

**BLEDSOE COUNTY E-911 EMERGENCY  
COMMUNICATIONS DISTRICT  
JUNE 30, 2015**

**TAMARA L. BECKMAN  
CERTIFIED PUBLIC ACCOUNTANT**

**BLEDSON COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
JUNE 30, 2015**

**TABLE OF CONTENTS**

|   |       |
|---|-------|
| Independent Auditor's Report  | 1-3   |
| Statement of Net Position   | 4     |
| Statement of Revenues, Expenses and Changes in Fund Net Position  | 5     |
| Statement of Cash Flows   | 6     |
| Notes to the Financial Statements   | 7-10  |
| <b><u>SUPPLEMENTARY INFORMATION</u></b>   |       |
| Budget and Actual   | 11    |
| 911 Board Members   | 12    |
| Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing Standards</i> | 13-14 |
| Audit Findings & Recommendations  | 15    |

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Bledsoe County E-911 Emergency Communications District  
Pikeville, Tennessee

**Report on the Financial Statements**

I have audited the accompanying financial statements of Bledsoe County E-911 Emergency Communications District, a component unit of Bledsoe County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Bledsoe County E-911 Emergency Communications District's basic financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Bledsoe County E-911 Emergency Communications District, a component unit of Bledsoe County, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion be presented to supplement the basic financial statements. Such information, although not a part of the basic financials statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The auditor's opinion on the basic financial statements is not affected by this missing information.

**Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Bledsoe County E-911 Emergency Communications District's basic financial statements. The Budget and Actual schedule and the schedule of 911 Board Members on pages 11-12 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budget and Actual schedule and the schedule of 911 Board Members are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In my opinion, the Budget and Actual schedule and the schedule of 911 Board Members are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated September 17, 2015 on my consideration of Bledsoe County E-911 Emergency Communications District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bledsoe County E-911 Emergency Communications District's internal control over financial reporting and compliance.

September 17, 2015  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*

**BLEDSON COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

ASSETS

Current Assets

|                             |               |               |
|-----------------------------|---------------|---------------|
| Cash and Cash Equivalents   | \$ 794,962.41 |               |
| Prepaid Expenses            | <u>865.72</u> |               |
| <u>Total Current Assets</u> |               | \$ 795,828.13 |

Capital Assets

|                                |                  |                   |
|--------------------------------|------------------|-------------------|
| Building & Improvements        | 93,393.05        |                   |
| Less: Accumulated Depreciation | (26,142.05)      |                   |
| Communications Equipment       | 477,959.28       |                   |
| Less: Accumulated Depreciation | (376,866.21)     |                   |
| Construction In Progress       | <u>55,929.50</u> |                   |
| <u>Total Capital Assets</u>    |                  | <u>224,273.57</u> |

|                     |  |              |
|---------------------|--|--------------|
| <u>Total Assets</u> |  | 1,020,101.70 |
|---------------------|--|--------------|

LIABILITIES AND NET POSITION

Liabilities

|                  |  |          |
|------------------|--|----------|
| Accounts Payable |  | <u>-</u> |
|------------------|--|----------|

Net Position

|                              |                   |  |
|------------------------------|-------------------|--|
| Investment in Capital Assets | 224,273.57        |  |
| Unrestricted Net Position    | <u>795,828.13</u> |  |

|                           |  |                        |
|---------------------------|--|------------------------|
| <u>Total Net Position</u> |  | <u>\$ 1,020,101.70</u> |
|---------------------------|--|------------------------|

The accompanying notes are in integral part of the financial statements

**BLEDSON COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

Operating Revenues

|                                     |                  |               |
|-------------------------------------|------------------|---------------|
| Emergency Telephone Service Charges | \$ 56,768.15     |               |
| TECB Distribution of 911 Surcharges | 158,247.32       |               |
| TECB Distribution of Excess Revenue | <u>62,091.00</u> |               |
| Total Operating Revenue             |                  | \$ 277,106.47 |

Operating Expenses

Contracted Services

|                                    |                  |            |
|------------------------------------|------------------|------------|
| Audit Services                     | \$ 2,500.00      |            |
| Accounting/Bookkeeping Services    | 1,800.00         |            |
| Contracts with Government Agencies | 183,000.00       |            |
| Fees Paid to Service Providers     | 3,120.00         |            |
| Legal Services                     | 4,800.00         |            |
| Maintenance Agreements             | <u>12,131.78</u> |            |
| Total Contracted Services          |                  | 207,351.78 |

Supplies, Materials & Maintenance

|                                |                 |           |
|--------------------------------|-----------------|-----------|
| Office Supplies                | 782.36          |           |
| Postage                        | 94.70           |           |
| R&M - Communications Equipment | 8,136.62        |           |
| R&M - Building & Facilities    | <u>6,125.53</u> |           |
| Total Supplies & Materials     |                 | 15,139.21 |

Other Charges

|                          |               |          |
|--------------------------|---------------|----------|
| Board Meeting Expense    | 525.00        |          |
| Dues & Memberships       | 109.00        |          |
| Legal Notices            | 306.00        |          |
| Premiums on Surety Bonds | 310.00        |          |
| Service Awards           | <u>140.00</u> |          |
| Total Other Charges      |               | 1,390.00 |

|                      |                  |                   |
|----------------------|------------------|-------------------|
| Depreciation         | <u>44,258.88</u> |                   |
| Total Expenses       |                  | <u>268,139.87</u> |
| Net Operating Income |                  | 8,966.60          |

Non-Operating Revenue and (Expense)

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Interest Income                       | 638.33            |                   |
| State Grants & Reimbursements         | <u>217,494.02</u> |                   |
| Total Non-Operating Revenue & Expense |                   | <u>218,132.35</u> |

**Increase in Net Position**

|                                   |  |                        |
|-----------------------------------|--|------------------------|
|                                   |  | 227,098.95             |
| Total Net Position, July 1, 2014  |  | <u>793,002.75</u>      |
| Total Net Position, June 30, 2015 |  | <u>\$ 1,020,101.70</u> |

The Accompanying notes are in integral part of the financial statements

**BLEDSOE COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2015**

|   |                     |                      |
|---|---------------------|----------------------|
| <u>Cash Flows From Operating Activities</u>                           |                     |                      |
| Cash Received from Operations   | \$ 291,063.28       |                      |
| Cash Payments for Goods and Services                                  | <u>(211,749.21)</u> |                      |
| Net Cash Provided by Operating Activities                             |                     | \$ 79,314.07         |
| <br><u>Cash Flows from Capital &amp; Related Financing Activities</u> |                     |                      |
| Acquisition of New Assets - Construction in Progress                  |                     | (55,929.50)          |
| <br><u>Cash Flows from Non-Capital Financing Activities</u>           |                     |                      |
| State Grants & Reimbursements   |                     | 217,494.02           |
| <br><u>Cash Flows from Investing Activities</u>                       |                     |                      |
| Interest Received   |                     | <u>638.33</u>        |
| Net Increase in Cash and Cash Equivalents                             |                     | 241,516.92           |
| Cash and Cash Equivalent at 6-30-14                                   |                     | <u>553,445.49</u>    |
| Cash and Cash Equivalent at 6-30-15                                   |                     | <u>\$ 794,962.41</u> |
| <br><u>Reconciliation of Net Operating Income (Loss) to Net Cash</u>  |                     |                      |
| <u>Provided by Operating Activities</u>                               |                     |                      |
| Net Operating Income (Loss)   | \$ 8,966.60         |                      |
| Depreciation  | 44,258.88           |                      |
| Decrease in Accounts Receivable                                       | 8,135.37            |                      |
| Decrease in Due from State ECB  | 5,821.44            |                      |
| Decrease in Prepaid Expense   | 12,131.78           |                      |
| Decrease in Accounts Payable  | <u>-</u>            |                      |
| <u>Net Cash Provided by Operating Activities</u>                      |                     | <u>\$ 79,314.07</u>  |

The Accompanying notes are in integral part of the financial statements

**BLEDSOE COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

Note 1 – Summary of Significant Accounting Policies

The Bledsoe County E-911 Emergency Communication District was established for the purpose of providing an enhanced level of 911 services to the Bledsoe County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Bledsoe County. The District must file a budget with Bledsoe County each year. Any bond issued by the district is subject to approval by Bledsoe County. On January 16, 2008, the District entered into an inter-local agreement with Bledsoe County that appears to give all authority of the District, its operations and assets to the County. (See Note 9)

The District uses the accrual basis of accounting and economic resource measurement focus. Revenues are recognized when earned and expenses are recognized when incurred.

Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. All Capital Assets over \$500 are capitalized. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

|                          | <u>Method</u> | <u>Estimated<br/>Useful Life</u> | <u>2015<br/>Depreciation</u> |
|--------------------------|---------------|----------------------------------|------------------------------|
| Building & Improvements  | S/L           | 10-40 Years                      | \$ 2,394.70                  |
| Communications Equipment | S/L           | 5-10 Years                       | <u>41,864.18</u>             |
|                          |               |                                  | <u>\$44,258.88</u>           |

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. Non-operating revenue consists of a grant given by the State Emergency Communications Board to help the district employ dispatchers, interest and miscellaneous income.

Note 2 – Cash and cash investments

The Tennessee Government Code requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105% of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The following is a schedule of bank accounts at June 30, 2015:

Checking – First National Bank \$794,962.41

At June 30, 2015, the carrying amount of the Bledsoe County E-911 Emergency Communications District's cash deposits was \$794,962.41. The District's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by the government collateralization pool of which First National Bank is a member. The District is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the Tennessee Code Annotated. [Acts 1992, ch. 891, sct 10].

Note 3 – Risk Management

Bledsoe County E-911 Emergency Communications District has bonds covering certain members of the board at June 30, 2015. The District is exposed to other areas of risk including theft, property damage and public liabilities. The District is covered under the county's policy for these areas of risk. There have been no losses or settlements during the past three years that have exceeded coverage amounts.

Note 4 – Capital Assets

The following is a schedule of capital assets at June 30, 2015:

|                                      | Balance<br>June 30, 2014                     | <u>Additions</u>                     | <u>Retirements</u> | Balance<br>June 30, 2015                     |
|--------------------------------------|--|--------------------------------------|--------------------|--|
| <b><u>Depreciable Assets</u></b>     |  |                                      |                    |  |
| Building & Imprv.                    | \$ 93,393.05                                 | \$ --                                | \$ --              | \$ 93,393.05                                 |
| Comm. Equipment                      | <u>477,959.28</u>                            | <u>--</u>                            | <u>--</u>          | <u>477,959.28</u>                            |
| Total Depreciable                    | <u>571,352.33</u>                            | <u>--</u>                            | <u>--</u>          | <u>571,352.33</u>                            |
| <b><u>Non-Depreciable Assets</u></b> |  |                                      |                    |  |
| CIP                                  | --   | <u>55,929.50</u>                     | <u>--</u>          | <u>55,929.50</u>                             |
| <b>Grand Total</b>                   | <u>\$627,281.83</u>                          | <u>\$ 55,929.50</u>                  | <u>\$ --</u>       | <u>\$627,281.83</u>                          |
|                                      | Accumulated<br>Depreciation<br>June 30, 2014 | <u>Current Year<br/>Depreciation</u> | <u>Retirements</u> | Accumulated<br>Depreciation<br>June 30, 2015 |
| <b><u>Depreciable Assets</u></b>     |  |                                      |                    |  |
| Building & Imprv.                    | \$ 23,747.35                                 | \$ 2,394.70                          | \$ --              | \$ 26,142.05                                 |
| Comm. Equipment                      | <u>335,002.03</u>                            | <u>41,864.18</u>                     | <u>--</u>          | <u>376,866.21</u>                            |
| Total Depreciable                    | <u>358,749.38</u>                            | <u>44,258.88</u>                     | <u>--</u>          | <u>403,008.26</u>                            |
| <b><u>Non-Depreciable Assets</u></b> |  |                                      |                    |  |
| CIP                                  | --   | --                                   | --                 | --   |
| <b>Grand Total</b>                   | <u>\$358,749.38</u>                          | <u>\$ 44,258.88</u>                  | <u>\$ --</u>       | <u>\$403,008.26</u>                          |

Note 5 – Cash and cash equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

Note 6 – Compensated Absences

There were no compensated absences as of June 30, 2015.

Note 7 – Calculation of Investment in Capital Assets

|                              |                     |
|------------------------------|---------------------|
| Net Book Value               | \$224,273.57        |
| Current and Non-Current Debt | <u>-</u>            |
| Investment in Capital Assets | <u>\$224,273.57</u> |

Note 8 – Inter-local Agreements

An Inter-local Agreement was entered into January 16, 2008 between Bledsoe County and the 911 District. This agreement gives the County through the Mayor’s office:

- Authority to manage all county radio communications.
- Complete authority over employees necessary for operations at the Center.
- Authority to perform maintenance of the addressing, mapping & GIS in accordance with guidelines of the TECB.
- And Citizen’s access to the Center’s conference room for Board and committee meetings and rights to public records as defined by state law.

The revised agreement returns to the District:

- Any interest and title to the Center and grounds as it may have possessed. The District hereby grants the County a license to use the Center for purposes described herein. The County will keep the Center in good condition.
- Any interest in ownership of PSAP equipment previously acquired by the County. The District hereby grants the County a license to use the PSAP equipment for the purposes described herein. The County shall be responsible to maintain all equipment.
- Any equipment not needed or no longer functional.
- The District shall annually provide to the County cost recovery payments to offset adequately staged by trained and competent personnel, to the extent that funds are available to the District and authorized by the TECB.
- The County will remain responsible for paying costs associated with the radio system, including, but not limited to, towers, repeaters, generators, and tower equipment buildings, as and when required.

Note 9 – Budgetary Process

The District is required to file a budget with the county each year. The budget is presented on the accrual basis of accounting and is an adopted non-appropriated budget approved by the Board of Directors with line-item level of budgetary control.

Note 10 – Subsequent Events

The District has evaluated subsequent events through September 17, 2015, the date in which the financial statements were available to be issued.

**BLEDSON COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

|  | Actual<br>(Accrual Basis) | Budget<br>(Accrual Basis) | Variance<br>Under (Over) |
|--|---------------------------|---------------------------|--------------------------|
| <u>Operating Revenues</u>                    |                           |                           |                          |
| Emergency Telephone Service Charges          | \$ 56,768.15              | \$ 102,000.00             | \$ 45,231.85             |
| TECB Distribution of 911 Surcharges          | 158,247.32                | 32,500.00                 | (125,747.32)             |
| TECB Distribution of Excess Revenue          | 62,091.00                 | 142,209.00                | 80,118.00                |
| Total Revenue                                | <u>\$ 277,106.47</u>      | <u>\$ 276,709.00</u>      | <u>\$ (397.47)</u>       |
| <u>Operating Expenses</u>                    |                           |                           |                          |
| <u>Contracted Services</u>                   |                           |                           |                          |
| Addressing & Mapping Consultants             | -                         | 7,911.98                  | 7,911.98                 |
| Audit Services                               | 2,500.00                  | 2,500.00                  | -                        |
| Accounting/Bookkeeping Services              | 1,800.00                  | 1,890.00                  | 90.00                    |
| Contracts with Government Agencies           | 183,000.00                | 183,000.00                | -                        |
| Fees Paid to Service Providers               | 3,120.00                  | 2,880.00                  | (240.00)                 |
| Legal Services                               | 4,800.00                  | 4,800.00                  | -                        |
| Maintenance Agreements                       | 12,131.78                 | 16,900.00                 | 4,768.22                 |
| Total Contracted Services                    | <u>\$ 207,351.78</u>      | <u>\$ 219,881.98</u>      | <u>\$ 14,369.71</u>      |
| <u>Supplies, Materials &amp; Maintenance</u> |                           |                           |                          |
| Office Supplies                              | 782.36                    | 782.36                    | -                        |
| Postage                                      | 94.70                     | 150.00                    | 55.30                    |
| <u>Maintenance &amp; Repairs</u>             |                           |                           |                          |
| Communication Equipment                      | 8,136.62                  | 7,276.13                  | (860.49)                 |
| Building & Facilities                        | 6,125.53                  | 6,125.53                  | -                        |
| Office Equipment                             | -                         | 600.00                    | 600.00                   |
| Other Contracted Services                    | -                         | 2,100.00                  | 2,100.00                 |
| Total Supplies & Materials                   | <u>\$ 15,139.21</u>       | <u>\$ 17,034.02</u>       | <u>\$ 1,894.81</u>       |
| <u>Other Charges</u>                         |                           |                           |                          |
| Board Meeting Expenses                       | 525.00                    | 525.00                    | -                        |
| Dues & Memberships                           | 109.00                    | 300.00                    | 191.00                   |
| Legal Notices                                | 306.00                    | 350.00                    | 44.00                    |
| Premiums on Surety Bonds                     | 310.00                    | 310.00                    | -                        |
| Service Awards                               | 140.00                    | 140.00                    | -                        |
| Training Expenses                            | -                         | 5,099.00                  | 5,099.00                 |
| Travel Expenses                              | -                         | 6,890.00                  | 6,890.00                 |
| Total Other Charges                          | <u>\$ 1,390.00</u>        | <u>\$ 13,614.00</u>       | <u>\$ 12,224.00</u>      |
| Depreciation                                 | <u>\$ 44,258.88</u>       | <u>\$ 40,000.00</u>       | <u>\$ (4,258.88)</u>     |
| Total Operating Expenses                     | <u>\$ 268,139.87</u>      | <u>\$ 290,530.00</u>      | <u>\$ 24,229.64</u>      |
| <u>Operating Income (Loss)</u>               | <u>\$ 8,966.60</u>        | <u>\$ (13,821.00)</u>     | <u>\$ (24,627.11)</u>    |
| <u>Non-Operating Revenue and (Expense)</u>   |                           |                           |                          |
| Interest Income                              | 638.33                    | -                         | (638.33)                 |
| State – Grants & Reimbursements              | 217,494.02                | 17,880.00                 | (199,614.02)             |
| Total Non-Operating Revenue & Expense        | <u>\$ 218,132.35</u>      | <u>\$ 17,880.00</u>       | <u>\$ (200,252.35)</u>   |
| <b>Increase in Net Position</b>              | <u>\$ 227,098.95</u>      | <u>\$ 4,059.00</u>        | <u>\$ (223,039.95)</u>   |
| Total Net Position, July 1, 2014             | 793,002.75                | 793,002.75                | -                        |
| <b>Total Net Position, June 30, 2015</b>     | <u>\$ 1,020,101.70</u>    | <u>\$ 797,061.75</u>      | <u>\$ (223,039.95)</u>   |

**BLEDSON COUNTY E-911**  
**EMERGENCY COMMUNICATIONS DISTRICT**  
**SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**BLEDSON COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
911 BOARD MEMBERS  
JUNE 30, 2015**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

I have audited, 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, the financial statements of Bledsoe County E-911 Emergency Communications District, a component unit of Bledsoe County, as of and for the year ended June 30, 2015, and have issued my report thereon dated September 17, 2015.

Internal Control over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given

these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations that I consider to be significant deficiencies as item 2015-01.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bledsoe County E-911 Emergency Communications District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany schedule of findings and recommendations as item 2015-01.

#### Bledsoe County E-911 Emergency Communications District's Response to Findings

The District's response to the findings identified in my audit are described in the accompanying schedule of findings and recommendations. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, I express no opinion on it.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 17, 2015  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*

**BLEDSON COUNTY E-911  
EMERGENCY COMMUNICATIONS DISTRICT  
AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2015**

**Finding 2015-01**

A couple of expense items exceeded budgeted amounts.

**Recommendation**

The Board of Directors should amend the budget as needed to cover all expense items of the district.

**Management Comment**

We will implement the changes necessary at the next meeting.