Robertson County Emergency Communications District
(A Component Unit)
Financial Statements
June 30, 2013

Robertson County Emergency Communications District
(A Component Unit)
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Robertson County Emergency Communications District
(A Component Unit)
Board of Directors
June 30, 2013

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To the Board of Directors of
Robertson County Emergency Communications District
Springfield, TN 37172

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Robertson County Emergency Communications District, a component unit of Robertson County, TN, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies

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used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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

Other Matters

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Robertson County Emergency Communications District's basic financial statements. The Budgetary Comparison Schedule on pages 18-19, the Schedule of Insurance in Force on page 20, and the schedules of detailed expenses on pages 21-25 is presented for purposes of additional analysis as required by the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts and is not a required part of the basic financial statements. The Schedule of Disposition of Bond Proceeds on page 26 are presented for additional analysis as required by the bond issuer and is also not a required part of the basic financial statements.

The schedules of detailed expenses and budgetary comparisons schedule 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 our opinion, the schedules of detailed expenses and budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Insurance in Force and the Schedule of Disposition of Bond Proceeds, which are of a non-accounting nature, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of Robertson County Emergency Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Robertson County Emergency Communications District's internal control over financial reporting and compliance.

Gillette, Henderson & Co., PLLC

Gillette, Henderson & Co., PLLC
Hermitage, Tennessee
December 2, 2013

Robertson County Emergency Communications District
(A Component Unit)
Statement of Net Position
June 30, 2013

ASSETS

Current Assets	
Cash	$ 630,978
Investments	654,096
Accounts Receivable	19,971
Due from Tennessee Emergency Communications Board	56,486
Prepaid Expenses	59,605
Total Current Assets	1,421,136
Noncurrent Assets	
Restricted Assets - Restricted Cash and Investments	244,083
Total Noncurrent Assets	244,083
Capital Assets	
Land	270,000
Building and Improvements	2,812,156
Furniture and Fixtures	0
Office Equipment	0
Communications Equipment	1,112,923
Vehicles	21,207
Total Property and Equipment	4,216,286
Accumulated Depreciation	(496,545)
Net Property and Equipment	3,719,741
Other Assets	
Bond Issue Costs	32,854
Less: A/A Bond Issue Costs	(16,957)
Total Other Assets	15,897
Total Assets	$ 5,400,857

LIABILITIES AND NET POSITION

Current Liabilities	
Compensated Absences Payable	$ 28,969
Bonds Payable - Current	115,000
Total Current Liabilities	143,969
Noncurrent Liabilities	
Bonds Payable - Long Term	2,470,000
Total Noncurrent Liabilities	2,470,000
Total Liabilities	2,613,969
Net Position	
Net Investment in Capital Assets	1,134,741
Restricted for Debt Retirement, Net of Related Debt	230,550
Unrestricted Net Position	1,421,597
Total Net Position	2,786,888
Total Liabilities and Net Position	$ 5,400,857

See notes to financial statements

Robertson County Emergency Communications District
(A Component Unit)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2013

Operating Revenue		
Emergency Telephone Service Charge	$	317,204
Tennessee Emergency Communications Board - Shared Wireless Charge		162,659
Tennessee Emergency Communications Board - Operational Funding		188,916
Total Operating Revenues		668,779
Operating Expenses		
Salaries and Wages (see Exhibit 1)		184,715
Employee Benefits (see Exhibit 2)		60,896
Contracted Services (see Exhibit 3)		201,959
Supplies and Materials (see Exhibit 4)		34,861
Other Charges (see Exhibit 5)		57,460
Depreciation and Amortization		292,684
Total Operating Expenses		832,575
Operating Income (Loss)		(163,796)
Nonoperating Revenues and (Expenses)		
Gain (Loss) on Disposal of Assets		(128,395)
Interest Income		12,626
Interest Expense		(120,467)
Tennessee Emergency Communications Board - Grants and Reimbursements		746,878
Total Nonoperating Revenues and (Expenses)		510,642
Income before Capital Contribution		346,846
Increase (Decrease) in Net Position		346,846
Net Position, Beginning of Year		2,440,042
Net Position, End of Year	$	2,786,888

See notes to financial statements

Robertson County Emergency Communications District
(A Component Unit)
Statement of Cash Flows - Direct Method
For the Year Ended June 30, 2013

Cash Flows From Operating Activities	
Cash Received from Surcharges and Other Revenues	$ 680,558
Cash Paid to Suppliers for Goods and Services	(327,149)
Cash Paid for Payroll, Taxes and Related Benefits	(243,941)
Net Cash Provided (Used) by Operating Activities	109,468
Cash Flows From Noncapital Financing Activities	
Grants/Reimbursements TECB	746,878
Net Cash Provided (Used) by Noncapital Financing Activities	746,878
Cash Flows From Capital and Related Financing Activities	
Interest paid	(120,468)
Repayment of Bonds	(110,000)
Purchases of fixed assets	(254,851)
Net Cash Provided (Used) by Capital and Related Financing	(485,319)
Cash Flows From Investing Activities	
Proceeds from maturity of CD's	52,562
Interest Received	12,626
Reinvested interest earned on investments	(12,626)
Net Cash Provided (Used) by Investing Activities	52,562
Net Increase (Decrease) In Cash	423,589
Cash at Beginning of Year	207,389
Cash at End of Year	$ 630,978

See notes to financial statements

Robertson County Emergency Communications District
(A Component Unit)
Statement of Cash Flows - Direct Method
For the Year Ended June 30, 2013

Reconciliation of Net Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities		
Net income (loss) from Operations	$	(163,796)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation		288,445
Amortization of intangible assets		4,239
(Increase) decrease in accounts receivable		11,777
(Increase) decrease in prepaid assets		(32,868)
Increase (decrease) in accounts payable		0
Increase (decrease) in accrued absences		1,671
Total adjustments		273,264
Net Cash Provided (Used) by Operating Activities	$	109,468
Supplemental Disclosures		
Cash Paid During the Year for:		
Cash Paid for Interest	$	120,468
Non Cash Investing, Financing and Capital Activities		
Net Assets Retired	$	172,394
Trade-in of Equipment on Purchase		(44,000)

See notes to financial statements

Note 1 – Summary of Significant Accounting Policies

Organization

Robertson County Emergency Communications District (the District) was created as a "Municipality" or public corporation on January 31, 1987 under the authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Robertson County, Tennessee. The powers of the District are vested in and exercised by a majority of the members of the Board of Directors, who are appointed by the County Court. The Board consists of nine members. The District is considered a political subdivision and is exempt from Federal and State income tax.

The District is considered a component unit of Robertson County since the County Court appoints the Board of Directors, and therefore, may indirectly impose its will on the District. Furthermore, the county provides office space at a nominal fee to cover utilities through the Sheriff's Department and pays dispatchers from the General Fund; therefore, the county provides a substantial financial benefit to the District.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

District operations are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

The accounts of the District are organized as a proprietary governmental fund. A proprietary fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing services to the general public covered by the District are financed through user charges. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principle operating revenues are E-911 service charges, state operational funding and tariffs. Operating expenses for enterprise funds include the communication expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 – Summary of Significant Accounting Policies (continued)
Measurement Focus/ Basis of Accounting (continued)
When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash flow statement is prepared in accordance with GASB statement No. 9 as the organization is considered a component of the County. Cash deposits and investments in CD's are reported at carrying amounts which approximates fair value. Because the restricted cash reported is not available for general operations and is excluded from current assets, we have not included it in cash and cash equivalents.

Accounts Receivable/Due from State Emergency Communications Board
The District has receivables due from communication service providers and the State ECB for service charges, grant reimbursements and tariffs. Based on the nature of the revenues there will always be at least one month's receivable at the end of the year. There has been no allowance for doubtful accounts recorded because the probability of non-payment is low. Accounts receivable are recorded when incurred.

Accounts Receivable is concentrated with two vendors. Both vendors are pass-thru entities that collect and forward wireless and land line collections from customers in Robertson County.

Property, Plant and Equipment
Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line over the estimated useful lives of the respective assets. The District capitalizes all significant purchases with a useful life greater than one year.

Budgets and Budgetary Accounting
The District's annual budget is required by state law and assists its users in analyzing financial activity for the fiscal year ended June 30, 2013. The District's board of directors formally approves the budget. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States. The budget was amended during the year by vote of the Board of Directors. The budget may also be amended at the discretion of the director when necessary.

Budgeted amounts lapse at the end of the fiscal year and no unexpended balances are carried to the subsequent year.

Per TCA Section 7-86-120, the Board is legally required to adopt and operate under an annual budget. All monies received and expended by the district must be included in the budget. The district cannot expend any monies regardless of source except in

Note 1 – Summary of Significant Accounting Policies (continued)
Budgets and Budgetary Accounting (continued)
accordance with the legally adopted budget. Budgetary control for emergency communication districts is legally set at the line-item level.

Risk Management
The District is exposed to various risks of loss from theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters; tort; medical malpractice claims and judgments; and employee health and accident benefits. Commercial insurance has been purchased for claims arising from such matters. The District has had no settled claims in any of three preceding years.

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

Note 2 – Service Arrangement Contract and Economic Dependence
In 1987 Robertson County Emergency Communications District negotiated a service application with AT&T, formerly known as BellSouth, for the installation and service of an Enhanced 911 Emergency Service System. AT&T furnishes equipment and service sufficient to operate the system for an initial installation fee and a monthly fee based upon the number of telephone stations and access lines served by the System. At June 30, 2013, the monthly fee is one percent of the subscriber fees billed to customers.

Note 3 – Occupancy In-Kind and Related Party Transactions
Robertson County provides free office space and dispatch service for the District operations. No provision has been made to recognize this item in the financial statements of Robertson County Emergency Communications District because the amount cannot be reasonably determined. The District pays $150 per month to Robertson County to cover the cost of general utilities. General utilities include electric, gas, water and sewer. The District is also liable for an accounting fee of one percent of net cash receipts (gross revenues less uncollectibles on the cash basis) totaling $7,510 which is paid to the Robertson County Finance office for accounting services.

Note 4 – Noncash Investing and Financing Transactions
Noncash investing and financing transactions are disclosed in the statement of cash flows.

Note 5 – Cash Deposits and Investments

The District's deposits with financial institutions consist of the following at June 30, 2013:

	Maturity Date	Interest Rate	Carrying Amount	Bank Balance
Cash				
Checking	n/a	0.00%	$ 59,079	$ 81,481
Wireless Checking	n/a	0.00%	571,899	571,899
			$630,978	$653,380
Temporary Investments				
Certificate of Deposit - 5690	2/18/2014	0.75%	$106,328	$106,328
Certificate of Deposit - 9006	10/3/2013	0.95%	243,996	244,083
Certificate of Deposit - 5394	10/14/2013	0.45%	26,830	26,830
Certificate of Deposit - 2186	6/6/2014	0.35%	111,717	111,717
Certificate of Deposit - 2144	5/16/2014	0.35%	108,204	108,204
Certificate of Deposit - 1497	9/27/2013	0.70%	34,676	34,676
Certificate of Deposit - 1510	10/14/2013	0.50%	211,189	211,189
Certificate of Deposit - 1693	4/25/2014	0.65%	55,239	55,239
			$898,179	$898,266

Custodial credit risk for the District's deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As required by state statues, the District's policy is to require that financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral for deposits in excess of federal depository insurance. At June 30, 2013, bank deposits did not exceed amounts insured and collateralized.

State statutes authorize the District to invest in obligations of the federal government, federal agencies, state government, the state investment pool, certificates of deposit, other time deposits and repurchase agreements. The District's investment policy follows state law which authorizes investments for emergency communications districts in Tennessee Code Annotated Section 5-8-301. All of the District's temporary investments are in certificates of deposit with maturity dates that range from 6 to 24 months.

Note 6 – Restricted Assets

Certain of the District's cash and investments are restricted for the following purposes:

	Cash	Investments	Total
Restricted for Capital Projects	$ -	$ -	$ -
Restricted for Debt Service	-	244,083	244,083
Total	$ -	$ 244,083	$ 244,083

Note 7 – Property and Equipment

Property and Equipment consisted of the following at June 30, 2013:

	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013
Land	$ 270,000	$ -	$ -	$ 270,000
Building and Improvements	2,812,156	-	-	2,812,156
A/D-Building and Improvements	(135,243)	(71,573)	-	(206,816)
Furniture and Fixtures	92,392	-	(92,392)	-
A/D-Furniture and Fixtures	(27,425)	(1,344)	28,769	-
Office Equipment	3,937	-	(3,937)	-
A/D-Office Equipment	(2,213)	-	2,213	-
Communications Equipment	1,115,394	304,851	(307,322)	1,112,923
A/D-Communications Equipment	(254,868)	(111,668)	92,536	(274,000)
Vehicles	21,207	-	-	21,207
A/D-Vehicles	(13,608)	(2,121)	-	(15,729)
Net Property and Equipment	$3,881,729	$118,145	$(280,133)	$3,719,741

Assets are valued at cost of purchase and depreciated using the straight-line method over their useful lives.

Note 8 – Compensated Absences

Upon termination, the employee is paid for all vacation accrued up to 240 hours. Any excess vacation hours are reclassified as sick time. Then the terminated employee would also receive 25 percent of all sick time accrued. If 25 percent of sick time exceeds 240 hours, the remainder is used as credit to increase service years in TCRS.

Note 9 – Retirement Plan

PLAN DESCRIPTION

Employees of Robertson County 911 Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an 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 Robertson County 911 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 and 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

Robertson County 911 Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

Robertson County 911 Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 10.66% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Robertson County 911 Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

ANNUAL PENSION COST

For the year ending June 30, 2013, Robertson County 911 Emergency Communications District's annual pension cost of $18,408 to TCRS was equal to Robertson County 911

Note 9 – Retirement Plan (continued)
ANNUAL PENSION COST (continued)

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 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), (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. Robertson County 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, 2011 was 6 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, 2013	$ 18,408	100%	$ 0
June 30, 2012	$ 18,162	100%	$ 0
June 30, 2011	$ 18,162	100%	$ 0

FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2011, the most recent actuarial valuation date, the plan was 84.37 percent funded. The actuarial accrued liability for benefits was $0.24 million, and the actuarial value of assets was $0.20 million, resulting in an unfunded actuarial accrued liability (UAAL) of $0.04 million. The covered payroll (annual payroll of active employees covered by the plan) $0.17 million, and the ratio of the UAAL to the covered payroll was 22.03 percent.

The schedules of funding progress present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Note 9 – Retirement Plan (continued)
FUNDED STATUS AND FUNDING PROGRESS (continued)

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (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	$ 200	$ 238	$ 37	84.37%	$ 168	22.03%
July 1, 2009	$ 132	$ 134	$ 1	98.95%	$ 112	1.26%
July 1, 2007	$ 106	$ 107	$ 1	99.07%	$ 101	0.99%

Note 10 – Long-Term Debt and Commitments

On June 24, 2009, the District issued Revenue Bonds to finance the construction of a new communications center and upgrades to the current communications equipment. The bonds are secured by pledge of the first revenues derived from the operations of the District as required by the bond issue documents. The District is required to maintain their rates sufficient to cover: 1) 100% of current expenses, 2) 100% of the debt service coming due in the following year (except for the final maturity year), 3) Required payments into the reserve fund and 4) An amount adequate to meet the costs of major renewals, replacements, repairs, additions, betterment and improvements to the communications system.

The bonds were issued at a rate of 4.47% with balloon payment due on April 1, 2017. However, the bond issue documents indicate that the District intends to refinance these bonds at that time for an additional 12 years.

Annual debt service requirements to maturity for the revenue bonds are as follows:

Year Ending	Principal	Interest	Total
6/30/2014	115,000	115,550	230,550
6/30/2015	120,000	110,409	230,409
6/30/2016	125,000	105,046	230,046
6/30/2017	2,225,000	99,458	2,324,458
Total	$ 2,585,000	$ 430,463	$ 3,015,463

Note 10 – Long-Term Debt and Commitments (continued)

Long-Term debt for the year ended June 30, 2013 is as follows:

	6/30/2012	Additions	Reductions	6/30/2013	Due Within One Year
Revenue Bonds	$2,695,000	$ -	$ (110,000)	$2,585,000	$ 115,000
Total	$2,695,000	$ -	$ (110,000)	$2,585,000	$ 115,000

The total interest incurred on these liabilities for the year ending June 30, 2013 was $120,467.

As required by the bond issue documents $244,083 has been set aside in a separate account for the principal payment on these bonds. See Note 6.

Note 11 – Subsequent Events

Subsequent events have been evaluated through December 2, 2013.

End of Notes

SUPPLEMENTARY INFORMATION
AND
SCHEDULES

Robertson County Emergency Communications District
(A Component Unit)
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended June 30, 2013

	ORIGINAL BUDGET (Accrual)	AMENDED BUDGET (Accrual)	ACTUAL	VARIANCE OVER (UNDER)
Operating Revenues				
Emergency Telephone Service Charge	$ 350,000	$ 350,000	$ 317,204	$ (32,796)
TECB - Shared Wireless Charge	150,723	150,723	162,659	11,936
TECB - Operational Funding	222,855	222,855	188,916	(33,939)
Total Operating Revenues	723,578	723,578	668,779	(54,799)
Operating Expenses				
Salaries and Wages				
Director	47,820	47,820	47,819	(1)
Administrative Personnel	124,863	124,863	124,862	(1)
Part-time Personnel	10,364	10,364	10,364	-
Vacation/Sick Pay	3,000	3,000	1,670	(1,330)
Total Salaries and Wages	186,047	186,047	184,715	(1,332)
Employee Benefits				
Social Security	11,349	11,349	10,643	(706)
Retirement Contributions	18,410	18,410	18,408	(2)
Medicare	2,655	2,655	2,489	(166)
Medical Insurance	28,033	29,356	29,356	(0)
Total Employee Benefits	60,447	61,770	60,896	(874)
Contracted Services				
Accounting Services	7,350	7,510	7,510	(0)
Administrative Fees-Service Charge	17,500	15,500	13,114	(2,386)
Advertising	1,500	200	114	(86)
Audit Services	7,500	7,500	7,500	-
Data Processing Services	20,000	15,000	13,105	(1,895)
Disposal Fees	800	820	820	(0)
Fuel - Vehicles	2,000	1,000	524	(476)
Fees Paid to Service Providers - Communication	67,000	64,567	50,268	(14,299)
Legal Services	3,000	1,000	-	(1,000)
Maintenance Agreements	2,550	4,550	4,400	(150)
Maintenance and Repairs - Buildings	3,500	9,928	9,928	0
Maintenance and Repairs - Communication Equipment	65,000	89,546	89,546	(0)
Maintenance and Repairs - Vehicles	2,000	2,000	1,565	(435)
Pest Control	600	600	495	(105)
Other Contracted Services	6,750	6,750	3,070	(3,680)
Total Contracted Services	$ 207,050	$ 226,471	$ 201,959	$ (24,512)

Robertson County Emergency Communications District
(A Component Unit)
Budgetary Comparison Schedule (GAAP Basis) - Continued
For the Year Ended June 30, 2013

	ORIGINAL BUDGET (Accrual)	AMENDED BUDGET (Accrual)	ACTUAL	VARIANCE OVER (UNDER)
Supplies and Materials				
Office Supplies	$ 6,200	$ 5,603	$ 4,801	$ (802)
Custodial Supplies	1,600	3,306	2,919	(387)
Data Processing Supplies	5,000	-	-	-
Postal Charges	750	750	276	(474)
Small Equipment Purchases	3,000	2,700	2,257	(443)
Uniforms and Shirts	4,000	4,000	3,128	(872)
Diesel	2,000	2,000	-	(2,000)
Other Equipment	1,000	-	-	-
Utilities	22,900	22,941	21,480	(1,461)
Total Supplies and Materials	46,450	41,300	34,861	(6,439)
Other Charges				
Dues and Memberships	1,500	1,500	788	(712)
Janatorial Services	10,000	5,800	5,760	(40)
Building and Content Insurance	25,000	25,000	24,319	(681)
Insurance - Workers Compensation	1,500	1,500	896	(604)
Insurance - Liability	2,500	2,500	1,119	(1,381)
Legal Notices	600	600	62	(538)
Licenses	500	500	-	(500)
Premiums on Surety Bonds	2,500	2,500	781	(1,719)
Training Expenses	24,000	24,000	23,735	(265)
Travel Expenses	3,000	2,000	-	(2,000)
Other Charges	500	500	-	(500)
Total Other Charges	71,600	66,400	57,460	(8,940)
Depreciation and Amortization Expense	205,000	194,606	292,684	98,078
Total Operating Expenses	776,594	776,593	832,575	55,982
Operating Income (Loss)	$ (53,016)	$ (53,015)	$ (163,796)	$ (110,781)
Nonoperating Revenues				
Proceeds from Disposal of Property	-	-	(128,395)	(128,395)
Interest Income	$ 2,000	$ 2,000	$ 12,626	$ 10,626
TECB - Grants and Reimbursements	32,288	32,288	746,878	714,590
Total Nonoperating Revenues	34,288	34,288	631,109	596,821
Nonoperating Expenses				
Interest Expense	(120,467)	(120,467)	(120,467)	-
Total Nonoperating Expenses	(120,467)	(120,467)	(120,467)	-
Total Non-Operating Revenues and Expenses	(86,179)	(86,179)	510,642	596,821
Increase (Decrease) in Net Assets	(139,195)	(139,194)	346,846	486,040
Net Position, Beginning of Year	2,440,042	2,440,042	2,440,042	
Net Position, End of Year	$ 2,300,847	$ 2,300,848	$ 2,786,888	

See Auditors' Report

Robertson County Emergency Communications District
(A Component Unit)
Schedule of Insurance in Force
For the Year Ended June 30, 2013

Type of Coverage	Policy Number	Policy Expiration	Details of Coverage	Deductible	Limits	Estimated Annual Premium
Liability:	TR2060884	12/15/2013	General Liability	N/A	$1,000,000/$3,000,000 Aggregate	$437
	CM1056761	12/15/2013	Auto Liability	N/A	$1,000,000 Combined Single Limit	$825
	TR2060884	12/15/2013	Management Liability	N/A	$1,000,000/$3,000,000 Aggregate	$422
Commercial Property:	TR2060884	12/15/2013	Property	$250	$3,588,316 Bldg/$1,622,400 Contents	$23,821
	TR2060884	12/15/2013	Blanket Portable Equipment	$250	Unlimited - Blanket	$193
Bonds:						
Gena Ellis	NDBFG6558	6/5/2015	Public Official Bond		$73,600	$764
Edith Perry	70935389	6/5/2014	Public Official Bond		$73,600	$785
Cathy Lowe	NDBDQ4287	6/5/2017	Public Official Bond		$73,600	$1,000
Gwendolous Martin	NDBDQ4145	6/5/2017	Public Official Bond		$73,600	$1,000
Automobile Physical Damage	CM1056751	12/15/2013	Comprehensive and Collision	$250	Cost New	$396
Workers Compensation	TARTN49236-00	12/17/2013	Workers Compensation	N/A	$100,000/$500,000/$100,000	$1,517

Robertson County Emergency Communications District
(A Component Unit)
Exhibit 1 - Schedule of Salaries and Wages
For the Year Ended June 30, 2013

911 Coordinator	$	47,819
Administrative Personnel		124,862
Part-time Personnel		10,364
Vacation/Sick Pay		1,670
Total Salaries and Wages	$	184,715

Robertson County Emergency Communications District
(A Component Unit)
Exhibit 2 - Schedule of Employee Benefits
For the Year Ended June 30, 2013

Social Security	$	10,643
Retirement Contributions		18,408
Medicare		2,489
Medical Insurance		29,356
Total Employee Benefits	$	60,896

Robertson County Emergency Communications District
(A Component Unit)
Exhibit 3 - Schedule of Contracted Services
For the Year Ended June 30, 2013

Accounting Services	$	7,510
Administrative Fees-Service Charge		13,114
Advertising		114
Audit Services		7,500
Data Processing Services		13,105
Dispoal Fees		820
Fuel - Vehicles		524
Fees Paid to Service Providers - Communication		50,268
Maintenance Agreements		4,400
Maintenance and Repairs - Buildings		9,928
Maintenance and Repairs - Communications Equipment		89,546
Maintenance and Repairs - Vehicles		1,565
Pest Control		495
Other Contracted Services		3,070
Total Contracted Services	$	201,959

Robertson County Emergency Communications District
(A Component Unit)
Exhibit 4 - Schedule of Supplies and Materials
For the Year Ended June 30, 2013

Office Supplies	$	4,801
Custodial Supplies		2,919
Postal Charges		276
Small Equipment Purchases		2,257
Uniforms and Shirts		3,128
Utilities		21,480
Total Supplies and Materials	$	34,861

Robertson County Emergency Communications District
(A Component Unit)
Exhibit 5 - Schedule of Other Charges
For the Year Ended June 30, 2013

Dues and Memberships	$	788
Janitorial Services		5,760
Building and Content Insurance		24,319
Insurance - Workers Compensation		896
Insurance - Liability		1,119
Legal Notices		62
Premiums on Surety Bonds		781
Training Expenses		23,735
Total Contracted Services	$	57,460

DISPOSITION OF BOND PROCEEDS PURPOSES

The proceeds of the Series 2009 Revenue Bond Issue will be used for the purpose of financing the construction of extensions and improvements to the emergency communications system serving Robertson County Emergency Communications District.

SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources of funds and the uses of such funds:

Sources of Funds:	
Principal Amount of Bonds	$ 3,000,000
Total	$ 3,000,000
Uses of Funds	
Construction of emergency communications system	$ 2,967,146
Bond Issue Costs	32,854
Total	$ 3,000,000

Roberson County Emergency Communications District
(A Component Unit)
Schedule of Disposition of Bond Proceeds
June 30, 2013

DISPOSITION OF BOND PROCEEDS PURPOSES

The proceeds of the Series 2009 Revenue Bond Issue will be used for the purpose of financing the construction of extensions and improvements to the emergency communications system serving Robertson County Emergency Communications District.

SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources of funds and the uses of such funds:

Sources of Funds:	
Principal Amount of Bonds	$ 3,000,000
Total	$ 3,000,000
Uses of Funds	
Construction of emergency communications system	$ 2,967,146
Bond Issue Costs	32,854
Total	$ 3,000,000

Gillette, Henderson & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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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
Robertson County Emergency Communications District
Springfield, TN 37172

We 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 the Robertson County Emergency Communications District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Robertson County Emergency Communication District's basic financial statements and have issued our report thereon dated December 2, 2013.

Internal Control Over Financial Reporting

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

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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.

Gillette, Henderson & Co., PLLC

Gillette, Henderson & Co., PLLC

Hermitage, TN 37076

December 2, 2013