HOUSTON COUNTY E-911 EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2015

TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT

HOUSTON COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Houston County E-911 Emergency Communications District
Tennessee Ridge, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Houston County E-911 Emergency Communications District, a component unit of Houston County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Houston 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 Houston County E-911 Emergency Communications District, a component unit of Houston 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 Houston County E-911Emergency Communications District's basic financial statements. The Budget and Actual schedule and the schedule of 911 Board Members on pages 12-14 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 March 13, 2016 on my consideration of Houston 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 Houston County E-911 Emergency Communications District's internal control over financial reporting and compliance.

March 13, 2016
Cookeville, Tennessee

Tamara L. Beckman, CPA

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

ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 147,578.01		
Prepaid Expenses	117.81		
Total Current Assets		$ 147,695.82	
Capital Assets			
Builidng & Improvements	28,371.15		
Less: A/D-Building & Improvements	(9,661.58)		
Communications Equipment	1,093,319.39		
Less: A/D-Communications Equipment	(579,345.81)		
Furniture & Fixtures	6,598.28		
Less: A/D-Furniture & Fixtures	(6,370.32)		
Office Equipment	669.95		
Less: A/D-Office Equipment	(669.95)		
Other Equipment	12,425.00		
Less: A/D-Other Equipment	(12,425.00)		
Vehicles	19,923.39		
Less: A/D-Vehicle	(14,942.55)		
Total Capital Assets		537,891.95	
Total Assets			$ 685,587.77
LIABILITIES & NET POSITION			
Current Liabilities			
Accounts Payable	310.69		
Advance from Primary Government-Current	21,470.39		
Total Current Liabilities		21,781.08	
Long-Term Liabilities			
Advance from Primary Government		43,280.07	
Total Liabilities			65,061.15
Net Position			
Net Investment in Capital Assets	473,141.49		
Unrestricted Net Position	147,385.13		
Total Net Position			$ 620,526.62

The Accompanying notes are in integral part of the financial statements

HOUSTON 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	$ 30,168.17		
State – Shared Wireless Charges	7,892.23		
State – Operational Funding Program	71,091.00		
TECB Distribution of 911 Surcharges	132,372.00		
Total Operating Revenue			$ 241,523.40
Operating Expense			
Contracted Services			
Auditing Services	2,750.00		
Contract with County	139,404.00		
Contract with AT&T	12,000.00		
Engineering Services	6,100.00		
Maintenance Agreements	103,490.74		
Mapping & Database Consultants	-		
Pest Control	280.00		
L/R-Communications Equipment	750.00		
Total Contracted Services		$ 264,774.74	
Supplies & Materials			
Office Supplies	370.72		
Postage	63.55		
Equipment Purchases Not Capitalized	15,044.81		
Uniforms	1,422.11		
Utilities-Electric	3,248.91		
Utilities-General Telephone (Admin. Lines)	777.26		
Utilities-General Telephone (Call Center)	3,786.54		
M&R-Communications Equipment	3,846.97		
M&R-Buildings & Facilities	1,300.00		
M&R-Office Equipment	185.50		
M&R-Vehicles	524.40		
Fuel - Gasoline & Diesel	690.34		
Total Supplies & Materials		31,261.11	

The Accompanying notes are in integral part of the financial statements

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

Other Charges			
Bank Charges	59.89		
Dues & Memberships	100.00		
Licenses	25,110.00		
Premiums on Surety Bonds	300.00		
Total Other Charges		25,569.89	
Depreciation		108,147.02	
Total Operating Expense			429,752.76
Net Operating Income (Loss)			(188,229.36)
Non-Operating Revenue & Expense			
Interest Income		570.12	
Investment Income		-	
TECB Reimbursements and/or Grants		24,978.02	
Interest Expense		(3,493.07)	
Early Withdrawl Penlty on CD's		(429.85)	
Total Non-Operating Revenue & Expense			21,625.22
Decrease in Net Position			(166,604.14)
Total Net Position, July 1, 2014			787,130.76
Total Net Position, June 30, 2015			$ 620,526.62

The Accompanying notes are in integral part of the financial statements

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

Cash Flows From Operating Activities		
Cash Received from Operations	$ 251,221.29	
Cash Payments for Goods and Services	(318,238.92)	
Net Cash Provided by Operating Activities		$ (67,017.63)
Cash Flows from Non-Capital Financing Activities		
State-Grants & Reimbursements	24,978.02	
Net Cash Provided by Non-Capital Financing Activities		$ 24,978.02
Cash Flows from Capital & Related Financing Activities		
New Equipment Purchases	(276,286.00)	
Interest Paid	(3,493.07)	
Early Withdrawl Penalty on CD's	(429.85)	
Principal Payments on Loan	(20,506.93)	
Net Cash Used by Capital & Related Financing Activities		(300,715.85)
Cash Flows from Investing Activities		
Interest Received on CDs & Money Market	2,289.37	
Transfer from CD's	344,749.68	
Net Cash Provided by Investing Activities		347,039.05
Net Decrease in Cash and Cash Equivalents		4,283.59
Cash and Cash Equivalent at June 30, 2014		143,294.42
Cash and Cash Equivalent at June 30, 2015		$ 147,578.01

Reconciliation of Net Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities	
Net Operating Income (Loss)	$ (188,229.36)
Depreciation	108,147.02
Decrease in Prepaid Expense	9,133.20
Decrease in Accounts Receivable	6,045.42
Decrease in Due from State ECB	3,652.47
Decrease in Accounts Payable	(5,766.38)
Net Cash Provided by Operating Activities	$ (67,017.63)

The Accompanying notes are in integral part of the financial statements

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

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The Houston County E-911 Emergency Communication District (District) was created under *Tennessee Code Annotated 7-86-104 et. Seq., Emergency Communications Districted Law* by a referendum of voters in Houston County, Tennessee (County) on August 6, 1992.

The purpose of the District is to provide a simplified means of securing emergency services by telephone to those persons living in the County. The County Commission has the authority to adjust rates charged by the District, and the County Commission must approve debts issued by the District.

The District is considered a component unit of the County because the Board of Directors is appointed by the County Mayor. The County Commission has the authority to adjust rated charged by the District, and the County Commission must approve most debts issued by the District.

Measurement Focus/Basis of Accounting

The accounting policy of the District conform to generally accepted accounting principles applicable to government as defined in the *Statements of Governmental Accounting Standards Board (GASB).*

The financial statements are prepared on the basis of GASB Statement Number 34, Basic Financial Statements, Management's Discussion and Analysis for State and Local Governments and related standards. This statement provides for various terminologies and includes recognition of capital grants in the Statement of Revenues, Expenses and Changes in Net Assets; a presentation of net assets; as well as an inclusion of a management discussion and analysis; supplementary information; and other changes.

The District is considered an enterprise fund, which uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for using an economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with this activity are included on the balance sheet. Their reported net assets is segregated into amounts invested in capital assets, restricted net assets, and unrestricted net assets. Proprietary funds type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Property and Equipment

Property and equipment is recorded at historical cost for assets purchased over $500. Maintenance repairs and minor renewals are expensed as incurred. Depreciation has been provided over the estimated useful lives of the capital assets by straight-line method. The estimated useful lives are as follows:

	Method	Estimated Useful Life	2015 Depreciation
Building & Improvements	S/L	5-40 Years	$ 1,081.61
Communications Equipment	S/L	5-10 Years	101,712.97
Furniture & Fixtures	S/L	5-10 Years	1,367.76
Office Equipment	S/L	5 Years	--
Other Equipment	S/L	10 Years	--
Vehicles	S/L	5 Years	3,984.68
			$108,147.02

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. Non-operating revenue consists of interest income and State-Grants and Reimbursements.

Note 2 – Cash, Cash Equivalents and Cash Investments

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions. The following is a schedule of bank accounts at June 30, 2015:

Checking – Traditions First Bank	$147,578.01
Certificates of Deposit – Traditions First Bank	--
Certificates of Deposit – Heritage Bank	--
Total	$147,578.01

At June 30, 2015, the carrying amount of the Houston County E–911 Emergency Communications District's cash deposits was $147,578.01. The District's deposit accounts are covered up to $250,000 by the Federal Deposit Insurance Corporation. 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, section 10].

Note 3 – Bonding and Insurance

Houston County carries insurance for various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, which also covers the District. There have been no claims or losses from the above risks that exceeded coverage in the past three years, and there has been no significant reduction in the limits of coverage.

Note 4 – Capital Assets

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

Capital Assets	Cost	Depreciation Expense	Accumulated Depreciation
Depreciable Assets			
Building & Improvements	$ 28,371.15	$ 1,081.61	$ 9,661.58
Communications Equip.	1,093,319.39	101,712.97	579,345.81
Furniture & Fixtures	6,598.28	1,367.76	6,370.32
Office Equipment	669.95	-	669.95
Other Equipment	12,425.00	-	12,425.00
Vehicles	19,923.39	3,984.68	14,942.55
Total Depreciable Assets	1,161,307.16	108,147.02	623,415.21
Total Capital Assets	$ 1,161,307.16	$ 108,147.02	$ 623,415.21

Capital Assets	Balance 6/30/2014	Additions	Reclass/ Disposal	Balance 6/30/2015
Depreciable Assets				
Building & Improvements	$ 28,371.15	$ -	$ -	$ 28,371.15
Communications Equip.	817,033.39	276,286.00	-	1,093,319.39
Furniture & Fixtures	6,598.28	-	-	6,598.28
Office Equipment	669.95	-	-	669.95
Other Equipment	12,425.00	-	-	12,425.00
Vehicles	19,923.39	-	-	19,923.39
Total Depreciable Assets	885,021.16	276,286.00	-	1,161,307.16
Total Capital Assets	$ 885,021.16	$ 276,286.00	$ -	$ 1,161,307.16

Note 6 – Compensated Absences

There were no employees at June 30, 2015.

Note 7 – Net Investment in Capital Assets

Total Non-Current Assets	$537,891.95
Current and Non-Current Debt	< 64,750.46>
Net Investment in Capital Assets	$473,141.49

Note 8 – Budgetary Information

The District is required by Tennessee Code Annotated Title 7, Section 86, Chapter 120 to adopt a budget. The budget is prepared on the accrual basis of accounting. Compliance with the adopted budget is required at the line item level.

Note 9 – Occupancy In-Kind

Houston County provides all personnel, space, insurance and various utilities for the District's operations in exchange for annual payments totaling $78,000. No provisions have been made in these financial statements to recognize any amounts incurred by the County on the District's behalf in excess of the annual payments.

Note 10 – Notes Payable

The District began the construction of a block building, tower, and acquired various emergency services equipment. The projects were completed and place in-service during the year ended June 30, 2007. These projects were financed through an advance (approximately $219,430) from the County. The advance is to be repaid to the County at a term of $2,000 per month beginning in July 2006 for a period of twelve years with an annual interest rate of 4.6%. Interest expense during the construction phase in the amount of $8,132 was capitalized as part of the overall costs of the communications equipment. The outstanding balance at June 30, 2015 was $85,257.39. Future payments of the advance are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 21,470.39	$ 2,529.61	$ 24,000.00
2017	22,479.12	1,520.88	24,000.00
2018	20,800.95	467.56	21,268.51
Total	$ 64,750.46	$ 4,518.05	$ 69,268.51

A schedule of changes in Notes Payable is as follows:

	Balance 6-30-14	Additions	Payments	Balance 6-30-15
County Advance	$ 85,257.39	$ --	<$20,506.93>	$ 64,750.45
Total	$ 85,257.39	$ --	<$20,506.93>	$ 64,750.45

Note 11 – Subsequent Events

The District has evaluated subsequent events through January 13, 2016, the date in which the financial statements were available to be issued.

HOUSTON COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL
JUNE 30, 2015

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
Operating Revenue			
Emergency Telephone Service Charges	$ 30,168.17	$ 78,230.00	$ (48,061.83)
State-Shared Wireless Charges	7,892.23	19,875.00	(11,982.77)
State-Operational Funding Program	71,091.00	166,636.00	(95,545.00)
TECB Distribution of 911 Surcharges	132,372.00	-	132,372.00
Total Operating Revenue	241,523.40	264,741.00	(23,217.60)
Operating Expenses			
Contracted Services			
Advertising	-	25.00	25.00
Auditing Services	2,750.00	2,800.00	50.00
Contract with County	139,404.00	167,686.00	28,282.00
Contract with AT&T	12,000.00	12,000.00	-
Engineering Services	6,100.00	7,000.00	900.00
Maintenance Agreements	103,490.74	103,875.00	384.26
Pest Control	280.00	325.00	45.00
L/R-Communications Equipment	750.00	1,100.00	350.00
Total Contracted Services	264,774.74	294,811.00	30,036.26
Supplies & Materials			
Office Supplies	370.72	400.00	29.28
Postage	63.55	100.00	36.45
Equipment Purchases Not Capitalized	15,044.81	15,800.00	755.19
Uniforms	1,422.11	1,775.00	352.89
Utilities-Electric	3,248.91	3,425.00	176.09
Utilities-General Telephone (Admin. Lines)	777.26	800.00	22.74
Utilities-General Telephone (Call Center)	3,786.54	4,850.00	1,063.46
M&R-Communications Equipment	3,846.97	11,150.00	7,303.03
M&R-Buildings & Facilities	1,300.00	1,300.00	-
M&R-Office Equipment	185.50	225.00	39.50
M&R-Vehicles	524.40	1,000.00	475.60
Fuel-Gasoline & Diesel	690.34	1,225.00	534.66
Address Marker Supplies	-	900.00	900.00
Total Supplies & Materials	31,261.11	42,950.00	11,688.89

HOUSTON COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL-CONT'D
JUNE 30, 2015

Other Charges			
Bank Charges	59.89	70.00	10.11
Dues & Memberships	100.00	130.00	30.00
Licenses	25,110.00	25,500.00	390.00
Premiums on Surety Bonds	300.00	300.00	-
Training Expenses	-	5,625.00	5,625.00
Travel Expenses	-	2,375.00	2,375.00
Total Other Charges	25,569.89	34,000.00	8,430.11
Depreciation	108,147.02	53,725.00	(54,422.02)
Total Operating Expenses	429,752.76	425,486.00	(4,266.76)
Operating Income (Loss)	(188,229.36)	(160,745.00)	(27,484.36)
Non-Operating Revenue			
Interest Income	570.12	400.00	170.12
Investment Income	-	-	-
TECB - Reimbursements and/or Grants	24,978.02	33,350.00	(8,371.98)
Other Income	-	675.00	(675.00)
Interest Expense	(3,493.07)	-	(3,493.07)
Early Withdrawl Penalty on CD's	(429.85)	-	(429.85)
Total Non-Operating Revenue	21,625.22	34,425.00	(12,799.78)
Increase (Decrease) in Net Position	(166,604.14)	(126,320.00)	40,284.14
Net Position-Beginning of Period	787,130.76	787,130.76	-
Net Position-End of Period	$ 620,526.62	$ 660,810.76	$ 40,284.14

Capital Projects			
Building & Improvements	$ -	$ -	$ -
Furniture & Fixtures	-	100,000.00	100,000.00
Communications Equipment	276,286.00	309,000.00	32,714.00
Total Capital Projects	$ 276,286.00	$ 409,000.00	$ 132,714.00

HOUSTON COUNTY E-911 EMERGENCY COMMUNICATIONS DISTRICT

SUPPLEMENTARY INFORMATION

JUNE 30, 2015

HOUSTON COUNTY E–911
EMERGENCY COMMUNICATIONS DISTRICT
911 BOARD MEMBERS
JUNE 30, 2015

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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 of the
Houston County E-911 Emergency Communications District
Tennessee Ridge, Tennessee 37178

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 Houston County E-911 Emergency Communications District, a component unit of Houston County, as of and for the year ended June 30, 2015, and have issued my report thereon dated March 13, 2016.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Houston 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 Houston 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. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies, described as items 2015-001 and 2015-002 in the accompanying schedule of findings and recommendations that I consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Houston 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 items 2015-001 and 2015-002.

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

Houston County E-911 Emergency Communications District's responses 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.

March 13, 2016
Cookeville, Tennessee

Tamara L. Beckman, CPA

HOUSTON COUNTY E-911
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FINDING NUMBER	FINDING TITLE	ORIGINAL FINDING #	STATUS
2015-001	Deposits in Bank Exceed FDIC Limits	2014-1	Corrected
2015-001	Expense Items Exceed Budget Amounts	2014-2	Repeated
2015-002	Financial Information Not Provided Timely	2015-002	New

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

The following finding was brought to District's attention last year.

Finding 2015-001
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
It was a temporary oversight. We have made adjustments to our accounting software and procedures that should prevent this from happening in the future.

Finding 2015-002
The District did not provide financial information to the auditor in a timely manner, which caused the audit to not be completed by December 31, 2015 as required by the State of Tennessee Comptroller's office.

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

Management Comment
The director was significantly delayed in providing these materials due to personal issues requiring significant time off and materials being temporarily misplaced while preparing to relocate to a new facility.