriber services and wireless charges include the following:

BellSouth	\$ 8,578.68
Ben Lomand	1,397.30
Miscellaneous Telephone Companies	<u>1,621.39</u>
Subtotal	11,597.37
State Emergency Communications Board	<u>21,526.69</u>
Total	<u>\$ 33,124.06</u>

Note 8 – Compensated Absences

There were no compensated absences as of June 30, 2013.

Note 9 – Salaries & Wages

The District has a contract with Coffee County for the County to provide the director and dispatcher labor to the E-911 District. These costs are disclosed under “Contracts with Government Agencies” in the Statement of Revenues, Expenses and Changes in Fund Net Position. The district pays payroll directly to part-time employees which is disclosed under “Salaries & Wages-Part-Time Personnel” in the Statement of Revenues, Expenses and Changes in Fund Net Position.

Note 10 – Calculation of Investment in Capital Assets

Net Book Value	\$629,013.08
Current & Non-Current Debt	< -0 - >
Investment in Capital Assets	<u>\$629,013.08</u>

Note 11 – Budgetary Information

As stated in Note 1, the District must file a budget with Coffee County each year which must be adopted by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the adopted is required at the line item level.

**COFFEE COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
SUPPLEMENTARY INFORMATION
JUNE 30, 2013**

**COFFEE COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (GAAP Basis)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenue</u>			
Emergency Telephone Service Charges	\$ 175,597.84	\$ 195,000.00	\$ (19,402.16)
State-Shared Wireless Charges	129,160.16	124,000.00	5,160.16
State-Operational Funding	188,916.00	188,000.00	916.00
Other Operating Revenue	857.18	300.00	557.18
<u>Total Operating Revenue</u>	<u>\$ 494,531.18</u>	<u>\$ 507,300.00</u>	<u>\$ (12,768.82)</u>
<u>Expenditures</u>			
<u>Salaries & Wages</u>			
Part-Time Personnel	41,968.42	55,000.00	13,031.58
<u>Employee Benefits</u>			
Social Security	2,602.10	4,000.00	1,397.90
Medicare	608.51	1,000.00	391.49
Unemployment (State)	99.17	1,000.00	900.83
<u>Total Employee Benefits</u>	<u>\$ 45,278.20</u>	<u>\$ 61,000.00</u>	<u>\$ 15,721.80</u>
<u>Contracted Services</u>			
Addressing/Mapping	800.00	2,000.00	1,200.00
Audit Services	2,250.00	2,500.00	250.00
Accounting Services	75.00	150.00	75.00
Admin. Fees/ Services Charges	-	100.00	100.00
Contract with Private Agency	-	5,000.00	5,000.00
Impact Payment	70,000.00	70,000.00	-
Janitorial Services	-	2,000.00	2,000.00
Legal Services	13,600.00	14,600.00	1,000.00
Maintenance Agreements	3,149.50	3,500.00	350.50
Mapping & Database Consultants	-	2,000.00	2,000.00
NCIC/TBI/TIES Expense	2,240.00	2,500.00	260.00
Other Consultants	-	1,000.00	1,000.00
Pest Control	576.00	750.00	174.00
Contract Labor	32,000.00	40,000.00	8,000.00
Lease/Rental-Communications Equipment	83,333.03	116,750.00	33,416.97
Communications Equipment Maintenance	11,930.35	26,500.00	14,569.65
Building & Facilities Maintenance	9,242.95	10,000.00	757.05
Office Equipment Maintenance	1,723.66	5,000.00	3,276.34
E. Agent	2,480.00	2,500.00	20.00
Language Line	108.90	1,000.00	891.10
<u>Total Contracted Services</u>	<u>\$ 233,509.39</u>	<u>\$ 307,850.00</u>	<u>\$ 74,340.61</u>
<u>Supplies & Materials</u>			
Office Supplies	6,580.80	8,000.00	1,419.20
Custodial Supplies	515.48	2,000.00	1,484.52
Data Processing Supplies	4,013.34	5,000.00	986.66
Postage	5.20	500.00	494.80

**COFFEE COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (GAAP Basis)
FOR THE YEAR ENDED JUNE 30, 2013**

Small Equipment Purchases	12,726.96	59,250.00	46,523.04
Uniforms	3,089.00	3,100.00	11.00
Utilities-Electric	13,965.39	15,000.00	1,034.61
Utilities-Gas	539.53	1,000.00	460.47
Utilities-Water	1,051.11	1,500.00	448.89
Telephone Expenses	8,971.37	15,000.00	6,028.63
Cell Phones & Pagers	2,074.97	2,200.00	125.03
<u>Total Supplies & Materials</u>	<u>\$ 53,533.15</u>	<u>\$ 112,550.00</u>	<u>\$ 59,016.85</u>
<u>Other Charges</u>			
Bank Charges	176.32	200.00	23.68
Board Meeting Expenses	1,819.32	2,000.00	180.68
Dues & Memberships	3,703.00	4,000.00	297.00
Employee Testing	370.00	2,000.00	1,630.00
Worker's Compensation Insurance	447.55	500.00	52.45
Liability Insurance	5,069.83	5,250.00	180.17
Building & Contents Insurance	14,196.00	14,250.00	54.00
Equipment Insurance	1,588.26	1,700.00	111.74
Vehicle Insurance	553.72	700.00	146.28
Legal Notices	805.79	900.00	94.21
Premiums on Surety Bonds	840.00	1,000.00	160.00
Public Education	1,678.63	4,500.00	2,821.37
Service Awards	-	1,000.00	1,000.00
Training Expenses	7,581.25	10,500.00	2,918.75
Travel Expenses	19,592.08	30,000.00	10,407.92
Internet/Cable	2,029.03	2,400.00	370.97
Printing	671.68	1,000.00	328.32
<u>Total Other Charges</u>	<u>\$ 61,122.46</u>	<u>\$ 81,900.00</u>	<u>\$ 20,777.54</u>
Depreciation Expense	<u>\$ 101,808.70</u>	<u>\$ -</u>	<u>\$ (101,808.70)</u>
<u>Total Operating Expenses</u>	<u>\$ 495,251.90</u>	<u>\$ 563,300.00</u>	<u>\$ 68,048.10</u>
<u>Operating Income</u>	<u>\$ (720.72)</u>	<u>\$ (56,000.00)</u>	<u>\$ (55,279.28)</u>
<u>Nonoperating Revenue and (Expenses)</u>			
Investment Income	32,030.41	14,000.00	18,030.41
Interest Income	195.16	100.00	95.16
State-Grants & Reimbursements	105,647.10	56,000.00	49,647.10
Other Revenue	12,078.82	-	12,078.82
<u>Total Nonoperating Revenue and (Expenses)</u>	<u>\$ 149,951.49</u>	<u>\$ 70,100.00</u>	<u>\$ 79,851.49</u>
Increase (Decrease) in Net Position	<u>\$ 149,230.77</u>	<u>\$ 14,100.00</u>	<u>\$ (135,130.77)</u>
Net Position - July 1, 2012	<u>\$ 2,196,024.28</u>	<u>\$ 2,196,024.28</u>	<u>\$ -</u>
Net Position - June 30, 2013	<u>\$ 2,345,255.05</u>	<u>\$ 2,210,124.28</u>	<u>\$ (135,130.77)</u>

**COFFEE COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
911 BOARD MEMBERS
JUNE 30, 2013**

Jimmy Bradford, Chairman
515 S. Roosevelt St.
Tullahoma, TN 37388
Home: (931) 461-9169

Chief J.C. Ferrell, Member
Tullahoma Police Dept.
123 N. Jackson St.
Work: (931) 455-3411

Joe Hinch, Vice-Chairman
901 Clover Lane
Manchester, TN 37355
Home: (931) 728-6642

Chief Jerry Brown, Member
106 Bill Lynn Road
Hillsboro, TN 37342
Home: (931) 596-3186

Chief Ross Simmons, Treasurer
Manchester Police Dept.
200 W. Fort St.
Manchester, TN 37355
Work: (931) 728-2099

Sheriff Steve Graves, Member
Coffee Co. Sheriff's Dept
300 Hillsboro Blvd.
Manchester, TN 37355
Work: (931) 723-3021

Det.Captain Mark Yother, Secretary
Manchester Police Dept.
200 W. Fort St.
Manchester, TN 37355
Work: (931) 728-2099

Lonnie Norman, Member
715 Emerson St.
Manchester, TN 37355
(931) 728-0326

Tildon Stubblefield, Member
507 S. Roosevelt St.
Tullahoma, TN 37388
Home: (931) 455-4166

TAMARA L. BECKMAN
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**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
Coffee County E-911 Emergency Communications District
Manchester, 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 Coffee County E-911 Emergency Communications District, a component unit of Coffee County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Coffee County E-911 Emergency Communications District's basic financial statements, and have issued my report thereon dated December 20, 2013

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Coffee County E-911 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 Coffee County E-911 Emergency Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of Coffee County E-911 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 Coffee County E-911 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*.

Purpose of this Report

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.

December 20, 2013
Cookeville, Tennessee

Tamara L. Beckman, CPA