SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2015

D. GREGORY JOHNSON
CERTIFIED PUBLIC ACCOUNTANT

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sumner County Emergency Communications District
Gallatin, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of the Sumner County Emergency Communications District, a component unit of Sumner County, Tennessee as of and for the year ended June 30, 2015, 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

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 the Sumner County Emergency Communications District as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sumner County Emergency Communications District's basic financial statements. The introductory section and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated February 24, 2016, on my consideration of the Sumner County 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 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 the Sumner County Emergency Communications District's internal control over financial reporting and compliance.

D. Gregory Johnson, CPA

D. Gregory Johnson, CPA
Columbia, Tennessee
February 24, 2016

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
ROSTER OF MANAGEMENT AND BOARD OF DIRECTORS
YEAR ENDED JUNE 30, 2015

Management Officials

Richard W. Shaffer, Jr., Director

Tonya Jetton, Assistant Director

Board of Directors

Archie McKinnis, Board Chairman, Citizen

Jimmy Anderson, Vice Chairman, Citizen

Bill Kemp, Secretary/Treasurer, County Clerk

Anthony Holt, County Executive

Paul Freels, Commissioner

Billy Still, Citizen

Jerry Stone, Commissioner

Ben Harris, Commissioner

Michael Guthrie, Commissioner

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

Current assets	
Cash and equivalents	$ 3,394,078
Capital assets	
Furniture and fixtures	49,025
Office equipment	51,500
Communications equipment	3,026,573
Leasehold improvements	332,097
	3,459,195
Less accumulated depreciation	(1,250,909)
	2,208,286
Construction in progress	65,419
Total capital assets	2,273,705
Total assets	$ 5,667,783

LIABILITIES AND NET POSITION

Current liabilities	
Current portion of long-term debt	$ 399,288
Long-term debt, less current portion shown above	136,679
Total liabilities	535,967
Net position	
Net investment in capital assets	1,737,738
Unrestricted	3,394,078
Total net position	5,131,816
Total liabilities and net position	$ 5,667,783

The accompanying notes are an integral part of these financial statements.

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2015

Operating revenue	
Emergency telephone service charges	$ 193,006
State emergency communications board - shared wireless	220,104
State emergency communications board - operational funding	172,575
TECB distribution of 911 surcharges	680,244
Total revenue	1,265,929
Operating expenses	
Contracted services	507,183
Supplies and materials	988
Other charges	41,417
Depreciation	297,909
Total operating expenses	847,497
Net operating income	418,432
Nonoperating revenue (expense)	
Interest income	17,440
TECB grants and reimbursements	201,406
Interest expense	(29,802)
Net nonoperating income	189,044
Increase in net position	607,476
Net position, beginning of year	4,524,340
Net position, end of year	$ 5,131,816

The accompanying notes are an integral part of these financial statements.

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015

Cash flows from operating activities	
Receipts from surcharges	$ 1,285,602
Payments to suppliers	(549,588)
Net cash provided by operating activities	736,014
Cash flows from noncapital financing activities	
Proceeds from grants and reimbursements	201,406
Cash flows from capital and related financing activities	
Cash purchases of capital assets	(184,153)
Principal paid on capital outlay note	(383,657)
Interest paid on capital outlay note	(29,802)
Net cash used by capital and related financing activities	(597,612)
Cash flows from investing activities	
Interest income	17,440
Net increase in cash	357,248
Cash and equivalents, beginning of year	3,036,830
Cash and equivalents, end of year	$ 3,394,078
Reconciliation of operating income to net cash flows from operating activities	
Net operating income	$ 418,432
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation	297,909
Decrease in accounts receivable	19,673
Net cash provided by operating activities	$ 736,014

The accompanying notes are an integral part of these financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Sumner County Emergency Communications District (the District) is a political sub-division created in November 1986. The District was organized to provide emergency communication to all fire and law enforcement departments of Sumner County. Although the District is considered a municipality under its enabling legislation, it cannot levy or collect taxes and the charges for services shall not be considered or classified as taxes. The District is managed by a nine-member board of directors who are appointed by the Sumner County Board of County Commissioners. Sumner County maintains controlling interest on the District board in that six of the nine board members must consist of the County Executive, the County Clerk, and four members of the Sumner County Board of County Commissioners.

The District is a discretely presented component unit of Sumner County, Tennessee, and the financial statements are presented in both the District's separate financial report and within the Sumner County, Tennessee financial report. The District is considered a discretely presented component unit of Sumner County as defined under the criteria set forth in Governmental Accounting Standards Board Statement 14, because the district would be unable to issue debt without going through Sumner County, Tennessee. The District is self-supported by a telephone subscriber fee charged to the citizens of Sumner County. The District's financial statements include only the assets and operations of the District, and do not include any other fund, organization, agency or department of Sumner County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends. With this measurement focus, all assets and all liabilities associated with the operations are included in the statement of net position. Net position (i.e., total assets net of total liabilities) is segregated into net investment in capital assets and unrestricted components.

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, required for fiscal periods beginning after December 15, 2011. This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance, included in certain FASB and AICPA pronouncements issued prior to November 30, 1989, which does not conflict with or contradict GASB pronouncements.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The principal operating revenues of the District are emergency telephone service charges to residents for providing emergency 911 services. Operating expenses include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deferred Outflows/Inflows of Resources

The District has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The Statement resulted in a change in the presentation of the balance sheets to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

For the year ended June 30, 2015, the District had neither a deferred inflow nor outflow of resources.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of net position and the statement of cash flows, Sumner County Emergency Communications District considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets are defined by the District as assets with an initial cost of more than $1,000 and an estimated useful life in excess of one year. Additions to capital assets are recorded at acquisition cost or estimated market value at the date of donation in the case of donated property. Depreciation and amortization are provided for in amounts sufficient to relate the cost of the assets to operations over their estimated service lives using the half-year convention, straight-line method of depreciation.

Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	10 - 40 years
Furniture and fixtures	7 years
Office equipment	5 - 10 years
Communications equipment	5 - 10 years
Vehicles	5 years

Income Taxes

Sumner County Emergency Communications District is a tax-exempt organization under Section 115 of the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made.

Budgetary Data

The District is required by state statute to adopt an annual budget. Prior to the beginning of the fiscal year, the Board of Directors prepares an operating budget and submits to the Sumner County Commission for approval. The annual budget is prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenses must be presented at the legal level of control, which is defined to be at the line-item level. The District utilizes cash basis accounting for the budget as depreciation is not budgeted, and outlays for capital items are budgeted as expenses. Therefore the budget is not intended to be presented in accordance with generally accepted accounting principles. The budget may be amended by the Board as conditions warrant throughout the year.

Date of Management's Review

Subsequent events were evaluated through February 24, 2016, which is the date the financial statements were available to be issued.

NOTE B – CASH AND DEPOSITORY COLLATERAL

The District's current policies limit deposit of funds to accounts with commercial banks which are required to pledge securities as collateral for the deposits should they be in excess of Federal Deposit Insurance Corporation (FDIC) coverage of $250,000. The financial institutions used by the District have either pledged securities as collateral or the institutions are participants in the Tennessee Collateral Pool, which was established to provide security for public funds deposits in excess of FDIC coverage. At yearend, all of the District's deposits were fully insured by the FDIC and the Tennessee Collateral Pool.

The District's investment policy follows state law which authorizes investments for emergency communications districts in Tennessee Code Annotated Section 5-8-301. State statutes authorize the District to invest in obligations of the federal government, federal agencies, state government, the state investment pool, certificates of deposit, other time deposits, and repurchase agreements, which require the approval of the State Director of Local Finance.

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, is presented below:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated:				
Construction in progress	$ -	$ 65,419	$ -	$ 65,419
Capital assets being depreciated:				
Furniture and fixtures	49,025	-	-	49,025
Office equipment	51,500	-	-	51,500
Communications equipment	2,907,839	118,734	-	3,026,573
Leasehold improvements	332,097	-	-	332,097
Total cost	3,340,461	118,734	-	3,459,195
Less accumulated depreciation for:				
Furniture and fixtures	(8,462)	(4,774)	-	(13,236)
Office equipment	(10,681)	(4,783)	-	(15,464)
Communications equipment	(922,049)	(280,050)	-	(1,202,099)
Leasehold improvements	(11,808)	(8,302)	-	(20,110)
Total accumulated depreciation	(953,000)	(297,909)	-	(1,250,909)
Total capital assets, being depreciated, net	2,387,461	(179,175)	-	2,208,286
Total capital assets, net	$ 2,387,461	$ (113,756)	$ -	$ 2,273,705

NOTE C – CAPITAL ASSETS (CONTINUED)

Depreciation charged to expense for the current year amounted to $297,909.

The District made $118,734 of current year additions to communications equipment. The District also incurred $65,419 in construction costs for its share of the costs associated with the new Sumner County Emergency Response Center.

NOTE D – LONG-TERM DEBT

Long-term debt consists of the Sumner County Interfund Capital Outlay Note, Series 2011, in the amount of $1,870,872, dated October 14, 2011. The interfund capital outlay note bears interest at 4% per annum and is payable by the District to the County in monthly installments of $34,455 over five years. The note is secured by the revenues and reserves of the District.

The purpose of the capital outlay note is to assist with the funding of the hardware, software, setup, and training costs associated with the District's purchase of NG-911 communication equipment and software.

A summary of long-term debt activity for the year ended June 30, 2015 is as follows:

Sumner County Interfund Capital Outlay Note

Dated	Rate	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Amount Due Within One Year
Series 2011	4.000%	$ 919,624	$ -	$ 383,657	$ 535,967	$ 399,288
Less current maturities					(399,288)	
Total noncurrent portion					$ 136,679	

The annual requirements to amortize long-term debt outstanding as of June 30, 2015 are as follows:

Years ending June 30th,	Principal	Interest	Total
2016	$ 399,288	$ 14,171	$ 413,459
2017	136,679	1,141	137,820
	$ 535,967	$ 15,312	$ 551,279

Interest charged to expense amounted to $29,802 for the year ended June 30, 2015.

NOTE E – MAJOR REVENUE SOURCES

Revenue for operation and maintenance of the Sumner County Emergency Communications District is generated by a surcharge placed on residential and business phone lines. Prior to January 1, 2015, the surcharge was collected by AT&T Telephone Company and remitted to the District monthly less a 3% administrative fee. Effective January 1, 2015, all surcharge revenues from telephone companies that have been paid to the districts in the past are now paid directly to the Tennessee Emergency Communications Board (TECB) as stipulated in the new 911 Funding Modernization Act. The TECB has calculated the base funding for each district and will use this calculation to distribute and direct deposit these revenues to the districts. In the current year, operating revenue received from TECB amounted to approximately 85% of total operating revenue.

NOTE F – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For the year ended June 30, 2015, the District was insured against potential losses associated with these risks through the purchase of commercial insurance policies written for Sumner County or the other governmental departments serviced by the District. There have been no material losses in excess of insurance coverage during the last three years.

NOTE G – SERVICE ARRANGEMENT CONTRACT

The District has negotiated a service application with AT&T Telecommunications for the installation and service of an Enhanced 911 Emergency Service System. AT&T furnishes equipment and service sufficient to operate the system for an initial installation fee and a monthly fee based upon the number of telephone stations and access lines served by the System. Current year amounts charged to expense by the District for use of this equipment was $110,634.

NOTE H – OPERATIONAL CONTRACT

The District has contracted with S & S Communications, Inc., for all day-to-day supervision and clerical operations of the District. This contract is negotiated annually on July 1 and is reflected in these financial statements as Director and Assistant contract of $101,748. All calls processed by the District communication system are processed by dispatchers located at various, police, fire, or medical emergency stations. All dispatchers are employees of the respective emergency departments.

NOTE I – COMMITMENT

The District has committed to Sumner County $755,729 toward the construction of a new Sumner County Emergency Response Center to house a consolidated E911 center. As of June 30, 2015, the District had incurred $65,419 in construction costs.

SUPPLEMENTARY INFORMATION

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2015

Contracted services	
Accounting services	$ 3,912
Address & mapping	3,530
Audit services	5,000
Communications equipment maintenance	247,380
Director & assistant contract	101,748
Fees paid to service providers	33,748
Leased communications equipment	111,865
	507,183
Supplies and materials	
Office supplies	279
Postage	49
Uniforms	300
Utilities	
Cell phones and pagers	360
	988
Other charges	
Dues and memberships	1,686
Insurance	
Equipment	5,439
Surety bond	507
Training	17,684
Travel	16,101
	41,417
Depreciation	297,909
	$ 847,497

See auditor's report.

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Favorable (Unfavorable)
Operating revenue				
Emergency telephone service charges	$ 232,056	$ 232,056	$ 193,006	$ (39,050)
State emergency communications board - shared wireless	189,000	189,000	220,104	31,104
State emergency communications board - operational funding	233,172	233,172	172,575	(60,597)
TECB distribution of 911 surcharges	680,232	680,232	680,244	12
	1,334,460	1,334,460	1,265,929	(68,531)
Operating expenses				
Contracted services				
Accounting services	3,912	3,912	3,912	-
Address & mapping	25,500	25,500	3,530	21,970
Advertising	156	132	-	132
Audit services	5,004	5,004	5,000	4
Communications equipment maintenance	247,392	247,392	247,380	12
Director & assistant contract	101,748	101,748	101,748	-
Fees paid to service provider	35,004	35,004	33,748	1,256
Leased communications equipment	168,000	168,000	111,865	56,135
Legal services	408	408	-	408
	587,124	587,100	507,183	79,917
Supplies and materials				
Office supplies	504	504	279	225
Postage	156	156	49	107
Small equipment purchases	6,000	6,000	-	6,000
Uniforms	300	300	300	-
Utilities				
Cell phones and pagers	360	360	360	-
	7,320	7,320	988	6,332

See auditor's report.

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Favorable (Unfavorable)
Other charges				
Claims and judgments	5,004	5,004	-	5,004
Dues and memberships	1,680	1,692	1,686	6
Insurance - equipment	5,700	5,700	5,439	261
Premium surety bond	504	516	507	9
Public education	120	120	-	120
Service awards	108	108	-	108
Training	60,000	60,000	17,684	42,316
Travel	18,000	18,000	16,101	1,899
Internet charges	900	900	-	900
	92,016	92,040	41,417	50,623
Total operating expenses	686,460	686,460	549,588	136,872
Operating revenues in excess of expenses	648,000	648,000	716,341	68,341
Nonoperating revenue (expenses)				
Interest income	864	864	17,440	16,576
TECB grants and reimbursements	-	-	201,406	201,406
Debt service	(414,000)	(414,000)	(413,459)	541
Capital asset purchases	(900,000)	(900,000)	(184,153)	715,847
Total nonoperating revenue (expenses)	(1,313,136)	(1,313,136)	(378,766)	934,370
Increase (decrease) in budgetary net position	$ (665,136)	$ (665,136)	$ 337,575	$ 1,002,711

Budget to Actual Reconciliation

Increase in budgetary net position	$ 337,575
Principal paid with debt service	383,657
Capital asset purchases not deducted as expenditures	184,153
Depreciation not budgeted	(297,909)
Actual increase in net position	$ 607,476

See auditor's report.

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF LONG-TERM DEBT OBLIGATIONS
YEAR ENDED JUNE 30, 2015

	Sumner County Capital Outlay Note		
Years Ending June 30th,	**Principal**	**Interest**	**Total**
2016	$ 399,288	$ 14,171	$ 413,459
2017	136,679	1,141	137,820
	$ 535,967	$ 15,312	$ 551,279

See auditor's report.

SUMNER COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2015

Program	Grantor Agency	(Receivable) Deferred Balance June 30, 2014	Grant Receipts	Expenditures	(Receivable) Deferred Balance June 30, 2015
GIS	Tennessee Emergency Communications Board	$ -	$ 87,806	$ 87,806	$ -
Training	Tennessee Emergency Communications Board	-	32,000	32,000	-
NG 911	Tennessee Emergency Communications Board	-	81,600	81,600	-
		$ -	$ 201,406	$ 201,406	$ -

Basis of Presentation

The schedule of state financial assistance presents the grant activity of the Sumner County Emergency Communications District in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

See auditor's report.

D. GREGORY JOHNSON
CERTIFIED PUBLIC ACCOUNTANT

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

To the Board of Directors
Sumner County Emergency Communications District
Gallatin, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Sumner County Emergency Communications District, a component unit of Sumner County, Tennessee, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated February 24, 2016.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sumner County 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D. Gregory Johnson, CPA

D. Gregory Johnson, CPA
Columbia, Tennessee
February 24, 2016