

**WILLIAMSON COUNTY EMERGENCY
COMMUNICATIONS DISTRICT
(A COMPONENT UNIT OF
WILLIAMSON COUNTY, TENNESSEE)**

FRANKLIN, TENNESSEE

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2014

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INTRODUCTORY SECTION

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Board of Directors (unaudited)

June 30, 2014

Ken Brison, Chairman

Tom Feuerborn, Vice Chairman

Allen Lovett, Secretary-Treasurer

Greg Galfano

Presley Hughes

Houston Naron, Jr.

Robert Ring

Jim Smith

FINANCIAL SECTION



JOB, HASTINGS & ASSOCIATES

Certified Public Accountants

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Donna K. Hastings, CPA, CSEP

James R. Jobe, CPA

Joel H. Jobe (1944 – 2006)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Williamson County Emergency Communications District
Franklin, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Williamson County Emergency Communications District, a component unit of Williamson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Williamson County Emergency Communications District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 the financial statements that are free from material misstatement, 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 of 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 of the effectiveness of the entity's internal control. Accordingly, we 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Williamson County Emergency Communications District as of June 30, 2014, 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

Required Supplementary Information

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

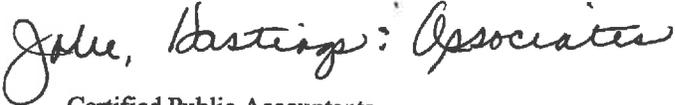
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Williamson County Emergency Communications District's basic financial statements. The introductory section and the comparison of modified-cash receipts and disbursements to modified-cash budget statement are presented for purposes of additional analysis and are not a required part of the financial statements.

The introductory and the supplementary information 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 November 20, 2014 on our consideration of Williamson County Emergency Communications District's internal control over financial reporting and on our 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 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 Williamson County Emergency Communications District's internal control over financial reporting and compliance.


Certified Public Accountants

Murfreesboro, Tennessee
November 20, 2014

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Statement of Net Position

June 30, 2014

ASSETS

Current Assets -		
Cash	\$	1,619,819
Certificates of deposit		750,000
Accounts receivable		104,010
Due from Tennessee Emergency Communications Board		63,340
	TOTAL CURRENT ASSETS	\$ <u>2,537,169</u>
Noncurrent Assets -		
Capital Assets -		
Communications equipment	\$	2,061,137
Office furniture and equipment		69,510
	\$	<u>2,130,647</u>
Less: accumulated depreciation		1,996,014
	\$	<u>134,633</u>
Construction in progress		171,171
	\$	<u>305,804</u>
	TOTAL ASSETS	\$ <u><u>2,842,973</u></u>

LIABILITIES

Current Liabilities -		
Accounts payable	\$	2,574
Due to others		8,717
	TOTAL CURRENT LIABILITIES	\$ <u>11,291</u>

NET POSITION

Investment in capital assets	\$	305,804
Unrestricted net position		2,525,878
	TOTAL NET POSITION	\$ <u>2,831,682</u>
	TOTAL LIABILITIES AND NET POSITION	\$ <u><u>2,842,973</u></u>

See notes to financial statements.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Statement of Revenues, Expenses and Changes in Fund Net Position

For the Year Ended June 30, 2014

Operating Revenues -	
Emergency telephone service charge	\$ 1,052,642
Tennessee Emergency Communications Board - shared wireless charge	374,277
Tennessee Emergency Communications Board - operational funding	345,150
Revenue from contracted services	26,000
Other operating revenue	10
	<u>\$ 1,798,079</u>
Operating Expenses -	
Contracted Services -	
Accounting services	\$ 8,592
Administrative fees-service charge	30,928
Contracts with government agencies	1,192,673
Fees paid to service providers	208,952
Legal services	6,360
Maintenance agreements	9,140
Maintenance and repairs - communications equipment	9,809
	<u>\$ 1,466,454</u>
Supplies and Materials -	
Office supplies	\$ 2,281
Small equipment purchases	21,818
	<u>\$ 24,099</u>
Other Charges -	
Dues and memberships	\$ 600
Premiums on surety bonds	1,092
Legal notices	76
Training expenses	51,278
Travel expenses	1,008
	<u>\$ 54,054</u>
Depreciation expense	\$ 74,223
	<u>\$ 1,618,830</u>
	OPERATING INCOME <u>\$ 179,249</u>
Nonoperating Revenues (Expenses) -	
Interest income	\$ 7,665
Tennessee Emergency Communications Board-grants and reimbursements	187,774
	<u>\$ 195,439</u>
	CHANGE IN NET POSITION <u>\$ 374,688</u>
Net position, July 1, 2013	<u>2,456,994</u>
	NET POSITION, JUNE 30, 2014 <u>\$ 2,831,682</u>

See notes to financial statements.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Statement of Cash Flows

For the Year Ended June 30, 2014

Cash Flows From Operating Activities -		
Cash received from surcharges and other revenues	\$	1,842,659
Cash payments to suppliers for goods and services		<u>(1,546,051)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u>296,608</u>
Cash Flows From Noncapital Financing Activities -		
Grants and reimbursements	\$	187,774
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	\$	<u>187,774</u>
Cash Flows From Capital and Related Financing Activities -		
Acquisition and construction of capital assets	\$	<u>(241,925)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$	<u>(241,925)</u>
Cash Flows from Investing Activities -		
Interest income received	\$	<u>7,665</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$	<u>7,665</u>
	NET INCREASE IN CASH	\$ 250,122
Cash, July 1, 2013		<u>1,369,697</u>
	CASH, JUNE 30, 2014	<u><u>1,619,819</u></u>

Reconciliation of Operating Loss to Net		
Cash Provided by Operating Activities -		
Operating income	\$	179,249
Adjustments to reconcile operating income to net cash		
provided by operating activities -		
Depreciation		74,223
Decrease in accounts receivable		46,665
Increase in due from Tennessee Emergency Communications Board		(2,085)
Decrease in accounts payable		<u>(1,444)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u><u>296,608</u></u>

See notes to financial statements.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information - On May 15, 1984, the Tennessee state legislature approved the "Tennessee Emergency Communications District Law" (Acts 1984, ch. 867) which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, on March 11, 1988, the county legislative body of Williamson County, Tennessee approved resolution number 3-88-7, which established a district for their county, the Williamson County Emergency Communications District (the "District"). As provided by the Act, the District operates as a governmental organization through the directives of a seven-member board of directors and provides enhanced 9-1-1 emergency telephone service for its service area. The Williamson County Commission at its February 14, 2005 meeting added an eighth representative seat with the new director to be appointed from within the corporate limits of Franklin. The directors serve without compensation for terms of four years.

Financial Reporting Entity - Component Unit - The District is a component unit of the primary government of Williamson County, Tennessee. The District reports its financial information separately from Williamson County; however, the County in its financial report also presents the District's financial information.

Legally, the District is a separate governmental entity that has considerable legal, financial and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the Williamson County mayor and approved by the Williamson County commission, the District cannot be a primary government. Instead it qualifies as a component unit according to the directives of Government Accounting Standards Board (GASB).

The GASB specifies that component units must be legally separate organizations which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. Two of these are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. By Tennessee Code Annotated 7-86-114, before issuing negotiable bonds, the District must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Williamson County commission has the ability to adjust the District's service charges. Because the District is both a legal entity and financially accountable to the primary government of Williamson County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Williamson County as described above, it is a component unit of Williamson County.

At June 30, 2014, there were no related receivables or payables between Williamson County and the District. The District did not engage in any activities that were subject to the approval of Williamson County.

Basis of Presentation - The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

As a component unit of Williamson County, the accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured by a pledge of the net revenues from fees and charges of the activity, or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the District functions in a manner similar to a private business enterprise and utilizes the accrual method of accounting. Income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) is segregated into net investment in capital assets, restricted for capital projects, and unrestricted components. As of June 30, 2014, the District had no debt that related to the aforementioned categories.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Cash Flow - Cash and Cash Equivalents - The District presents its cash flow statement using the direct method. For purposes of cash flow presentation, the District considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2014, there were no certificates of deposit that qualified as cash equivalents.

Budgetary Law and Practice - The treasurer of the District files an annual budget with the mayor of Williamson County in accordance with the Tennessee Code Annotated, Title 7, Chapter 86, Part 1. In March of each year, the treasurer presents a preliminary budget to the board of directors, which is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the modified-cash receipts and disbursements basis by line item accounts. Revenues are budgeted in the year receipt is expected and disbursements are budgeted in the year that the disbursement is expected to occur.

Equipment - Equipment is stated at cost or estimated historical cost if actual cost is not available and depreciated from two to ten years by the straight-line method of depreciation. The District defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as non-operating revenue or loss.

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

Use of Facilities - The District conducts its operations in the Williamson County Government's office building at no cost to the District. The measurement of the contribution from Williamson County is not considered material for disclosure as in-kind support and as expense in the accompanying statements of revenue, expenses, and changes in net position.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Revenues and Expenses – The District’s operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its principal ongoing operations. All other revenues and expenses are reported as non-operating revenues and expenses and consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

NOTE B - CASH AND CERTIFICATES OF DEPOSIT INVESTMENTS

The District is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2014 the board of directors chose to limit the investment of funds to certificates of deposit at banks. Cash reserves for operations were held in bank checking and savings accounts.

Cash - At June 30, 2014, the carrying amount of cash deposits and cash on hand was \$1,619,819 and the bank balance was \$1,857,198 as listed below. At June 30, 2014, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>June 30, 2014</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
Franklin Synergy Bank checking	.07%	\$ 1,272,953	\$ 1,586,623
Franklin Synergy Bank money market	.42%	<u>270,575</u>	<u>270,575</u>
		\$ 1,543,528	\$ <u>1,857,198</u>
Cash on Hand		<u>76,291</u>	
		\$ <u>1,619,819</u>	

Certificates of Deposit – At June 30, 2014 the District held the following certificates of deposit:

<u>Bank</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Franklin Synergy Bank	12/19/14	.34%	\$ 250,000
Franklin Synergy Bank	12/19/14	.34%	250,000
Franklin Synergy Bank	12/19/14	.34%	<u>250,000</u>
			\$ <u>750,000</u>

The certificates of deposit are insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool and are shown at their fair value.

NOTE C - ACCOUNTS RECEIVABLE

The District receives the majority of its revenue from the telephone subscribers residing within Williamson County. As provided in the Act, telephone companies collect the 911 fees from the subscribers and remit the funds on a not longer than bi-monthly basis to the District. The policy of the telephone companies has been to remit based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2014

NOTE C - ACCOUNTS RECEIVABLE (continued)

Also included in accounts receivable are amounts from the communities and organizations that have contracted with the District for 911 dispatch services.

The following is the detail of the receivables at June 30, 2014:

AT&T	\$ 43,431
Fairview	18,000
Windstream	16,611
Others	<u>25,968</u>
	<u>\$ 104,010</u>

NOTE D - CAPITAL ASSETS

Capital assets are summarized as follows:

	<u>June 30,</u> <u>2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>June 30,</u> <u>2014</u>
<u>Capital assets, being depreciated -</u>				
Communications equipment	\$ 1,990,383	\$ 70,754		\$ 2,061,137
Office furniture and equipment	<u>69,510</u>			<u>69,510</u>
Subtotal	\$ <u>2,059,893</u>	\$ <u>70,754</u>		\$ <u>2,130,647</u>
<u>Less accumulated depreciation -</u>				
Communications equipment	\$ (1,853,911)	\$ (73,932)		\$ (1,927,844)
Office furniture and equipment	<u>(67,880)</u>	<u>(291)</u>		<u>(68,170)</u>
Subtotal	\$ <u>(1,921,791)</u>	\$ <u>(74,223)</u>		\$ <u>(1,996,014)</u>
Capital assets, being depreciated, net	\$ <u>138,102</u>	\$ <u>(3,469)</u>		\$ <u>134,633</u>
<u>Capital assets, not being depreciated -</u>				
Construction in progress		\$ <u>171,171</u>		\$ <u>171,171</u>
Capital assets, net	\$ <u>138,102</u>	\$ <u>167,702</u>		\$ <u>305,804</u>

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is covered under insurance policies maintained by Williamson County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F - ACCOUNTS PAYABLE

Accounts payable include the following:

Administrative fees-service charge to various telephone companies \$ 2,574

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Notes to the Financial Statements (continued)

June 30, 2014

NOTE G - DUE TO OTHERS

During the year ended June 30, 2012, the District was notified by a telephone company that the District was overpaid for emergency telephone fees in the amount of \$8,717. The balance as of June 30, 2014 was \$8,717.

NOTE H - RELATED PARTY TRANSACTIONS

Williamson County, TN, the County, provides dispatch employees and certain services to the District. The District and the County signed an interlocal contract effective from July 1, 1998 to June 30, 1999 that automatically renews each year unless one party notifies the other in writing within 60 days prior to the commencement of the new fiscal year. The expenses, which are primarily salaries, employee benefits, and services, are billed to the District quarterly and are included in the statement of revenues, expenses and changes in fund net position as contracts with government agencies. Amounts paid or payable to the County for the fiscal year ended June 30, 2014 totaled \$1,192,673.

NOTE I - COMMITMENTS

The District entered into a contract dated February 11, 2014 with a vendor to purchase a NG CAD system in the amount of \$220,102. As of June 30, 2014, \$171,171 had been remitted to the vendor with the remaining \$48,931 due upon installation of the equipment and acceptance of the system.

NOTE J - SUBSEQUENT EVENT

Beginning January 1, 2015, all telephone surcharge revenue will be remitted to the District by the Tennessee Emergency Communications Board according to the 911 funding Modernization and IP Transition Act of 2014. Management expects the remittance change to materially decrease the District's revenue.

SUPPLEMENTARY INFORMATION

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Comparison of Modified-Cash Receipts and Disbursements to Modified-Cash Budget (unaudited)

For the Year Ended June 30, 2014

	<u>Modified Cash Receipts and Disbursements</u>	<u>Modified Cash Budget</u>	<u>(Over) Under Budget</u>
Cash Receipts -			
Emergency telephone service charge	\$ 1,048,935	\$ 1,114,000	\$ 65,065
Tennessee Emergency Communications Board - shared wireless charge	372,192	350,598	(21,594)
Tennessee Emergency Communications Board - operational funding	345,150	345,150	
Revenue from contracted services	44,000	44,000	
Other operating revenue	210		(210)
Interest income	7,665	12,500	4,835
Tennessee Emergency Communications Board - grants and reimbursements	187,774	153,485	(34,289)
Total Cash Basis Receipts	<u>\$ 2,005,926</u>	<u>\$ 2,019,733</u>	<u>\$ 13,807</u>
Cash Disbursements -			
Depreciation expense	<u>\$ 74,223</u>	<u>\$ 250,000</u>	<u>\$ 175,777</u>
Contracted services -			
Accounting services	\$ 8,592	\$ 9,500	\$ 908
Contracts with government agencies	1,192,673	1,200,000	7,327
Fees paid to service providers	208,952	220,000	11,048
Legal services	6,360	7,000	640
Maintenance agreements	9,140	7,500	(1,640)
Maintenance and repairs-communications equipment	9,809	10,000	191
Maintenance and repairs-office equipment		2,500	2,500
	<u>\$ 1,435,526</u>	<u>\$ 1,456,500</u>	<u>\$ 20,974</u>
Supplies and materials -			
Office supplies	\$ 2,281	\$ 2,330	\$ 49
Small equipment purchases	21,818	30,000	8,182
	<u>\$ 24,099</u>	<u>\$ 32,330</u>	<u>\$ 8,231</u>
Other charges -			
Dues and memberships	\$ 600	\$ 1,600	\$ 1,000
Insurance	1,092	1,100	8
Legal notices	76	500	424
Training expense	51,278	76,000	24,722
Travel expenses	1,208	11,000	9,792
	<u>\$ 54,254</u>	<u>\$ 90,200</u>	<u>\$ 35,946</u>
Total Cash Basis Disbursements	<u>\$ 1,588,102</u>	<u>\$ 1,829,030</u>	<u>\$ 240,928</u>
Disbursements (Over) Under Receipts	<u>\$ 417,824</u>	<u>\$ 190,703</u>	<u>\$ 227,121</u>
Reconciliation of Cash Basis to Accrual Basis -			
Decrease in current receivables	\$ (44,580)		
Decrease in accounts payable	1,444		
Net Reconciliation Cash to Accrual	<u>\$ (43,136)</u>		
CHANGE IN NET POSITION (ACCRUAL)	\$ 374,688		
Net position, July 1, 2013		2,456,994	
NET POSITION, JUNE 30, 2014		<u>\$ 2,831,682</u>	

INTERNAL CONTROL AND COMPLIANCE SECTION



JOB, HASTINGS & ASSOCIATES

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Joel H. Jobe (1944 – 2006)

**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***

Board of Directors
Williamson County Emergency Communications District
Franklin, Tennessee

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 Williamson County Emergency Communications District, a component unit of Williamson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Williamson County Emergency Communications District's basic financial statements, and have issued our report thereon dated November 20, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Williamson County Emergency Communications District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 Williamson County Emergency Communications District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson County Emergency Communications 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as items 2014-1 and 2014-2.

Board of Directors
Franklin, Tennessee

Williamson County Communications District's Response to Findings

Williamson County Communications District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Williamson County Communications District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Jake Hastings & Associates
Certified Public Accountants

Murfreesboro, Tennessee
November 20, 2014

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Schedule of Audit Findings and Responses

June 30, 2014

A - FINDINGS - FINANCIAL STATEMENT AUDIT

**2014-1 Completeness and accuracy of account balances
Three day deposit compliance**

Condition: Cash and revenue were understated \$76,290 at June 30, 2014 and the year then ended.

Criteria: The design and operation of the internal control system should be sufficient to provide reasonable reasonable assurance that all account balances are accurate and complete. In addition, Tennessee Code Code Annotated (TCA) 5-8-207 requires that public funds are to be deposited into the bank within three days of receipt.

Cause of Condition: The District did not record cash on hand or deposit the funds within three days

Effect: An audit adjustment was necessary to adjust cash and revenue balances to ensure that the financial statements were fairly presented.

Recommendation: We recommend that funds be deposited within three days of receipt and all funds on hand at the end of the year (if any) be recorded in the accounting records.

Views of Responsible Officials and Planned Corrective Actions: We concur. Bank deposits will be made within three days of receipt of the funds and cash on hand at the end of the year will be recorded in the accounting records.

2014-2 Expenses exceeded budget

Condition: Maintenance agreements expense exceeded amount budgeted by \$1,640.

Criteria: The TCA, 7-86-120, states that no emergency communications district may spend money except in accordance with an adopted budget.

Cause of Condition: Maintenance agreement actual expense was \$9,140 and the amount that was budgeted was \$7,500.

Effect: The expense was overbudget in the amount of \$1,640.

Recommendation: We recommend that a review of the actual expenses to amounts budgeted be performed before the year end and that the budget be amended for any expense that is over budget.

Views of Responsible Officials and Planned Corrective Actions: We concur. The budget will be reviewed before the end of the fiscal year.

WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Franklin, Tennessee

Summary Schedule of Prior Audit Findings

June 30, 2014

PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT

2013-1 Surety Bond

Current Status: The finding was corrected in the current fiscal year.