

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

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of Putnam County E-911 Emergency Communications District, a component unit of Putnam County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Putnam 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 Putnam County E-911 Emergency Communications District, a component unit of Putnam 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 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. 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 Putnam 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 are 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 January 18, 2014 on my consideration of Putnam 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 Putnam County E-911 Emergency Communications District's internal control over financial reporting and compliance.

January 18, 2014
Cookeville, Tennessee

Tamara L. Beckman, CPA

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

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 297,327.08	
Investments - Certificate of Deposit	1,250,000.00	
Accounts Receivable	25,493.10	
Due from State Emer. Comm. Board	29,487.69	
Interest Receivable	152.26	
Prepaid Expenses	<u>38,460.80</u>	
<u>Total Current Assets</u>		\$ 1,640,920.93

Capital Assets

Building & Improvements	219,867.48	
Less: Accumulated Depreciation	(69,494.11)	
Furniture & Fixtures	8,338.83	
Less: Accumulated Depreciation	(3,127.05)	
Communications Equipment	1,606,144.38	
Less: Accumulated Depreciation	(722,367.62)	
Vehicle	114,901.79	
Less: Accumulated Depreciation	<u>(73,137.01)</u>	
<u>Total Capital Assets</u>		<u>1,081,126.69</u>
<u>Total Assets</u>		<u>2,722,047.62</u>

LIABILITIES AND NET POSITION

Liabilities

Accounts Payable	<u>-</u>
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Net Position

Investment in Capital Assets	1,081,126.69	
Unrestricted Net Position	<u>1,640,920.93</u>	
<u>Total Net Position</u>		<u>\$ 2,722,047.62</u>

The accompanying notes are in integral part of the financial statements

**PUTNAM 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	\$ 318,290.20	
State – Wireless Charges	176,926.12	
State – Operational Funding	258,551.10	
UCEMC Contract	10,111.00	
Sale of Map Books	425.00	
Total Operating Revenue		\$ 764,303.42

Operating Expense

Contracted Services

Addressing/Mapping	10,106.36	
Audit Services	2,500.00	
Contract with Governemnt Agency	285,830.46	
Maintenance Agreements	56,800.63	
<u>Maintenance & Repairs</u>		
Communication Equipment	20,976.97	
Building	2,322.42	
Vehicle Expenses	5,246.25	
Total Contracted Services		383,783.09

Supplies & Materials

Office Supplies	1,903.64	
Data Processing	1,294.10	
Small Equipment Purchase	255,807.00	
<u>Utilities</u>		
Gas for Generators	1,319.01	
Telephone	60,256.26	
Cell Phones & Pagers	4,291.35	
Total Supplies & Materials		324,871.36

Other Charges

Board Meetings	1,061.36	
Dues & Memberships	830.00	

The Accompanying notes are in integral part of the financial statements

**PUTNAM 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>Insurance</u>		
Liability	750.00	
Building	4,004.00	
Equipment	10,690.92	
Vehicle	3,337.64	
Legal Notices	54.80	
Surety Bonds	691.87	
Public Education	2,438.76	
Training Expenses	4,393.26	
Travel Expenses	<u>1,999.57</u>	
Total Other Charges		30,252.18
Depreciation		<u>213,790.23</u>
Total Expenses		<u>952,696.86</u>
Net Operating Income (Loss)		(188,393.44)
 <u>Non-Operating Revenue and Expense</u>		
Interest Income		23,245.14
Contributions from Other Governments		4,800.00
State – Grants & Reimbursements		<u>344,012.00</u>
Total Non-Operating Revenue & Expense		<u>372,057.14</u>
Increase in Net Position		183,663.70
Total Net Position, July 1, 2012		<u>2,538,383.92</u>
Total Net Position, June 30, 2013		<u><u>\$ 2,722,047.62</u></u>

The Accompanying notes are in integral part of the financial statements

**PUTNAM 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	\$ 764,675.54	
Cash Payments for Goods and Services	<u>(750,724.78)</u>	
Net Cash Provided by Operating Activities		\$ 13,950.76
 <u>Cash Flows from Non-Capital Financing Activities</u>		
Grant Received	344,012.00	
Contributions from Other Governments	<u>4,800.00</u>	
Net Cash Provided by Non-Capital Financing Activities		348,812.00
 <u>Cash Flows from Capital & Related Financing Activities</u>		
Acquisitions of New Assets	<u>(164,901.40)</u>	
Net Cash Used for Capital & Related Financing Activities		(164,901.40)
 <u>Cash Flows from Investing Activities</u>		
Interest Received on CDs & Money Market	<u>23,416.85</u>	
Net Cash Provided by Investing Activities		<u>23,416.85</u>
Net Increase in Cash and Cash Equivalents		221,278.21
Cash and Cash Equivalent at 6-30-12		<u>76,048.87</u>
Cash and Cash Equivalent at 6-30-13		<u>\$ 297,327.08</u>
 <u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u> Provided by Operating Activities</u>		
Net Operating Income (Loss)	\$ (188,393.44)	
Depreciation	213,790.23	
Decrease in Accounts Receivable	2,003.97	
Increase in Due from State ECB	(1,631.85)	
Increase in Prepaid Expense	(9,877.69)	
Decrease in Accounts Payable	<u>(1,940.46)</u>	
<u>Net Cash Provided by Operating Activities</u>		<u>\$ 13,950.76</u>

The Accompanying notes are in integral part of the financial statements

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

Note 1 – Summary of Significant Accounting Policies

The Putnam County E-911 Emergency Communication District was established on November 21, 1988 for the purpose of providing an enhanced level of 911 service to the Putnam 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 Putnam County. The Putnam County E-911 Emergency Communications District is run by a board of directors, which is appointed by Putnam County. The District must file a budget with Putnam County each year. Any bond issued by the district is subject to approval by Putnam County.

The District uses the accrual basis of accounting economic resources 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. All assets purchased under \$3,000 are expensed. Depreciation begins when the fixed assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	Estimated <u>Useful Life</u>	2013 <u>Depreciation</u>
Building/Improvements	S/L	5-20 Years	\$ 9,771.90
Furniture & Fixtures	S/L	5 Years	833.88
Communications Equipment	S/L	4-7 Years	196,084.05
Vehicle	S/L	5 Years	<u>7,100.40</u>
			<u>\$213,790.23</u>

Major Source of Revenue

The major source of operating revenue is emergency telephone, wireless surcharges and a contract with UCEMC to answer after-hours telephone calls. The District's non-operating revenue consists of a grant given by the State Emergency Communications Board to help the district employ a dispatcher, rebates, reimbursements from the county and interest.

Note 2 – Cash and cash investments

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

Checking – Bank of Putnam County	\$ 20,000.00
Money Market – Bank of Putnam County	277,327.07
Certificates of Deposit – Bank of Putnam County	1,000,000.00
Certificates of Deposit – Putnam 1 st Mercantile	<u>250,000.00</u>
Total	<u>\$1,547,327.07</u>

At June 30, 2013, the carrying amount of the Putnam County E-911 Emergency Communications District’s cash deposits was \$1,547,327.07. The District’s accounts are covered up to \$250,000 by the FDIC. Any amounts over \$250,000 are covered by collateralization held by Bank of Putnam County in the District’s name. 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

Putnam 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 coverage during the past three years.

Note 4 – Fixed Assets

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

<u>Depreciable Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Bldg & Imprv.	\$ 219,867.48	\$ 69,494.11	\$ 150,373.37
Furniture & Fixture	8,338.83	3,127.05	5,211.78
Comm. Equipment	1,606,144.38	722,367.62	883,776.76
Vehicles	<u>114,901.79</u>	<u>73,137.01</u>	<u>41,764.78</u>
Total Depreciable	<u>1,949,252.48</u>	<u>\$868,125.79</u>	<u>\$1,081,126.69</u>
<u>Non-Depreciable</u>			
Construction in Progress	--	--	--
Total Fixed Assets	<u>\$1,949,252.48</u>	<u>\$868,125.79</u>	<u>\$1,081,126.69</u>

<u>Depreciable</u>	<u>Balance 6-30-12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6-30-13</u>
Bldg & Imprv.	\$ 219,867.48	\$ --	\$ --	\$ 219,867.48
Furniture & Fixtures	8,338.83	--	--	8,338.83
Comm. Equipment	1,471,415.16	134,729.22	--	1,606,144.38
Vehicles	<u>84,729.61</u>	<u>30,172.18</u>	--	<u>114,901.79</u>
Total Depreciable	<u>1,784,351.08</u>	<u>164,901.40</u>	<u>--</u>	<u>1,949,252.48</u>
<u>Non-Depreciable</u>				
Const. in Progress	--	--	--	--
Total Fixed Assets	<u>\$1,784,351.08</u>	<u>\$ 164,901.40</u>	<u>\$ --</u>	<u>\$1,949,252.48</u>

Putnam County E-911 Emergency Communications District purchased equipment for some county agencies that assists them in answering 911 calls. The District feels that since the 911 call does not end with them, that the county agencies needed a faster way for the 911 to communicate to them when needed. The District paid \$255,807.000 for the radios, which makes up 100% of small equipment purchases expense. Ownership of the equipment is retained by the county agencies. The agencies are responsible for operating and maintaining all equipment.

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 Emergency Communications Board

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

Frontier Communications	\$ 16,831.16
Misc. Wireless Charges	<u>8,661.94</u>
Subtotal	25,493.10
State Emergency Communications Board	<u>29,487.69</u>
Total	<u>\$ 54,980.79</u>

Note 7 – Compensated Absences

There were no employees at June 30, 2013.

Note 8 – Calculation of Investment in Capital Assets

Net Book Value	\$1,081,126.69
Current & Non-Current Debt	<u>--</u>
Investment in Capital Assets	<u>\$1,081,126.69</u>

Note 9 – UCCEMC Contract

The District provides after-hours call answering services for UCCEMC. The amount is calculated by the number of meters energized multiplied by \$0.50 or \$5,000.00, whichever is greater. Management has decided to include this amount in Operating Revenue on the Statement of Revenues, Expenses and Changes in Net Position.

Note 10 – Budgetary Information

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

Note 11 – Subsequent Events

The District has evaluated subsequent events through January 24, 2014, the date in which the financial statements were available to be issued.

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

**PUTNAM 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	\$ 318,290.20	\$ 330,000.00	\$ (11,709.80)
State-Shared Wireless Charges	176,926.12	170,000.00	6,926.12
Sale of Map Books	425.00	100.00	325.00
UCEMC Contract	10,111.00	10,100.00	11.00
State-Operational Funding	258,551.10	254,000.00	4,551.10
<u>Total Operating Revenue</u>	<u>\$ 764,303.42</u>	<u>\$ 764,200.00</u>	<u>\$ 103.42</u>

Expenditures

Contracted Services

Addressing/Mapping	\$ 10,106.36	\$ 11,000.00	\$ 893.64
Audit Services	2,500.00	3,000.00	500.00
Contract with Government Agency	285,830.46	297,600.00	11,769.54
Maintenance Agreements	56,800.63	69,000.00	12,199.37
Communications Equipment Maintenance	20,976.97	22,000.00	1,023.03
Building & Facilities Maintenance	2,322.42	10,000.00	7,677.58
Office Equipment Maintenance	-	2,000.00	2,000.00
Vehicle Expense	5,246.25	6,000.00	753.75
<u>Total Contracted Services</u>	<u>\$ 383,783.09</u>	<u>\$ 420,600.00</u>	<u>\$ 36,816.91</u>

Supplies & Materials

Office Supplies	1,903.64	3,000.00	1,096.36
Data Processing Supplies	1,294.10	3,000.00	1,705.90
Postage	-	100.00	100.00
Small Equipment Purchases	255,807.00	263,000.00	7,193.00
Utilities - Gas for Generators	1,319.01	3,000.00	1,680.99
Utilities - Telephone Expenses	60,256.26	64,000.00	3,743.74
Utilities - Cell Phones & Pagers	4,291.35	5,000.00	708.65
<u>Total Supplies & Materials</u>	<u>\$ 324,871.36</u>	<u>\$ 341,100.00</u>	<u>\$ 16,228.64</u>

Other Charges

Board Meeting Expenses	1,061.36	1,500.00	438.64
Dues & Memberships	830.00	1,500.00	670.00

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

Liability Insurance	750.00	1,000.00	250.00
Building & Contents Insurance	4,004.00	4,500.00	496.00
Equipment Insurance	10,690.92	15,000.00	4,309.08
Vehicle Insurance	3,337.64	3,500.00	162.36
Legal Notices	54.80	150.00	95.20
Premiums on Surety Bonds	691.87	1,000.00	308.13
Public Education	2,438.76	7,000.00	4,561.24
Training Expenses	4,393.26	5,000.00	606.74
Travel Expenses	1,999.57	3,000.00	1,000.43
Other	-	2,000.00	2,000.00
<u>Total Other Charges</u>	<u>\$ 30,252.18</u>	<u>\$ 45,150.00</u>	<u>\$ 14,897.82</u>
<u>Depreciation</u>			
Depreciation Expense	<u>\$ 213,790.23</u>	<u>\$ 215,000.00</u>	<u>\$ 1,209.77</u>
<u>Total Operating Expenses</u>	<u>\$ 952,696.86</u>	<u>\$ 1,021,850.00</u>	<u>\$ 69,153.14</u>
<u>Operating Income (Loss)</u>	<u>\$ (188,393.44)</u>	<u>\$ (257,650.00)</u>	<u>\$ 69,256.56</u>
<u>Non-operating Revenue and (Expenses)</u>			
Interest Income	23,245.14	28,000.00	(4,754.86)
Contributions from Other Governments	4,800.00	4,800.00	-
State-Grants & Reimbursements	344,012.00	345,000.00	(988.00)
<u>Total Non-operating Revenue and (Expenses)</u>	<u>\$ 372,057.14</u>	<u>\$ 377,800.00</u>	<u>\$ (5,742.86)</u>
Increase (Decrease) in Net Position	<u>\$ 183,663.70</u>	<u>\$ 120,150.00</u>	<u>\$ 63,513.70</u>
Net Position - July 1, 2012	<u>\$ 2,538,383.92</u>	<u>\$ 2,538,383.92</u>	<u>\$ -</u>
Net Position - June 30, 2013	<u>\$ 2,722,047.62</u>	<u>\$ 2,658,533.92</u>	<u>\$ 63,513.70</u>
Capital Expenditures	<u>\$ 164,901.40</u>	<u>\$ 170,000.00</u>	<u>\$ 5,098.60</u>

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

Robert Duncan – Chairman
(931) 528-1545
855 Loweland Rd.
Cookeville, TN 38501
Expires 2015

Paul Swallows
(931) 528-7621
343 Foutch Dr.
Cookeville, TN 38501
Expires 2015

Randy Shelton – Vice Chairman
(931) 252-2523
595 Hillwood Circle
Cookeville, TN 38501
Expires 2016

Mayor Matt Swallows
(931) 526-9591
45 E. Broad St.
Cookeville, TN 38501
Expires 2014

Charlie Cobble – Secretary
(931) 526-2658
250 Choate Cemetery Rd.
Cookeville, TN 38501
Expires 2014

Jere Mason
(931) 528-7500
577 Mason Rd.
Cookeville, TN 38501
Expires 2014

Ralph Dunn – Treasurer
(931) 432-4458
1785 Herbert Garrett Rd.
Cookeville, TN 38506
Expires 2016

Jerry Abston
(931) 537-9226
1302 Turnberry Place
Cookeville, TN 38506
Expires 2015

Sandy Martin
(931) 528-1658
1430 Jamestown Court
Cookeville, TN 38501
Expires 2016

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
Putnam County E-911 Emergency Communications District
Cookeville, Tennessee

I have audited, in accordance with the 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, the financial statements of Putnam County E-911 Emergency Communications District, a component unit of Putnam County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Putnam County E-911 Emergency Communications District's basic financial statements, and have issued my report thereon dated January 18, 2014.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Putnam County E-911 Emergency Communications District's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Putnam County E-911 Emergency Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Putnam 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 The Putnam 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 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.

January 18, 2014
Cookeville, Tennessee

Tamara L. Beckman, CPA