

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

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CERTIFIED PUBLIC ACCOUNTANT**

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

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Macon County E-911 Emergency Communications District  
Cookeville, Tennessee

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Macon County E-911 Emergency Communications District, a component unit of Macon County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Macon 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 Macon County E-911 Emergency Communications District, a component unit of Macon 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 financials 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 Macon County E-911 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 11, 2013 on my consideration of Macon 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 Macon County E-911 Emergency Communications District's internal control over financial reporting and compliance.

September 11, 2013  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*

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

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 417,444.62	
Accounts Receivable	14,081.25	
Due from State Emer. Comm. Board	9,071.26	
Prepaid Expenses	<u>13,573.65</u>	
<u>Total Current Assets</u>		\$ 454,170.78

Capital Assets

Building & Improvements	70,506.60	
Less: Accumulated Depreciation	(26,283.17)	
Furniture & Fixtures	3,791.75	
Less: Accumulated Depreciation	(3,791.75)	
Office Equipment	169,520.56	
Less: Accumulated Depreciation	(159,314.04)	
Communications Equipment	547,467.55	
Less: Accumulated Depreciation	(373,317.52)	
Vehicle	29,200.00	
Less: Accumulated Depreciation	<u>(18,493.33)</u>	
<u>Total Capital Assets</u>		<u>239,286.65</u>

Total Assets

693,457.43

LIABILITIES AND NET POSITION

Current Liabilities

Accounts Payable	828.39	
Wages Payable	1,725.95	
Leases Payable - Current	<u>14,466.36</u>	
<u>Total Current Liabilities</u>		17,020.70

Long-Term Liabilities

Leases Payable - Long Term		<u>5,492.87</u>
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Net Position

Net Investment in Capital Assets	219,327.42	
Unrestricted	<u>451,616.44</u>	

Total Net Position

\$ 670,943.86

The accompanying notes are in integral part of the financial statements

**MACON 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	\$ 171,195.94	
State – Wireless Charges	54,427.54	
State – Operational Funding	<u>152,468.22</u>	
<b>Total Operating Revenue</b>		<b>\$ 378,091.70</b>

Operating Expense

Salaries & Wages

Director	49,936.24	
Administrative Personnel	27,030.00	
Part-Time Personnel	<u>3,816.00</u>	
<b>Total Salaries &amp; Wages</b>		<b>80,782.24</b>

Employee Benefits

Social Security	4,913.83	
Medicare	1,149.20	
Retirement	7,199.92	
Unemployment Tax	<u>488.15</u>	
<b>Total Employee Benefits</b>		<b>13,751.10</b>

Contracted Services

Addressing/Mapping	25,502.50	
Advertising	509.48	
Audit Services	2,500.00	
Fees Paid to Service Providers	33,306.31	
Impact Payment	15,000.00	
Legal Services	150.00	
Maintenance Agreements	45,810.75	
Lease & Rental - Building & Facilities	12,000.00	
<u>Maintenance &amp; Repairs</u>		
Communication Equipment	30,172.27	
Office Equipment	21,856.50	
Vehicle	2,074.84	
Fuel-Vehicle	<u>2,632.69</u>	
<b>Total Contracted Services</b>		<b>191,515.34</b>

The Accompanying notes are in integral part of the financial statements

*MACON 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 &amp; Materials</u>		
Office Supplies	4,612.71	
Custodial Supplies	2,039.25	
Postage	355.94	
Small Equipment Purchase	68,038.83	
Uniforms	2,382.25	
<u>Utilities</u>		
Telephone	16,635.11	
Cell Phones & Pagers	2,201.68	
Supplies & Materials	<u>1,889.90</u>	
Total Supplies & Materials		98,155.67
<u>Other Charges</u>		
Dues & Memberships	540.00	
<u>Insurance</u>		
Worker's Compensation	2,025.03	
Equipment & Vehicle	5,016.00	
Premiums on Surety Bonds	652.09	
Training Expenses	2,640.00	
Travel Expenses	<u>5,267.31</u>	
Total Other Charges		16,140.43
Depreciation		<u>85,854.38</u>
Total Expenses		<u>486,199.16</u>
Net Operating Loss		(108,107.46)
<u>Non-Operating Revenue and Expense</u>		
Interest Income	1,156.90	
Interest Expense, Late Fees	(2,136.83)	
State – Grants & Reimbursements	251,542.03	
Proceeds from Insurance	<u>1,869.52</u>	
Total Non-Operating Revenue & Expense		<u>252,431.62</u>
Increase in Net Position		144,324.16
Total Net Position, July 1, 2012		<u>526,619.70</u>
Total Net Position, June 30, 2013		<u>\$ 670,943.86</u>

The Accompanying notes are in integral part of the financial statements

**MACON 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	\$ 409,899.89	
Cash Paid to/for Employee Services	(92,807.39)	
Cash Payments for Goods and Services	<u>(308,256.64)</u>	
Net Cash Provided by Operating Activities		\$ 8,835.86
 <u>Cash Flows from Non-Capital Financing Activities</u>		
Grants & Reimbursements Received	251,542.03	
Proceeds from Insurance	<u>1,869.52</u>	
Net Cash Provided by Non-Capital Financing Activities		253,411.55
 <u>Cash Flows from Capital &amp; Related Financing Activities</u>		
Acquisitions of New Assets	(41,287.19)	
Interest Paid on Leases Payable	(2,136.83)	
Principal Payment of Lease Payable	<u>(29,613.85)</u>	
Net Cash Used by Capital & Related Financing Activities		(73,037.87)
 <u>Cash Flows from Investing Activities</u>		
Interest Received	<u>1,156.90</u>	
Net Cash Provided by Investing Activities		<u>1,156.90</u>
Net Increase in Cash and Cash Equivalents		190,366.44
Cash and Cash Equivalent at 6-30-12		<u>227,078.18</u>
Cash and Cash Equivalent at 6-30-13		<u>\$ 417,444.62</u>
 <u>Reconciliation of Net Operating Loss to Net Cash</u>		
<u>    Provided by Operating Activities</u>		
Net Operating Income	\$ (108,107.46)	
Depreciation	85,854.38	
Decrease in Accounts Receivable	29,585.00	
Decrease in Due from State ECB	2,223.19	
Decrease in Prepaid Expense	654.66	
Decrease in Accounts Payable	(3,099.86)	
Increase in Accrued Payroll & Payroll Liabilities	<u>1,725.95</u>	
<u>Net Cash Provided by Operating Activities</u>		<u>\$ 8,835.86</u>

The Accompanying notes are in integral part of the financial statements

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

Note 1 – Summary of Significant Accounting Policies

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

The District uses the accrual basis of accounting and economic resources measurement focus. 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 using the straight-line method. All assets purchased under \$2,500 are expensed. 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	5-15 Years	\$ 8,231.05
Furniture & Fixtures	S/L	5-10 Years	--
Office Equipment	S/L	5-7 Years	5,224.25
Communications Equipment	S/L	3-12 Years	66,559.08
Vehicle	S/L	5 Years	<u>5,840.00</u>
			<u>\$ 85,854.38</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 grants and reimbursements given by the State Emergency Communications Board to help the district employ a dispatcher and interest.

Note 2 – Cash and cash investments

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

Checking – Citizens Bank	\$191,859.30
Money Market – Macon Bank & Trust	<u>225,585.32</u>
Total	<u>\$417,444.62</u>

At June 30, 2013, the carrying amount of the Macon County E – 911 Emergency Communications District’s cash deposits was \$417,444.62. The District’s accounts are covered up to \$250,000 by the FDIC. 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, sct 10].

Note 3 – Bonding

Macon County E-911 Emergency Communications District has a bond covering certain members of the board at June 30, 2013. Other risk areas include theft, property damage and public liability. The District carries general liability insurance as well as insurance that cover all equipment, building and vehicles. There have been no losses or settlements that exceeded this coverage during the past three years.

Note 4 – Subsequent Events

The District has evaluated subsequent events through September 16, 2013, the date in which the financial statements were available to be issued.

Note 5 – Fixed Assets

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

<u>Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Bldg & Imprv.	\$ 70,506.60	\$ 26,283.17	\$ 44,223.43
Furniture & Fixture	3,791.75	3,791.75	--
Office Equipment	169,520.56	159,314.04	10,206.52
Comm. Equipment	547,467.55	373,317.52	174,150.03
Vehicles	<u>29,200.00</u>	<u>18,493.33</u>	<u>10,706.67</u>
Total Fixed Assets	<u>\$820,486.46</u>	<u>\$581,199.81</u>	<u>\$239,286.65</u>

<u>Assets</u>	<u>Balance 6-30-12</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance 6-30-13</u>
Bldg & Imprv.	\$ 70,506.60	\$ --	\$ --	\$ 70,506.60
Furniture & Fixtures	3,791.75	--	--	3,791.75
Office Equipment	160,121.56	9,399.00	--	169,520.56
Comm. Equipment	515,579.36	31,888.19	--	547,467.55
Vehicles	<u>29,200.00</u>	<u>--</u>	<u>--</u>	<u>29,200.00</u>
Total Fixed Assets	<u>\$779,199.27</u>	<u>\$ 41,287.19</u>	<u>\$ --</u>	<u>\$820,486.46</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:

North Central Telephone Co-op	\$ 14,069.61
Misc. Wireless Charges	<u>11.64</u>
Total Accounts Receivable	14,081.25
State Emergency Communications Board	<u>9,071.26</u>
Total Due From State & Accounts Receivable	<u>\$ 23,152.51</u>

Note 8 – Compensated Absences

The District has one full-time and one part-time employee. The board has not adopted a policy for compensated absences as of June 30, 2013.

Note 9 – Calculation of Net Investment in Capital Assets

Net Book Value	\$239,286.65
Current & Non-Current Debt	< 19,959.23 >
Net Investment in Capital Assets	<u>\$219,327.42</u>

Note 10 – Leases Payable

On June 29, 2009 the District entered into a four year lease agreement with Marlin Financial for the acquisition of a Recorder. The total cost of the equipment, \$47,895.00, is to be repaid in 48 monthly payments of \$1,121.50 beginning July 29, 2009 at an interest rate of 5.85%

On October 30, 2009 the District entered into a four year lease agreement with Marlin Financial for the acquisition of Mapping Equipment. The total cost of the equipment, \$40,991.54, is to be repaid in 48 monthly payments of \$959.87 beginning November 1, 2009 at an interest rate of 5.85%.

On May 10, 2010 the District entered into a five year lease agreement with Marlin Financial for the acquisition of a 2009 Chevy Tahoe 4X4. The total cost of the vehicle, \$29,200.00, is to be repaid in 60 monthly payments of \$564.52 beginning May 10, 2010 at an interest rate of 6.0%.

A Schedule of changes in Leases Payable (principal only) is as follows:

	<u>Balance</u> <u>6-30-12</u>	<u>Additions</u>	<u>Payments</u>	<u>Adjustments</u>	<u>Balance</u> <u>6-30-13</u>
Recorder Lease	\$ 17,222.93	\$ --	\$ 12,789.77	\$ --	\$ 4,433.16
Mapping Lease	14,739.77	--	10,946.58	--	3,793.19
Vehicle Lease	<u>17,610.38</u>	<u>--</u>	<u>5,877.50</u>	<u>--</u>	<u>11,732.88</u>
Total	<u>\$ 49,573.08</u>	<u>\$ --</u>	<u>\$ 29,613.85</u>	<u>--</u>	<u>\$ 19,959.23</u>

A schedule of payments to maturity is as follows:

Recorder Lease:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
June 30, 2014	<u>\$ 4,433.16</u>	<u>\$ 54.17</u>	<u>\$ 4,487.33</u>

Mapping Lease:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
June 30, 2014	<u>\$ 3,793.19</u>	<u>\$ 46.34</u>	<u>\$ 3,839.53</u>

Vehicle Lease:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
June 30, 2014	\$ 6,240.01	\$ 534.23	\$ 6,774.24
June 30, 2015	<u>5,492.87</u>	<u>152.18</u>	<u>5,645.05</u>
Total	<u>\$ 11,732.88</u>	<u>\$ 686.41</u>	<u>\$ 12,419.29</u>

Note 11 – Budgetary Information

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

Note 12 – Pension Plan

**Plan Description**

Employees of Macon County E-911 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 years 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 Macon County E-911 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 and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.**

### **Funding Policy**

**As of September 11, 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.**

Macon County E-911 requires employees to contribute 5.0 percent of earnable compensation. Macon County E-911 is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 9.51% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Macon County E-911 Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

**As of September 11, 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.**

For the year ending June 30, 2012, Macon County E-911's annual pension cost of \$7,477 to TCRS was equal to Macon County E-911'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 valuation 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), and (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 ten-year period. Macon County E-911 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 0 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### Trend Information

Fiscal Year Ending	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	\$7,477	100.00%	\$0.00
June 30, 2011	--	100.00%	0.00
June 30, 2010	--	100.00%	0.00

### **Funded Status and Funding Progress**

**As of September 11, 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.**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 0.00% funded. The actuarial accrued liability for benefits was \$0.06 million, and the actuarial value of assets was \$0.00 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.00 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.00 million, and the ratio of the UAAL to the covered payroll was 0.00%.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b ) - ( a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [( b-a )/( c )]
July 1, 2011	\$0	\$0	\$0	0.00%	\$0	0.00%
July 1, 2009	\$0	\$0	\$0	0.00%	\$0	0.00%
July 1, 2007	\$0	\$0	\$0	0.00%	\$0	0.00%

**MACON COUNTY E – 911  
EMERGENCY COMMUNICATIONS DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2013**

**MACON COUNTY E – 911  
EMERGENCY COMMUNICATIONS DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2013**

**Schedule of Funding Progress**

**As of September 11, 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.**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b ) - ( a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [( b-a )/( c )]
July 1, 2011	\$0	\$0	\$0	0.00%	\$0	0.00%
July 1, 2009	\$0	\$0	\$0	0.00%	\$0	0.00%
July 1, 2007	\$0	\$0	\$0	0.00%	\$0	0.00%

**MACON COUNTY E – 911  
EMERGENCY COMMUNICATIONS DISTRICT  
SUPPLEMENTARY INFORMATION  
JUNE 30, 2013**

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

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
<u>Operating Revenue</u>			
Emergency Telephone Service Charges	\$ 171,195.94	\$ 157,000.00	\$ 14,195.94
State-Shared Wireless Charges	54,427.54	40,000.00	14,427.54
State-Operational Funding	152,468.22	196,000.00	(43,531.78)
<u>Total Operating Revenue</u>	<u>\$ 378,091.70</u>	<u>\$ 393,000.00</u>	<u>\$ (14,908.30)</u>
<u>Expenditures</u>			
<u>Salaries &amp; Wages</u>			
Director	\$ 49,936.24	\$ 50,675.00	\$ 738.76
Administrative Personnel	27,030.00	27,800.00	770.00
Part-Time Personnel	3,816.00	4,500.00	684.00
<u>Total Salaries &amp; Wages</u>	<u>\$ 80,782.24</u>	<u>\$ 82,975.00</u>	<u>\$ 2,192.76</u>
<u>Employee Benefits</u>			
Social Security	4,913.83	10,000.00	5,086.17
Medicare	1,149.20	3,000.00	1,850.80
Retirement	7,199.92	11,000.00	3,800.08
Unemployment	488.15	1,000.00	511.85
<u>Total Employee Benefits</u>	<u>\$ 13,751.10</u>	<u>\$ 25,000.00</u>	<u>\$ 11,248.90</u>
<u>Contracted Services</u>			
Addressing/Mapping	25,502.50	32,000.00	6,497.50
Advertising	509.48	800.00	290.52
Audit Services	2,500.00	2,500.00	-
Accounting Services	-	500.00	500.00
Fees Paid to Service Providers	33,306.31	36,000.00	2,693.69
Impact Payments	15,000.00	15,000.00	-
Legal Services	150.00	500.00	350.00
Maintenance Agreements	45,810.75	65,100.00	19,289.25
Lease/Rental - Building & Facilities	12,000.00	12,000.00	-
Communications Equipment Maintenance	30,172.27	42,500.00	12,327.73
Office Equipment Maintenance	21,856.50	22,000.00	143.50
Vehicle Maintenance	2,074.84	10,400.00	8,325.16
Fuel-Vehicle	2,632.69	3,500.00	867.31
<u>Total Contracted Services</u>	<u>\$ 191,515.34</u>	<u>\$ 242,800.00</u>	<u>\$ 51,284.66</u>

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

<u>Supplies &amp; Materials</u>			
Office Supplies	4,612.71	5,000.00	387.29
Custodial Supplies	2,039.25	2,600.00	560.75
Postage	355.94	550.00	194.06
Small Equipment Purchases	68,038.83	70,000.00	1,961.17
Uniforms	2,382.25	2,400.00	17.75
Utilities-Telephone	16,635.11	19,000.00	2,364.89
Utilities-Cell Phones & Pagers	2,201.68	3,500.00	1,298.32
Other Supplies & Materials	1,889.90	2,000.00	110.10
<u>Total Supplies &amp; Materials</u>	<u>\$ 98,155.67</u>	<u>\$ 105,050.00</u>	<u>\$ 6,894.33</u>
<u>Other Charges</u>			
Dues & Memberships	540.00	600.00	60.00
Worker's Compensation Insurance	2,025.03	2,050.00	24.97
Equipment & Vehicle Insurance	5,016.00	5,050.00	34.00
Premiums on Surety Bonds	652.09	700.00	47.91
Training Expenses	2,640.00	6,275.00	3,635.00
Travel Expenses	5,267.31	7,000.00	1,732.69
<u>Total Other Charges</u>	<u>\$ 16,140.43</u>	<u>\$ 21,675.00</u>	<u>\$ 5,534.57</u>
<u>Depreciation</u>			
Depreciation Expense	\$ 85,854.38	\$ 150,000.00	\$ 64,145.62
<u>Total Operating Expenses</u>	<u>\$ 486,199.16</u>	<u>\$ 627,500.00</u>	<u>\$ 141,300.84</u>
<u>Operating Income (Loss)</u>	<u>\$ (108,107.46)</u>	<u>\$ (234,500.00)</u>	<u>\$ 126,392.54</u>
<u>Nonoperating Revenue and (Expenses)</u>			
Interest Income	1,156.90	1,000.00	156.90
Interest Expense	(2,136.83)	(2,500.00)	363.17
State-Grants & Reimbursements	251,542.03	225,000.00	26,542.03
Proceeds from Insurance	1,869.52	-	1,869.52
<u>Total Nonoperating Revenue and (Expenses)</u>	<u>\$ 252,431.62</u>	<u>\$ 223,500.00</u>	<u>\$ 28,931.62</u>
Increase (Decrease) in Position	\$ 144,324.16	\$ (11,000.00)	\$ 155,324.16
Net Position - July 1, 2012	\$ 526,619.70	\$ 469,159.46	\$ 57,460.24
Net Position - June 30, 2013	\$ 670,943.86	\$ 458,159.46	\$ 212,784.40
Capital Expenditures	\$ 41,287.19	\$ 59,000.00	\$ 17,712.81

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

Stacy Gann, Chief  
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118 East Locust St.  
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Clint Carter, Board Secretary/Treasurer  
North Central Telephone Corp.  
PO Box 70, 872 52 By Pass E  
Lafayette, TN 37083  
Work: (615) 666-2151 Cell: (615) 633-7909  
Email: [ccarter@nctc.com](mailto:ccarter@nctc.com)

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Macon County Sheriff Dept.  
902 Hwy 52 By Pass E  
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Office: (615) 666-3325

Randall Kirby, Chairman  
EMS Director  
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**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

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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  
Macon County E-911 Emergency Communications District  
Lafayette, 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 Macon County E-911 Emergency Communications District, a component unit of Macon County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Macon County E-911 Emergency Communications District's basic financial statements, and have issued my report thereon dated September 11, 2013

Internal Control over Financial Reporting

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

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 11, 2013  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*