

**OVERTON/PICKETT COUNTY
EMERGENCY COMMUNICATIONS DISTRICT**

AUDIT REPORT

June 30, 2014

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Introductory Section

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ROSTER OF THE BOARD OF DIRECTORS**

June 30, 2014

Name	Position
C. Masiongale	Director
Stanley Carter, Jr	Chairman
Rocky Dial	Vice-Chairman
Carlos Wilson	Treasurer
Dr. Matthew Gaspar	Secretary
Ben Danner	Member
Garry Garrett	Member
Buster Harmon	Member
Keith Ledford	Member
Ralph Robbins	Member
Darrell Hoover	Member
Randall Boswell	Member
Tony Beaty	Member

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Overton/Pickett County Emergency Communications District financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2014.

FINANCIAL HIGHLIGHTS

The District's net position increased by \$23,763 as a result of this year's operations. All of this increase is treated as business-type increases.

During the year, the District had revenues of \$1,068,855, interest income of \$ 188, and expenses of \$ 1,045,280. Prior year revenues were \$ 1,374,607, a decrease of \$ (305,752), this decrease was due mainly because of a capital contribution in 2013. Interest income decreased by \$ 2,884 and expenses decreased from \$ 1,055,504 to \$ 1,045,280, a difference of \$ 10,244.

We believe that this profit of \$ 23,763 is reasonable for this service entity.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position, the Statement of Revenue and Expenses and Change in Net Position, and the Statement of Cash Flows. The Statement of Revenue and Expenses - Actual and Budget shows the budget and budget amendments and variances for the year.

REPORTING THE DISTRICT AS A WHOLE

Our analysis of the District, one of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position--the difference between assets and liabilities--as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

The District receives a fee that the local telephone company adds to the phone bills of the customers within the district and passes on to the district. In addition the State of Tennessee Emergency Communications collects funds from wireless customers through the various wireless vendors and shares these funds with the local emergency communications districts in the form of commissions and grants.

THE DISTRICT AS A WHOLE

The District's net position increased from a year ago, increasing from \$ 1,157,469 to \$ 1,181,232. This business-type activity shows a 2.05% increase for the year.

The District's total revenues decreased by 28.87 % over the prior year. This decrease is primarily the result of the capital contribution received from the Tennessee Emergency Communication Board in 2013.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Budget was amended during the year.

Table I
OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Balance Sheets
June 30, 2014

	2013	2014	Increase (Decrease)
Assets			
Current Assets			
Cash in Bank	\$ 100,235	\$ 38,038	\$ (62,197)
Investments	117,153	90,027	(27,126)
Accounts Receivable	105,891	111,371	5,480
Prepaid Insurance	-	14,325	14,325
Total Current Assets	<u>323,279</u>	<u>253,761</u>	<u>(69,518)</u>
Fixed Assets			
Equipment	1,482,960	1,662,108	179,148
Land	90,550	90,550	-
Construction in Progress	54,907	132,323	77,416
Less Accumulated Depreciation	(745,046)	(904,076)	(159,030)
Net Fixed Assets	<u>883,371</u>	<u>980,905</u>	<u>97,534</u>
Total Assets	<u><u>1,206,650</u></u>	<u><u>1,234,666</u></u>	<u><u>28,016</u></u>
Liabilities			
Current Liabilities	49,181	53,433	4,252
Net Position	<u>1,157,469</u>	<u>1,181,233</u>	<u>23,764</u>
Total Liabilities & Net Position	<u><u>1,206,650</u></u>	<u><u>1,234,666</u></u>	<u><u>28,016</u></u>

Table II

	2013	2014	Increase (Decrease)
Income Statement June 30, 2014			
Revenue			
Telephone Service Charges	233,273	227,990	(5,283)
Shared Wireless Charges	66,756	69,568	2,812
Operational Funding	330,665	336,271	5,606
Electrical permits	43,364	35,678	(7,686)
Other Revenue	314,140	399,348	85,208
Capital Contribution	386,408	-	(386,408)
Interest Income	3,072	188	(2,884)
Total Revenue	<u>1,377,678</u>	<u>1,069,043</u>	<u>(308,635)</u>
Expenses			
Salaries and Wages	445,522	455,963	10,441
Benefits	150,225	130,459	(19,766)
Contracted Services	136,620	98,773	(37,847)
Maintenance and Repairs	20,555	40,058	19,503
Supplies and Materials	21,339	26,236	4,897
Utilities	27,736	31,220	3,484
Other Charges	100,915	103,541	2,626
Interest Expense	102	-	(102)
Depreciation	152,592	159,030	6,438
Total Expenses	<u>1,055,606</u>	<u>1,045,280</u>	<u>(10,326)</u>
Increase (Decrease) in Net Position	<u>322,072</u>	<u>23,763</u>	<u>(298,309)</u>
Net Position - Beginning	<u>835,398</u>	<u>1,157,470</u>	<u>322,072</u>
Net Position - Ending	<u><u>\$ 1,157,470</u></u>	<u><u>\$ 1,181,233</u></u>	<u><u>\$ 23,763</u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the District had \$ 980,905, invested in capital assets, automobiles, office equipment, communications and mapping equipment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's appointed officials considered many factors when setting the fiscal-year 2014 budget. In the case of an emergency communications district the revenue is estimated from local telephone use, funds available from the State of Tennessee Emergency Communications Board and interest income. From this the wage scale of employees can be determined along with the level of benefits that can be purchased for their benefit. Capital expenditures are planned along with all other goods and services necessary to run the district's operation.

The District focused its finances in two directions, external and internal communications. In any situation good communications is a key factor, since the 911 District is a full service district encompassing not only 911 but the dispatch and service of its responders on a daily basis being able to communicate with responding units and personnel is paramount. A great deal of funding has went into establishing tower sites throughout Overton and Pickett counties. Multiple tower sites coupled with state of the art digital equipment and pier to pier connection between the sites equals much improved quality of signal and greater range for the responder which covers the external side of communications. On the internal side, the dispatch center invested in ergonomically correct dispatching console furniture, new state of the art computer systems, monitors, and digital radio consoles. All of these upgrades would not have been possible without the 100% grants awarded through the state Emergency Communications Board.

The future goals of the District are first to maintain financial stability and to support and maintain the current communications systems recently purchased, and to look to improve communications and the work place for the employees and the communities for which we serve.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at Livingston, Tennessee or call our office at (931) 823-8593.

Financial Section

Dennis E. Jeffers

Certified Public Accountant

A Member of the American Institute of Certified Public Accountants

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Oneida, Tennessee 37841
(423) 569-6969

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Overton/Pickett County Emergency Communications District
Livingston, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the Overton/Pickett County Emergency Communications District, a component unit of Overton County, Tennessee, as of and for the year ended June 30, 2014, 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Overton/Pickett County Emergency Communications District as of June 30, 2014, and the changes in financial position and cash flows, thereof, for the year then ended in conformity 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's discussion and analysis and budgetary comparison information on pages 2 - 4 and pages 19 - 20 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Overton/Pickett County Emergency Communications District's basic financial statements. The introductory section and miscellaneous section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards and the supplemental information are presented for purposes of additional analysis, and is also not a required part of the basic financial statements.

The schedule of expenditures of state awards and the supplemental information are the responsibility of management and were derived from and related 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 schedule of expenditures of state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and miscellaneous sections 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 September 15, 2014, on our consideration of the Overton/Pickett 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 the 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 Overton/Pickett County Emergency Communications District's internal control over financial reporting and compliance.

Dennis E Jeffers, CPA, P.C.

Oneida, Tennessee
September 15, 2014

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET POSITION
June 30, 2014**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 38,038
Investment (certificate of deposit with 12 month maturity)	90,027
Accounts Receivable	111,371
Prepaid Items	14,325

Total Current Assets 253,761

Noncurrent Assets

Land	90,550
Construction in Progress	132,323
Property, plant and equipment	1,662,108

Total Capital Assets 1,884,981

Accumulated Depreciation (904,076)

Capital Assets Net 980,905

TOTAL ASSETS 1,234,666

LIABILITIES

Accounts payable	11,981
Accrued Wages	30,524
Compensated Absences	10,928

TOTAL LIABILITIES 53,433

NET POSITION

Invested in Capital Assets	980,905
Unrestricted	200,328

TOTAL NET POSITION 1,181,233

TOTAL LIABILITIES AND NET POSITION \$ 1,234,666

The Notes to the Financial Statements are an Integral Part of These Statements.

VERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014

OPERATING REVENUE

Emergency Telephone Service Charges	\$ 227,990
Tennessee Emergency Communications Board-State Wireless Charge	69,568
Tennessee Emergency Communications Board -Operational Funding	336,271
Electrical Permits	<u>35,678</u>
TOTAL OPERATING REVENUE	<u>669,507</u>

OPERATING EXPENSES

Salaries and Wages

Director	56,083
Administrative Personnel	25,732
Dispatcher Wages	<u>374,148</u>
	<u>455,963</u>

Employee Benefits

Medical Insurance	75,271
Social Security	26,843
Medicare	6,278
Unemployment	1,322
Compensated Absences	2,209
Retirement	<u>18,536</u>
	<u>130,459</u>

Contracted Services

Addressing	9,483
Fees Paid to Service Providers	41,904
Advertising	1,852
Accounting Services	3,182
Audit Services	4,300
Other Contracted Services Legal	4,200
Other Contracted Services (Maintenance)	33,102
Pest Control	<u>750</u>
	<u>98,773</u>

Lease/Rental

Office Equipment	900
Online maintenance	<u>4,616</u>
	<u>5,516</u>

Maintenance and Repairs

Communications Equipment	10,210
Building and Facilities	14,647
Office Equipment	1,669
Vehicles	<u>8,016</u>
	<u>34,542</u>

Supplies and Materials

Office Supplies	11,696
Custodial Supplies	9,222
Postage	495
Small Equipment	2,653
Uniforms and Shirts	<u>2,170</u>
	<u>26,236</u>

The Notes to Financial Statements are an Integral Part of These Statements.

VERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
For the Year Ended June 30, 2014

Utilities	
Electricity	18,746
Gas	717
Water Sewage	1,161
Internet	362
Cell phones	9,509
Cable TV	725
	\$ 31,220
Other Charges	
Insurance Liability	\$ 20,385
Insurance Workers compensation	5,239
Dues and Memberships	5,406
Travel	5,134
Training	22,034
Board Meeting	6,784
Premiums on Surety bonds	1,853
Public Relations	3,048
Service Awards	1,200
Electrical permits	32,458
	103,541
Depreciation	159,030
Total Operating Expenses	1,045,280
Operating Income (Loss)	(375,773)
Non-Operating Revenue (Expenses)	
Emergency Calls	5,730
TECB Grants and Reimbursements	224,429
Miscellaneous Income	737
Contributions other governments	150,000
Gain on sale of assets	1,548
Insurance proceeds	16,904
Interest Income	188
Total Non-Operating Revenue (Expenses)	399,536
Increase (Decrease) in Net Position	23,763
Net Position - Beginning of Period	1,157,469
Net Position - End of Period	\$ 1,181,232

The Notes to Financial Statements are an Integral Part of These Statements.

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014**

Cash Flows From Operating Activities:	
Cash Received from Surcharges and Other Revenue	\$ 664,027
Cash Payments to Suppliers for Goods and Services	(330,190)
Cash Paid for Payroll, Taxes and Related Benefits	<u>(566,133)</u>
Net Cash Provided By Operating Activities	<u>(232,296)</u>
Cash Flows From Noncapital Financing Activities	
Operating Grants & Reimbursements	-
Contributions from other governments and agencies	155,730
Other income and (expenses)	<u>19,189</u>
Net Cash Provided by Noncapital Financing Activities	174,919
Cash Flows From Capital and Related Financing Activities	
Purchase of Capital Assets	(256,563)
Contributions from Tenn Emergency Communications Board	224,429
Contributions from Other Governments and Agencies	-
	<u>-</u>
Net Cash Provided by Capital and Related Activities	(32,134)
Cash Flows From Investing Activities:	
Interest Received	188
Decrease (increase) in Investment in Certificates of Deposit	<u>27,126</u>
Net Cash Provided from Investing Activities	<u>27,314</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (62,197)
 Cash and Cash Equivalents at Beginning of Period	 <u>100,235</u>
 Cash and Cash Equivalents at End of Period	 <u><u>38,038</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Net Income from Operating Activities	(375,773)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	159,030
Change in Assets and Liabilities	
(Increase) Decrease in Prepaid Insurance	(14,325)
Increase (Decrease) in Accounts Payable	(16,037)
Increase (Decrease) in Accrued Liabilities	18,852
Increase (Decrease) in Payroll Taxes	(772)
Increase (Decrease) in Compensated Absences	2,209
Increase (Decrease) in Accounts Receivable	<u>(5,480)</u>
Net Adjustments	<u>143,477</u>
 Net Cash Provided by Operating Activities	 <u><u>\$ (232,296)</u></u>

The Notes to Financial Statements are an Integral Part of These Statements.

OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

1. Summary of Significant Accounting Policies:

The Financial Reporting Entity – The Overton/Pickett County Emergency Communications District was established as a result of a merger between the Overton County Emergency Communications District and the Pickett County Emergency Communications District. The merger agreement was signed on January 22, 2002. For the purpose of improving the response of emergency services in Overton County and Pickett County, and to provide an enhanced 911 service for Overton and Pickett County citizens by acquiring equipment that enables emergency service providers to respond more rapidly and effectively due to increased speed in the transmission of critical information and improved reliability of address information.

The district is a component unit of Overton County, Tennessee, the commissioners of which appoint the nine members of the Board. The remaining four are appointed by the Pickett County Commission. The District must file a budget with Overton County each year. Any bond issued by the District is subject to approval by Overton County.

Method of Accounting – The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District, the reporting entity. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Income Taxes – The District is exempt from Federal Income Taxes because of its creation by the Overton County Government.

Revenue – Operating revenues consist primarily from Local Telephone Companies authorization to charge residents of Pickett and Overton \$ 1.50 and businesses \$3.00 per month. As of June 30, 2014, the district had 8,300 residential customers and 2,346 business customers. Wireless communications income is from a share of state collected revenues from cell phone usage based upon population. All other revenues and expenses are reported as nonoperating revenues and expenses.

Cash – The organization treats as cash; checking account balances, savings accounts, certificates of deposit with original maturities of less than three months and cash on hand.

Cash Management – Cash temporarily idle during the year was invested in a savings account and certificates of deposit. The certificates of deposit have maturities of 36 months. The District earned \$ 188 on all investments for the year ended June 30, 2014.

**VERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

(continued)

For deposits with financial institutions that do not participate in the bank collateral pool, the state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the entity.

The carrying value of the districts deposits were \$128,066 and the bank balance was \$147,354. Of that amount, \$ 147,354 was insured by FDIC insurance. No accounts exceeded the FDIC Limits.

Compensated Absences -- It is the district's policy to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since the district does not have a policy to pay any amount when employees separate from service with the district. In 2008 a "sick pay bank" was established by the board of directors allowing employees to surrender unused sick time into a pool to be used by any employee of the district when needed. In March of 2014, the board of directors used about one half of these hours to pay for for a two week delay in payroll.

Accumulated vacation pay is reported as an expenditure and a liability of the fund when accumulated.

Fixed Assets -- Fixed assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated assets are recorded at the estimated fair market value at the date of donation. The Straight Line method of depreciation is used to calculate depreciation over a five year period. Depreciation expense for the current year was \$159,030.

Although mapping expenses have a useful life of more than one year, the life is very difficult to measure. Mapping expenses, therefore, are treated as expenses as incurred.

Fixed Assets

	<u>Balances</u> 6/30/2013	<u>Adjustments</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> 6/30/2014
<u>Non-depreciable assets</u>					
Land	\$ 90,550	-	-	-	\$ 90,550
Construction in progress	54,907	-	77,416	-	132,323
	<u>145,457</u>	<u>-</u>	<u>77,416</u>	<u>-</u>	<u>222,873</u>
<u>Equipment</u>					
Land improvements	\$ 34,035	-	-	-	\$ 34,035
Building improvements	352,018	-	-	-	352,018
Furniture and Fixtures	80,880	-	11,611	-	92,491
Office Equipment	212,494	-	89,769	-	302,263
Communication Equipment	690,855	-	77,767	-	768,622
Vehicles	112,679	-	-	-	112,679
	<u>1,482,961</u>	<u>-</u>	<u>179,147</u>	<u>-</u>	<u>1,662,108</u>

Accumulated Depreciation

Land improvements	(9,200)	-	(1,575)	-	(10,775)
Building improvements	(156,426)	-	(17,506)	-	(173,932)
Furniture and Fixtures	(64,369)	-	(4,163)	-	(68,532)
Office Equipment	(151,047)	-	(19,611)	-	(170,658)
Communication Equipment	(307,226)	-	(101,923)	-	(409,149)
Vehicles	(56,779)	-	(14,251)	-	(71,030)
	<u>(745,047)</u>	<u>-</u>	<u>(139,948)</u>	<u>-</u>	<u>(904,076)</u>
Net Investment in Fixed Assets	<u>\$ 883,371</u>	<u>-</u>	<u>39,199</u>	<u>-</u>	<u>\$ 980,905</u>

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

(continued)

Deposits and Investments – All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure the debt of these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect these accounts that are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purpose of credit risk disclosure.

Risk Management -- The District is exposed to various risks of losses related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained commercial insurance to manage these risks. Management does not believe any claims will exceed the insurance amount. The settlements have not exceeded insurance amounts in the past three years. See supplementary information for detail of coverage.

Budgets -- Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. On or before May 31 of each year, the proposed budget is prepared and presented to the board for review. The board adopts the budget and amends the budget throughout the year as needed.

The District is required by state statute to adopt the annual budget. The annual budget is prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Board of Directors and any authorized revisions. Unencumbered appropriations lapse at the end of each year.

The budgetary level of control is at the line-item level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee.

The Districts budgetary basis of accounting is on the modified cash basis. Reconciliation to GAAP is presented on the face of the budgetary schedule.

Net Position and Fund Balance – In the financial statements, equity is classified as net position and displayed in three components:

a) Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

(continued)

b) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) laws through constitutional provisions or enabling legislation.

c) Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

It is the District's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balances is available.

Use of Estimates -- The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could be different from those estimates.

2. The Officers and Employees of the District Bonds

The District maintains a surety bond against officers and employee forgery or alteration as required by TCA 7-86-119 with policy limits of \$78,500.

3. Accounting Standards

The District has adopted the GASB Statement No. 62. This statement incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedures issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

4. Pension Plan

Plan Description

Information for this footnote for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2013.

Employees of Overton-Pickett County 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

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

(continued)

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 became 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 Overton/Pickett County Emergency Communication 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.tn.gov/treasury/tcrs/PS/>.

Funding Policy

The Overton/Pickett Emergency Communications District requires employees to contribute 5.0 percent of earnable compensation.

The Overton/Pickett Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 5.20 % of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Overton/Pickett Emergency Communications is established and may be amended by the TCRS Board of Trustees.

For the year ending June 30, 2013, the Overton/Pickett Emergency Communications District's annual pension cost of \$19,325 to TCRS was equal to the Overton/Pickett Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2011 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 increases 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. Scott County E911 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 0 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT NOTES
TO FINANCIAL STATEMENTS**

June 30, 2014

(continued)

Fiscal Year Ending	Annual Pension Cost	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2013	\$ 19,325	100.00%	\$0.00
June 30, 2012	18,653	100.00%	\$0.00
June 30, 2011	18,853	100.00%	\$0.00

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 80.83 percent funded. The actuarial accrued liability for benefits was \$0.41 million, and the actuarial value of assets was \$0.33 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.08 million. The covered payroll of active employees covered by the plan) \$0.37 million, and the ratio of the UAAL to the covered payroll was 21.21 percent.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Required Supplementary Information

OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2014

Schedule of Funding Progress for Overton/Pickett County Emergency Communications District

(Dollar amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial 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	\$330	\$ 409	\$ 78	80.83%	\$ 369	21.21%
July 1, 2009	\$ 181	\$ 194	\$13	93.44%	\$ 328	3.88%
July 1, 2007	\$ 117	\$ 131	\$ 14	89.31%	\$ 350	4.00%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding using the Entry Age actuarial cost method went into effect during the year of 2007 actuarial valuation, therefore only the two most recent valuations are presented.

Supplementary Information

OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES AND EXPENSES
ACTUAL AND BUDGET - (BUDGETARY BASIS) AND BUDGET
June 30, 2014

	Budget Amounts		Actual Revenues/ Expenditures	Adjustment Necessary	Actual	Variance
	Original Budget	Final Budget	(Budgetary) Actual	From Budget to GAAP Basis	(GAAP Basis)	Favorable (Unfavorable)
INCOME						
Telephone Surcharge	\$ 240,000	\$ 227,900	\$ 222,511	\$ 5,479	\$ 227,990	\$ (5,389)
Wireless Commission	79,659	80,459	69,568	-	69,568	(10,891)
Emergency Communications Board						
Grants & Reimbursements	20,000	171,700	224,429	-	224,429	52,729
Operational Funding	305,430	336,230	336,271	-	336,271	41
Interest Income	2,000	2,000	188	-	188	(1,812)
Electrical Permits	42,000	35,400	35,678	-	35,678	278
Dispatching-UCEMC Emergency Calls	5,600	5,730	5,730	-	5,730	-
Contributions from Other Governments	153,000	150,250	150,000	-	150,000	(250)
Gain (Loss) on Disposal of Property	-	700	1,548	-	1,548	848
Miscellaneous Income	1,000	200	737	-	737	537
Insurance Reimbursements	-	5,400	16,904	-	16,904	11,504
Total Revenue	848,689	1,015,969	1,063,564	5,479	1,069,043	47,595
EXPENSES						
Director	53,693	53,693	53,693	2,390	56,083	-
Administrative Personal	26,006	26,356	25,368	364	25,732	988
Dispatchers/Radio Operators	320,000	363,500	358,149	15,999	374,148	5,351
Social Security	24,000	28,100	26,843	-	26,843	1,257
Medicare	5,800	6,650	6,278	-	6,278	372
Compensated Absences	-	-	-	2,209	2,209	-
Medical Insurance	93,600	82,100	75,184	87	75,271	6,916
Unemployment Compensation	1,700	1,600	1,105	217	1,322	495
Retirement Contributions	19,200	19,300	18,536	-	18,536	764
Addressing and Mapping	6,000	10,100	9,283	200	9,483	817
Advertising	1,200	2,050	1,698	154	1,852	352
Auditing Services	4,200	4,300	4,300	-	4,300	-
Accounting Services	2,100	3,650	3,182	-	3,182	468
Fees Paid to Services Provider (telephone)	42,500	42,000	39,030	2,874	41,904	2,970
Legal Services	5,500	4,200	4,200	-	4,200	-
Maintenance Agreement	2,500	18,700	45,277	(12,175)	33,102	(26,577)
Pest Control	750	750	750	-	750	-
Office Equipment	-	1,000	(1,092)	1,992	900	2,092
Communications Equipment Maintenance	-	16,000	10,210	-	10,210	5,790
Building and Facilities Maintenance	2,500	15,500	14,543	104	14,647	957
Office Equipment Maintenance	-	2,500	1,669	-	1,669	831
Software Maintenance	3,700	5,200	4,615	-	4,615	585
Vehicle Maintenance	2,000	9,200	7,979	37	8,016	1,221
Language Line Maintenance	100	150	76	37	113	74
Office Supplies	2,500	13,250	11,559	24	11,583	1,691
Custodial Supplies	8,000	11,400	8,978	244	9,222	2,422
Postage	700	600	495	-	495	105
Small Equipment Purchases	600	3,600	2,653	-	2,653	947
Uniforms	-	2,200	2,170	-	2,170	30
Utilities-Electric	19,000	20,900	18,900	(154)	18,746	2,000
Utilities-Gas	1,200	1,200	717	-	717	483
Utilities-Water & Sewer	1,300	1,300	990	171	1,161	
Cell Phones and Pagers	7,200	9,900	8,267	1,242	9,509	1,633
Cable TV	1,000	800	725	-	725	75
Internet	225	575	362	-	362	213
Board Meeting	3,000	7,400	6,636	148	6,784	764
Dues and Memberships	3,000	5,400	4,704	-	4,704	696
Employee Testing and Exams	1,500	1,500	671	31	702	829

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES AND EXPENSES
ACTUAL AND BUDGET - (BUDGETARY BASIS) AND BUDGET
June 30, 2014**

	Budget Amounts		Actual Revenues/ Expenditures (Budgetary) Actual	Adjustment Necessary From Budget to GAAP Basis	Actual (GAAP Basis)	Variance Favorable (Unfavorable)
	Original Budget	Final Budget				
Insurance - Workers' Compensation	4,400	5,300	5,239	-	5,239	61
Insurance - Liability	13,700	17,100	17,069	-	17,069	31
Insurance - Vehicle	-	2,400	2,361	-	2,361	39
Licenses and Fees	2,300	1,300	955	-	955	345
Premiums on Surety Bonds	1,200	1,900	1,853	-	1,853	47
Public Education	2,250	3,200	3,048	-	3,048	152
Service Awards	1,200	1,200	1,200	-	1,200	-
Training Expense	2,500	20,500	20,300	1,734	22,034	200
Travel Expense	5,000	6,100	5,134	-	5,134	966
Other Charges - Electrical Permits	39,000	33,000	31,812	646	32,458	1,188
Interest Expense	-	1,800	-	-	-	1,800
Depreciation	104,960	112,460	159,030	-	159,030	(46,570)
Capital Improvements	-	-	256,563	(256,563)	-	(256,563)
Total Expenses	842,784	1,002,884	1,283,267	(237,988)	1,045,279	(280,693)
NET INCOME (LOSS)	\$ 5,905	\$ 13,085	\$ (219,703)	\$ (232,509)	\$ (452,212)	\$ 328,288

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF OFFICIAL BONDS OF PRINCIPAL OFFICIALS
For the Year Ended June 30, 2014**

<u>NAME</u>	<u>TITLE</u>
Chris Masiongale	Director
Cheryl Abbott	Office Administrator
Rocky Dial	Vice Chairman
Ben Danner	Board Member
Dr. Matthew Gaspar	Secretary
Carlos Wilson	Treasurer

Miscellaneous Section

**OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
REVENUES AND EXPENSES PAST TEN YEARS
For the Year Ended June 30, 2014
(UnAudited)**

YEAR	REVENUES	EXPENSES
2005	\$ 539,583	\$ 476,149
2006	725,245	750,999
2007	1,019,299	797,924
2008	788,312	788,957
2009	754,423	765,613
2010	1,089,835	975,816
2011	1,008,675	955,054
2012	903,132	999,560
2013	1,377,676	1,055,605
2014	1,069,043	1,045,280

OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Schedule of Expenditures of State Awards
June 30, 2014

State of Tennessee Assistance	Program Title	CFDA #	Grant #	June 30, 2012	Receipts	Expenditures	June 30, 2013
Department of Commerce and Insurance	Tenn. Emergency Communications Board	N/A	Z03016925	\$ -	\$ 20,000	\$ 20,000	\$ -
Total State of Tennessee Assistance				<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>

* CFDA--Catalog of Federal Domestic Assistance; (1) No Federal CFDA number assigned.
 () Indicates unexpended balances at year end and a restricted balance in net assets.

OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
June 30, 2014

NOTE A- BASIS OF PRESENTATION

The accompanying schedule of expenditures of State Awards of the Overton / Pickett County Emergency Communications District is presented on the accrual basis of accounting.

Overton/Pickett County E-911 Emergency Communications District
 Insurance Schedule
 June 30, 2014

Policy Numbr	Company	Expires		
VFIS2056752-06	American Alternative Insurance Corp.	7/18/2014	Real Property	
			Office	\$ 342,143
			Storage	75,273
			Tower-255 Industrial Park	23,397
			Tower-112 Water Tank Road	35,256
			Tower-2275 Standing Stone	13,208
			Tower-434 N Hillcrest Dr	63,648
			Tower-Palestine Road	498,264
			Personal Property	377,275
			Money and Securities	10,000
			Software	250,000
			Wrongful Act	1,000,000
			Liability umbrella	
			Personal & Advertising Injury	1,000,000
			Each Occurance	1,000,000
Products Completed	3,000,000			
General Aggregate	3,000,000			
Defense Expense	25,000			
	Local Government Insurance Pool	7/1/2014	Statutory limitation	
VFISCM1054168-06/000	American Alternative Insurance Corp.	7/18/2014	General Liability	1,000,000
			Medical payments	10,000
			Uninsured Motorist	1,000,000
			Underinsured Motorist	1,000,000

Internal Control and Compliance Section

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
Overton/Pickett County Emergency Communications District
Livingston, Tennessee 38570

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 Overton/Pickett County Emergency Communications District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Overton/Pickett County Emergency Communications District's basic financial statements, and have issued our report thereon dated September 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Overton/Pickett County Emergency Communications District's internal control over financial reporting (internal control) to determine the our 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 Overton/Pickett County Emergency Communications District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Overton/Pickett County 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.

Our consideration of the 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (Item 12-01)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Overton/Pickett County Emergency Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 which are described in the accompanying schedule of findings and responses as item 12-01.

Overton/Pickett County Emergency Communications District's Responses to Findings

Overton/Pickett County Emergency Communications District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses were not subjected to the auditing procedures applied in the audit of the financial s 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 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.

Dennis E. Jeffers CPA, PC

Oneida, Tennessee
September 15, 2014

**Overton/Pickett County Emergency Communications District
Schedule of Findings and Responses – Prior Year Findings Not Implemented
June 30, 2014**

(12-01) Segregation of duties - The District does not have a sufficient number of employees to provide the proper segregation of duties necessary for an effective internal control system.

Recommendation

Due to the number of office employees working for the District, we do not believe a complete segregation of duties is possible that would eliminate all weaknesses in the District's accounting system. However, the District should consider a thorough study of the internal control aspect of the accounting system. Certain additional procedures and segregation of proper duties should increase the control over the assets.

Response

We concur with the auditor's finding and recommendation.

Disposition:

As of June 30, 2014, this finding still exists.

**Overton/Pickett County Emergency Communications District
Schedule of Findings and Responses – Prior Year Findings Implemented
June 30, 2014**

(12-05) Violation of the three day banking law – Deposits are not always being made within three days of receipts

Recommendation

Section 5-8-2007, Tennessee Code annotated requires District officials to deposit funds within three days after collection. In order to safeguard public monies, we recommend that all money collected be deposited promptly. In addition, deposit slips should be detailed in order to allow tracing from receipts to the bank statements.

District's Response

This problem will be taken care of immediately.

Disposition

As of June 30, 2014, this finding no longer exist

(12-06) Paid sales tax – During the course of the audit, it was noted that sales tax was being paid on some exempt expenditures

Recommendation

Vendors should be notified of the District's exempt status relative to sales and use tax. Reimbursements to employees should not include the sales tax paid by them.

District's Response

We will correct this problem.

Disposition

As of June 30, 2014, this finding no longer exist

(12-07) Accrued vacation policy – During the course of the audit, it was noted that the District's accrued vacation policy is not being followed.

Recommendation

The District's written accrued vacation policy allows employees to take vacation only after earned. Currently, some employees are taking vacation days in excess of what they have earned at that point in time.

District's Response

We will correct this problem.

Disposition

As of June 30, 2014, this finding no longer exist

Overton/Pickett County Emergency Communications District
Schedule of Findings and Responses – Prior Year Findings Implemented
June 30, 2014
(continued)

(12-09) Internal controls over disbursements – The District did not always adhere to its written purchasing policy during the year. We noted at times a lack of purchases orders, approval of purchases by the appropriate level, and supporting documentation. Internal controls over disbursements did not detect and deter the above findings.

Recommendation

The District should continue to evaluate and update its internal controls over disbursements and related purchasing policies on a regular basis.

District's Response

We implemented new policies during this year to help in this area. We will continue to correct this problem and monitor the progress of adhering to our written policies.

Disposition

As of June 30, 2014, this finding no longer exist

(12-12) Employee use of vehicles – During the year ended June 30, 2013, the District approved a written policy regarding employee personal use of District vehicles. However, it was noted that the personal use of District vehicles was not included in the employees' W-2 for the calendar year 2012.

Recommendation

The District should include the personal use of District's vehicles in the employee's W-2.

District's Response

We will work to correct this problem.

Disposition

As of June 30, 2014, this finding no longer exist

(12-13) Internal controls over fuel supply – During the year ended June 30, 2013, the District approved a written policy that outlines the use of the District's fuel supply on premises. However, reconciliation of the bulk fuel supply was not documented.

Recommendation

The District should continue to evaluate and update its internal controls over fuel supply and related reconciliation policies on a regular basis.

District's Response

We will work to correct this problem.

Disposition

As of June 30, 2014, this finding no longer exist

Overton/Pickett County Emergency Communications District
Schedule of Findings and Responses – Prior Year Findings Implemented
June 30, 2014
(continued)

(12-15) Budget – We noted that some actual expenditures exceeded the amount appropriated in the budget.

Recommendation

All expenditures should be authorized in either the original budget, an amendment to that budget, or a supplemental appropriation.

Response

The budget will be monitored better in the future.

Disposition:

As of June 30, 2014, this finding no longer exists.

(13-01) Surplus fixed assets – During our testing of fixed assets, we were unable to verify board approval for fixed assets that were deemed as surplus during the fiscal year.

Recommendation

Fixed assets that are no longer in operating condition should be approved by the Board before being sold or otherwise disposed and removed from the fixed asset listing. We suggest the Board annually review a fixed asset listing, and any property identified for disposal be noted in the official board minutes.

District's Response

The District will make sure the Board approves all future disposals of fixed assets.

Disposition

As of June 30, 2014, this finding no longer exist

(13-02) Disbursement classification – During our testing of disbursements, we found several instances of expenditures posted to the incorrect distribution accounts during the year.

Recommendation

In order to provide accurate financial records as well as assist with budgeting and compliance monitoring, the District should ensure that all disbursements are correctly posted in the corresponding distribution account.

District's Response

We agree with this finding and will continue to improve our financial record keeping.

Disposition

As of June 30, 2014, this finding no longer exist

**Overton/Pickett County Emergency Communications District
Schedule of Findings and Responses – Current Year Findings
June 30, 2014**

None