

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

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

**JACKSON 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	5-6
Statement of Cash Flows	7
Notes to the Financial Statements	8-10
<u>SUPPLEMENTARY INFORMATION</u>	
Budget and Actual	11-12
911 Board Members	13
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15
Findings & Recommendations	16

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INDEPENDENT AUDITOR'S REPORT

To the Board of directors of the
Jackson County E-911 Emergency Communications District
Gainesboro, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Jackson County E-911 Emergency Communications District, a component unit of Jackson County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Jackson 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 Jackson County E-911 Emergency Communications District, a component unit of Jackson County, 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 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. 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 Jackson County E-911 Emergency Communications District's basic financial statements. The Budget and Actual schedule and the schedule of 911 Board Members on pages 11-13 are presented for purposes of additional analysis and is 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 November 19, 2015 on my consideration of Jackson 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 Jackson County E-911 Emergency Communications District's internal control over financial reporting and compliance.

Tamara L. Beckman, CPA

November 19, 2015
Cookeville, Tennessee

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

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 183,227.47	
Accounts Receivable	23,100.00	
Due from State ECB	-	
Prepaid Expenses	<u>14,920.57</u>	
<u>Total Current Assets</u>		\$ 221,248.04

Capital Assets

Office Equipment	37,098.00	
Less: A/D-Office Equipment	(37,098.00)	
Communications Equipment	937,108.80	
Less: A/D-Comm Equipment	<u>(773,363.83)</u>	
<u>Total Capital Assets</u>		<u>163,744.97</u>

Total Assets \$ 384,993.01

LIABILITIES & NET POSITION

Current Liabilities

Accounts Payable	3,094.52	
Accrued Payroll	7,921.29	
Payroll Tax Payable	549.52	
Note Payable-Current Portion - TECB	<u>4,841.23</u>	
<u>Total Current Liabilities</u>		16,406.56

Long Term Note Payable - TECB	<u>111,347.62</u>	
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Total Liabilities 127,754.18

Net Position

Net Investment in Capital Assets	47,556.12	
Unrestricted	<u>209,682.71</u>	

Total Net Position \$ 257,238.83

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

Operating Revenue

Emergency Telephone Service Charges	\$ 47,067.56
State ECB – Wireless	10,900.76
State ECB – Operational Funding Program	62,091.00
TECB Distribution of 911 Surcharges	<u>141,207.00</u>

Total Operating Revenue \$ 261,266.32

Operating Expenses

Salaries & Wages

Director	12,200.00
Administrative Personnel	6,700.04
Dispatchers	159,359.87
Overtime Pay	26,589.57
Part-Time Pay	<u>17,906.89</u>

Total Salaries & Wages \$ 222,756.37

Employee Benefits

Social Security	13,745.53
Medicare	3,224.09
Unemployment-State & Federal	<u>959.20</u>

Total Employee Benefits 17,928.82

Contracted Services

Addressing/Mapping/DB Consultants	5,100.00
Auditing Services	2,500.00
Legal Service	3,600.00
Maintenance Agreements	17,999.75
NCIC & TCIC Data Lines	2,800.00

Lease & Rental

Communications Equipment	<u>6,324.00</u>
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Total Contracted Services 38,323.75

Supplies & Materials

Office Supplies	3,750.59
Janitorial Supplies	130.92
Postage	154.35
Equipment Purchases Not Capitalized	2,280.49

Utilities

General Telephone - Administrative Lines	1,563.00
Cell Phones & Pagers	1,566.11

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

General Telephone - Call Center Lines	19,067.03	
<u>Maintenance & Repairs</u>		
Communications Equipment	6,141.56	
Building & Facilities	91.50	
<u>Total Supplies & Materials</u>		34,745.55
<u>Other Charges</u>		
Bank Charges	58.95	
Dues & Subscriptions	520.95	
<u>Insurance</u>		
Worker's Compensation	823.00	
Equipment	14,253.00	
Legal Notices	315.00	
Licenses & Fees	1,170.00	
Premiums on Surety Bonds	1,150.00	
Training Expenses	2,363.45	
Travel Expenses	79.85	
Miscellaneous	254.00	
<u>Total Other Charges</u>		20,988.20
Depreciation		40,542.99
<u>Total Operating Expenses</u>		375,285.68
Net Operating Loss		(114,019.36)
<u>Non-Operating Revenue and (Expenses)</u>		
Interest Income	239.29	
TECB - Reimbursements and/or Grants	40,550.02	
Contributions from Primary Government	66,000.00	
Contributions from Other Governments	22,500.00	
UCEMC Grant	6,000.00	
Electrical Permits	375.00	
Reimbursements from Other Governments	5,400.00	
<u>Total Non-operating Revenue (Expenses)</u>		141,064.31
<u>Net Increase in Net Position</u>		27,044.95
Net Position, June 30, 2014		230,193.88
Net Position, June 30, 2015		\$ 257,238.83

The accompanying notes are an integral part of the financial statements

**JACKSON 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	\$ 249,685.44	
Cash paid to/for Employee Services	(239,900.10)	
Cash Paid for Goods & Services	<u>(104,731.97)</u>	
Net Cash Used by Operating Activities		\$ (94,946.63)

Cash Flows from Capital & Related Financing Activities:

Acquisition of New Equipment	(6,800.00)	
Payments on Notes Payable-State	<u>(4,841.23)</u>	
Net Cash Used by Capital & Related Financing Activities		(11,641.23)

Cash Flows from Non-Capital Financing Activities

Contributions from Primary Governments	66,000.00	
Contributions from Other Governments	22,500.00	
State ECB-Grants & Reimbursements	40,550.02	
Electrical Permits	375.00	
Reimbursements from Other Governments	<u>5,400.00</u>	
Net Cash Provided by Non-Capital Financing Activities		134,825.02

Cash Flows from Investing Activities:

Interest Received		<u>239.29</u>
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Net Increase in Cash and Cash Equivalent	28,476.45
Cash and Cash Equivalents at 6-30-14	<u>154,751.02</u>
Cash and Cash Equivalents at 6-30-15	<u>\$ 183,227.47</u>

Reconciliation of Net Operating Loss to Net Cash

Used by Operating Activities

Operating Loss	\$ (114,019.36)	
Depreciation	40,542.99	
UCEMC Contract	6,000.00	
Increase in Accounts Receivable	(22,625.68)	
Decrease in Due from State ECB	5,044.80	
Increase in Prepaid Expenses	(11,981.89)	
Increase in Accounts Payable	1,307.42	
Increase in Accrued Payroll	692.79	
Increase in Payroll Tax Payable	<u>92.30</u>	
Net Cash Used by Operating Activities		<u>\$ (94,946.63)</u>

The accompanying notes are an integral part of the financial statements

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

Note 1-Organization

The Jackson County E-911 Emergency Communications District was established on October 1, 1990, for the purpose of providing an enhanced level of 911 service for the Jackson 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 Jackson County – the commissioners of which appoint the Board of Directors that governs. The District must file a budget with Jackson County each year. Any bond issued by the district is subject to approval by Jackson County.

Note 2 – Summary of significant accounting policies

The Jackson County E-911 Emergency Communications District presents its financial statements on the accrual basis of accounting and the economic resources measurement focus.

Capital Assets are depreciated over their useful lives using the straight-line method. All assets purchased under \$5,000.00 are expensed unless otherwise stated by management. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life</u>	<u>Depreciation Expense</u>
Communications Equipment	S/L	5,7,12	<u>\$ 40,542.99</u>

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges and the State Emergency Communications Board Operational Funding Program revenue. Non-operating revenue consists of grants and reimbursements from the State Emergency Communications Board, and contributions from primary and other governments.

Budgeting, Budgetary Control, and Budgetary Reporting

An annual budget using the modified accrual basis of accounting is prepared and adopted each year. The budget is compiled and brought before the board for approval. The board approves any amendments. The budget for the year ended June 30, 2015 was approved by the board before the fiscal year began. Certain changes in expenditure allocations of the budget were addressed and approved by the Board. Revenues are considered to be available for unrestricted use unless specifically restricted by the donor or grantor, thus the Board may reapply budgeted resources from one use to another without special approval for unrestricted funds.

Note 3 – Cash and 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 cash accounts at June 30, 2015:

Checking	<u>\$183,227.47</u>
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At June 30, 2015, the carrying amount of the Jackson County E-911 Emergency Communications District's cash deposits was \$183,227.47. 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 4 – Accounts Receivable

The amounts due to the District from the Town of Gainesboro and UCEMC are for telephone reimbursements and annual contributions:

Phone Reimbursement – Town of Gainesboro	\$ 300.00
Phone Reimbursement – UCEMC	<u>300.00</u>
Subtotal	600.00
Town of Gainesboro – Annual Contribution	<u>22,500.00</u>
Total	<u>\$ 23,100.00</u>

Note 5 – Insurance Risk

Jackson County E-911 Emergency Communication District has bonds covering the chairman, vice-chairman, secretary and treasurer in the amount of \$50,000.00 at June 30, 2015. The District also holds a workers compensation policy and a liability policy covering; property theft, damage and public liability. There have been no claims that exceeded coverage for any of the past three years.

Note 6 – Capital Assets

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

<u>Assets</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Office Equipment	\$ 37,098.00	\$ -	\$ -	\$ 37,098.00
Communications Equipment	930,308.80	6,800.00	-	937,108.80
	<u>\$ 967,406.80</u>	<u>\$ 6,800.00</u>	<u>\$ -</u>	<u>\$ 974,206.80</u>

<u>Assets</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2014</u>	<u>Current</u> <u>Year</u> <u>Depreciation</u>	<u>Adjustments to</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2015</u>
Office Equipment	\$ 37,098.00	\$ -	\$ -	\$ 37,098.00
Communications Equipment	732,820.84	40,542.99	-	773,363.83
	<u>\$ 769,918.84</u>	<u>\$ 40,542.99</u>	<u>\$ -</u>	<u>\$ 810,461.83</u>

Note 7 – 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 8 – Notes Payable to State of Tennessee

The District, in need of financial assistance, entered into an agreement with the Tennessee Emergency Communications Board (TECB). The TECB loaned \$145,237.00 to the District to payoff the lease held at Marlin Financial. The District is to make annual payments of \$4,841.23 for 30 years, interest free beginning August 1, 2009 out of reserves. If no reserves are available, no payment is due. Debt service payments to maturity are below:

<u>August 1,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2015	\$ 4,841.23	\$ -	\$ 4,841.23
2016	4,841.23	-	4,841.23
2017	4,841.23	-	4,841.23
2018	4,841.23	-	4,841.23
2019	4,841.23	-	4,841.23
2020-2024	24,206.15	-	24,206.15
2025-2029	24,206.15	-	24,206.15
2030-2034	24,206.15	-	24,206.15
2035-2038	19,364.25	-	19,364.25
	<u>\$ 116,188.85</u>	<u>\$ -</u>	<u>\$ 116,188.85</u>

A schedule of changes in Notes Payable is as follows:

	<u>Balance</u> <u>6/30/2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2015</u>	<u>Due in</u> <u>One Year</u>
N/P - TECB	\$ 121,030.08	\$ -	\$ 4,841.23	\$ 116,188.85	\$ 4,841.23
	<u>\$ 121,030.08</u>	<u>\$ -</u>	<u>\$ 4,841.23</u>	<u>\$ 116,188.85</u>	<u>\$ 4,841.23</u>

Note 9 – Compensated Absences

There was no compensated absences payable at June 30, 2015.

Note 10 – Calculation of Net Investment in Capital Assets

Net Book Value	\$ 163,744.97
Current & Non-Current Debt	<u>(116,188.85)</u>
Net Investment in Capital Assets	<u>\$ 47,556.12</u>

Note 11 – Budgetary Information

As stated in Note 1, the District must file a budget with Jackson County each year which must be adopted by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the line-item level as established by the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts.

Note 12 – Subsequent Events

The District has evaluated subsequent events through November 19, 2015, the date in which the financial statements were available to be issued.

**JACKSON COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (ACCRUAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>			
Emergency Telephone Service Charges	\$ 47,067.56	\$ 93,000.00	\$ (45,932.44)
State-Shared Wireless Charges	10,900.76	30,000.00	(19,099.24)
State-Operational Funding Program	62,091.00	62,091.00	-
TECB Distribution of 911 Surcharges	141,207.00	62,091.00	79,116.00
<u>Total Revenue</u>	<u>\$ 261,266.32</u>	<u>\$ 247,182.00</u>	<u>\$ 14,084.32</u>
<u>Operating Expenses</u>			
<u>Salaries & Wages</u>			
Director	\$ 12,200.00	\$ 12,200.00	-
Administrative	6,700.04	7,000.00	299.96
Dispatcher	159,359.87	164,000.00	4,640.13
Overtime Pay	26,589.57	32,000.00	5,410.43
Part-Time Personnel	17,906.89	18,000.00	93.11
<u>Total Salaries & Wages</u>	<u>\$ 222,756.37</u>	<u>\$ 233,200.00</u>	<u>\$ 10,443.63</u>
<u>Employee Benefits</u>			
Social Security Tax	13,745.53	14,500.00	754.47
Medicare Tax	3,224.09	3,400.00	175.91
Medical Insurance	-	3,400.00	3,400.00
Unemployment	959.20	1,000.00	40.80
<u>Total Employee Benefits</u>	<u>\$ 17,928.82</u>	<u>\$ 22,300.00</u>	<u>\$ 4,371.18</u>
<u>Contracted Services</u>			
Addressin/Mapping/DB Consultants	5,100.00	6,000.00	900.00
Audit Services	2,500.00	2,500.00	-
Contract with Governement Agencies	-	5,000.00	5,000.00
Legal Services	3,600.00	3,600.00	-
Maintenance Agreements	17,999.75	18,000.00	0.25
NCIC/TBI/TIES Expenses	2,800.00	3,240.00	440.00
<u>Lease/Rental</u>			
Communication Equipment	6,324.00	8,000.00	1,676.00
<u>Total Contracted Services</u>	<u>\$ 38,323.75</u>	<u>\$ 46,340.00</u>	<u>\$ 8,016.25</u>
<u>Supplies & Materials</u>			
Office Supplies	3,750.59	3,300.00	(450.59)
Janitorial Supplies	130.92	200.00	69.08
Postage	154.35	200.00	45.65
Equipment Purchases Not Capitalized	2,280.49	-	(2,280.49)
Uniforms	-	200.00	200.00

**JACKSON COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (ACCRUAL BASIS) CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Utilities</u>			
Gas	-	100.00	100.00
General Telephone-Admin. Lines	1,563.00	1,600.00	37.00
Cell Phones & Pagers	1,566.11	1,600.00	33.89
General Telephone-Call Center Lines	19,067.03	20,100.00	1,032.97
<u>Maintenance & Repairs</u>			
Communication Equipment	6,141.56	7,000.00	858.44
Building & Facilities	91.50	500.00	408.50
Office Equipment	-	100.00	100.00
<u>Total Supplies & Materials</u>	<u>\$ 34,745.55</u>	<u>\$ 34,900.00</u>	<u>\$ 154.45</u>
 <u>Other Charges</u>			
Bank Charges	58.95	100.00	41.05
Dues & Memberships	520.95	600.00	79.05
<u>Insurance</u>			
Worker's Compensation	823.00	1,025.00	202.00
Equipment	14,253.00	15,000.00	747.00
Legal Notices	315.00	400.00	85.00
Licenses & Fees	1,170.00	1,200.00	30.00
Premiums on Surety Bonds	1,150.00	1,200.00	50.00
Training Expenses	2,363.45	3,800.00	1,436.55
Travel Expenses	79.85	800.00	720.15
Other Charges	254.00	400.00	146.00
<u>Total Other Charges</u>	<u>\$ 20,988.20</u>	<u>\$ 24,525.00</u>	<u>\$ 3,536.80</u>
 Depreciation	 <u>\$ 40,542.99</u>	 <u>\$ 31,000.00</u>	 <u>\$ (9,542.99)</u>
 <u>Total Operating Expenses</u>	 <u>\$ 375,285.68</u>	 <u>\$ 392,265.00</u>	 <u>\$ 16,979.32</u>
 <u>Operating Income (Loss)</u>	 <u>\$ (114,019.36)</u>	 <u>\$ (145,083.00)</u>	 <u>\$ 31,063.64</u>
 <u>Non-Operating Revenue and (Expense)</u>			
Interest Income	239.29	200.00	39.29
TECB - Reimbursements and/or Grants	40,550.02	-	40,550.02
Contributions from Primary Govts	66,000.00	65,900.00	100.00
Contributions from Other Govts	22,500.00	22,500.00	-
UCEMC Contract	6,000.00	6,000.00	-
Electrical Permits	375.00	-	375.00
Reimbursements from Other Governments	5,400.00	2,800.00	2,600.00
<u>Total Non-Operating Revenue & Expense</u>	<u>\$ 141,064.31</u>	<u>\$ 97,400.00</u>	<u>\$ 43,664.31</u>
 Increase in Net Position	 <u>\$ 27,044.95</u>	 <u>\$ (47,683.00)</u>	 <u>\$ 74,727.95</u>
 Total Net Position, July 1, 2014	 <u>230,193.88</u>	 <u>230,193.88</u>	 <u>-</u>
Total Net Position, June 30, 2015	<u>\$ 257,238.83</u>	<u>\$ 182,510.88</u>	<u>\$ 74,727.95</u>

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

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Term Expires 10/2017

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Phone (931) 268-9440
Term Expires 10/2017

Bruce Hawkins
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Gainesboro, TN 38562
E-Mail: lbhawk48@twlakes.net
Phone (931) 704-7822
Term Expires 10/2015

Willard Mayberry
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E-Mail: warthog@twlakes.net
Phone (931) 268-0950
Term Expires 10/2015

Mark Dosh, Secretary
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E-mail sparkey47@twlakes.net
Phone (931) 267-3096
Term Expires 10/2018

Marty Hinson

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Email:
Phone:
Term Expires 10/2018

Keith Bean, Vice-Chairman
Gainesboro, TN 38562
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Term Expires 10/2018

Rick Larnerd
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Gainesboro, TN 38562
policechief@gainesboropolice.com
Phone (931) 349-5577
Term Expires 10/2017

Jacob Stafford
Old Field Dr.
Gainesboro, TN 38562
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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***

Independent Auditor's Report

To the Board of Directors of the
Jackson County E-911 Emergency Communications District
Gainesboro, Tennessee

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 Jackson County E-911 Emergency Communications District, a component unit of Jackson County, as of and for the year ended June 30, 2015, and have issued my report thereon dated November 19, 2015.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Jackson 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 Jackson 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 15-1, 15-2 & 15-3 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 Jackson 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 15-1, 15-2 & 15-3.

Management's Response to Findings

Jackson 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.

November 19, 2015
Cookeville, Tennessee

Tamara L. Beckman, CPA

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

Finding 15-1

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 monitor the budget more closely.

State Investigative Findings also found in my audit

Finding 15-2

A cash shortage of at least \$35 existed on September 3, 2014. As of November 20, 2015, these funds still have not been recovered by the district.

Recommendation

The Board of Directors should take steps to recover these funds. Official pre-numbered receipts should be issued for all collections and these receipts should be on file and available for audit inspection. Funds should be in a secured location not accessible to all employees.

Management Comment

Jackson County 911 does not sell permits and no longer takes any monies. And will try to recover the money.

Finding 15-3

In some instances, there were delays in depositing daily collections into the bank account. As of November 20, 2015, this deficiency is still not corrected.

Recommendation

All collections should be timely deposited. Official pre-numbered receipts should be issued for all collections and these receipts should be on file and available for audit inspection. Funds should be in a secured location not accessible to all employees.

Management Comment

Jackson County 911 will write a policy and put in place for who takes it and how it is taken, receipted and deposited.