

**LAUDERDALE COUNTY EMERGENCY
COMMUNICATION DISTRICT**

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

**LAUDERDALE COUNTY EMERGENCY
COMMUNICATION DISTRICT**

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INTRODUCTORY SECTION

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF OFFICIALS AND KEY EMPLOYEES**

June 30, 2015

Board of Trustees

Larry McCoy, Chairman
Frank Currie, Vice-Chairman
Mary Miller, Secretary
Roger Leake, Treasurer
Rives Seay
Steve Sanders
Larry White
Cecil Crowder

Administrative Staff

Jonathan A. Gay, E-911 Director

Independent Certified Public Accountant

Alexander Thompson Arnold PLLC
Dyersburg, Tennessee

FINANCIAL SECTION

Members of:

American Institute of Certified Public Accountants
AICPA Center for Public Company Audit Firms
AICPA Governmental Audit Quality Center
AICPA Employee Benefit Plan Audit Quality Center
Tennessee Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants



Certified Public Accountants
Offices in Tennessee & Kentucky

185 North Church St.
Dyersburg, TN 38024

Phone 731.285.7900
Fax 731.285.6221
www.atacpa.net

Independent Auditor's Report

Board of Directors
Lauderdale County Emergency Communication District
Ripley, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the Lauderdale County Emergency Communications District, a component unit of Lauderdale 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lauderdale County Emergency Communications District, as of June 30, 2015, and the 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.

Change in Accounting Principle

As discussed in Note 1, to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions made subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions on pages 5-7 and 23-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lauderdale County Emergency Communication District's basic financial statements. The schedule of officials and key employees and the budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of officials and key employees has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2016 on our consideration of the Lauderdale County Emergency Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lauderdale County Emergency Communications District's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Dyersburg, Tennessee
May 25, 2016

Management's Discussion and Analysis

The following discussion and analysis of the Lauderdale County Emergency Communication District's (the District's) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,376,141 (*net position*). Of this amount, \$1,037,262 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$30,205 from operations and \$16,390 from prior period adjustment related to pensions during the year.

Overview of the Financial Statements

The financial statements consist of two components: fund financial statements and notes to the financial statements. This report also contains required supplementary information, supplementary and other information, and an internal control and compliance section.

As an enterprise fund supported by user tariffs and charges, the financial statements of the District are presented on the full accrual basis, presenting assets and liabilities of the District in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. As of June 30, 2015, the District had no deferred outflows of resources to report, and \$32,641 deferred inflows related to pensions.

The *statement of revenues, expenses and changes in net position* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected telephone service charges and earned but unused employee compensated absences).

Fund financial statements. A fund is established to account for a specific activity or purpose. Law mandates the creation of some funds. Other funds are established by management to demonstrate financial compliance with budget or legal requirements. The District is reported as a proprietary fund.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. This report also includes a budgetary comparison schedule as supplementary information.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Lauderdale County Emergency Communication District, assets exceeded liabilities by \$1,376,141 at the close of the most recent fiscal year.

The largest portion of the District's assets (59%) reflects its investment in cash and equivalents. Investments (14%) and investment in buildings and equipment (24%) comprise the other major assets of the District. The building and equipment are used to provide services to citizens. Consequently, these assets are not available for future spending.

Lauderdale County Emergency Communication District's Net Position

	<u>2015</u>	<u>2014</u>
Current assets	\$1,086,022	\$ 979,737
Capital assets	<u>338,879</u>	<u>361,687</u>
Total assets	<u>\$1,424,901</u>	<u>\$1,341,424</u>
Current liabilities	16,119	11,878
Deferred inflow of resources	32,641	-
Net position:		
Investment in capital assets	338,879	361,687
Unrestricted	<u>1,037,262</u>	<u>967,859</u>
Total net position	<u>\$1,376,141</u>	<u>\$1,329,546</u>

The unrestricted net position may be used to meet the ongoing obligations of the District to citizens and creditors. The net position increased by \$46,595 in the last fiscal year.

Lauderdale County Emergency Communication District's Statement of Revenues, Expenses and Changes in Net Position

	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 389,340	\$ 373,857
Operating expenses	<u>365,958</u>	<u>372,456</u>
Total operating income	\$ 23,382	\$ 1,401
Non-operating revenues	6,823	3,842
Capital contributions	-	110,367
Prior Period Adjustment	<u>16,390</u>	<u>-</u>
Change in net position	<u>\$ 46,595</u>	<u>\$ 115,610</u>

The main reason for the \$69,015 decrease in the change in net position from last year is due primarily to not having the capital contributions during the current year.

Budgetary Highlights

Differences between the final budget and the final operations were \$34,139. The primary differences were due to actual expenses were less than budgeted expenses. The differences are not expected to have a significant effect on future services or liquidity.

Capital Assets

The District's investment in capital assets was \$338,879 (net of accumulated depreciation) as of June 30, 2015. This included buildings and building improvements, communication equipment, office equipment and furniture and fixtures. No debt was created in relationship to the capital asset purchases.

Future projections

The District anticipates that providing the emergency dispatching for Lauderdale County will result in operating revenues exceeding operating expenses for the foreseeable future. The District possesses sufficient assets to fund operations and equipment needs for the next five years or more. The board of directors assures the residents of Lauderdale County that the board will continue to meet the needs of the residents and fulfill its mission to provide emergency communication services to the public. Through State capital contributions, the District is upgrading the equipment and capabilities of the organization to meet established standards.

Requests for information

This financial report is designed to provide a general overview of the Lauderdale County Emergency Communication District's finances for those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Board of Directors of the Lauderdale County Emergency Communication District at PO Box 142, Ripley, Tennessee 38063-0142.

Larry McCoy

Larry McCoy
Chairman
Lauderdale County Emergency Communication District
Ripley, Tennessee

LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

ASSETS

Current assets	
Cash and cash equivalents	\$ 833,648
Investments	200,276
Accrued interest	173
Net pension asset	<u>51,925</u>
Total current assets	1,086,022
Capital assets	
Buildings and equipment	896,905
Less accumulated depreciation	<u>(558,026)</u>
Net capital assets	<u>338,879</u>
Total assets	<u>\$ 1,424,901</u>

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

Current liabilities	
Accounts payable	\$ 4,175
Accrued payroll	9,668
Compensated absences payable	<u>2,276</u>
Total current liabilities	<u>16,119</u>
Deferred inflow of resources	
Pension changes in experience	21,884
Pension changes in investment earnings	<u>10,757</u>
Total deferred inflow of resources	32,641
Net position	
Investment in capital assets	338,879
Unrestricted	<u>1,037,262</u>
Total net position	<u>1,376,141</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 1,424,901</u>

The accompanying notes are an integral part of these financial statements

LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2015

Operating revenues

Emergency telephone service charge	\$ 45,944
Tennessee Emergency Communications Board shared wireless charge	28,050
Tennessee Emergency Communications Board operational funding	290,873
Tennessee Emergency Communications Board GIS/IPS	15,473
Tennessee Emergency Communications Board training	9,000
Total operating revenues	389,340

Operating expenses

Salaries and wages	
Director	8,100
Administration	9,186
Dispatchers	87,691
Part-time	41,605
Total salaries and wages	146,582

Employee benefits

Social security	8,789
Medicare	2,054
Medical insurance	30,250
Unemployment	1,388
Total employee benefits	42,481

Contracted services

Addressing	7,475
Ads and notices	414
Audit service	3,950
Accounting	5,400
Maintenance	14,165
Pest control	420
Lease/Rental-communications equipment	39,879
Total contracted services	71,703

Supplies, materials and maintenance

Office supplies	3,322
Postage	643
Utilities - electric	9,749
Utilities - gas and water	1,388
Utilities - general telephone	9,817
Utilities-cable	190
Maintenance and repairs - communication equipment	4,112
Maintenance and repairs - building	2,845
Maintenance and repairs - office equipment	1,358
Total supplies, materials, and maintenance	33,424

The accompanying notes are an integral part of these financial statements

LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2015

Other charges	
Bank charges	261
Dues and memberships	373
Insurance - liability	759
Insurance-vehicles	551
Insurance - building and contents	8,388
Surety bond	<u>1,275</u>
Total other charges	11,607
Depreciation expense	<u>60,161</u>
Total operating expenses	<u>365,958</u>
Operating income	<u>23,382</u>
Nonoperating revenues (expenses)	
Interest income	3,929
Pension income	<u>2,894</u>
Total nonoperating revenues (expenses)	6,823
Change in net position	<u>30,205</u>
Net position - July 1, 2014 as originally stated	1,329,546
Restatement for adoption of new pension standards	<u>16,390</u>
Net position - July 1, 2014 restated	<u>1,345,936</u>
Net position - June 30, 2015	<u><u>\$ 1,376,141</u></u>

The accompanying notes are an integral part of these financial statements

LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

Cash flows from operating activities	
Receipts from tariffs	\$ 53,024
Receipts operational funding	343,396
Payments to suppliers for goods and services	(156,630)
Payments to employees for services	<u>(144,586)</u>
Net cash provided by operating activities	95,204
Cash flows from capital and related financing activities	
Purchase of capital assets	(37,353)
Cash flows from investing activities	
Interest received	<u>3,948</u>
Net increase (decrease) in cash	61,799
Cash and cash equivalents at beginning of the year	<u>771,869</u>
Cash and cash equivalents at end of the year	<u>\$ 833,648</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss) from operations	\$ 23,382
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	60,161
Increase (decrease) in payables	4,242
Decrease (increase) in receivables	<u>7,419</u>
Total adjustments	<u>71,822</u>
Net cash provided by operating activities	<u>\$ 95,204</u>

The accompanying notes are an integral part of these financial statements

LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Lauderdale County Emergency Communication District, Lauderdale County, Tennessee is a governmental agency authorized by Tennessee state law and approved by the voters of the County. The District provides a simplified method of securing emergency services for the residents of Lauderdale County, Tennessee. An eight-member board appointed by the County Commission governs the District. Because the District cannot issue debt without the approval of the county commission, Lauderdale County Emergency Communication District has been determined to be a discrete component unit of Lauderdale County, Tennessee. The financial statements presented include only the Lauderdale County Emergency Communication District and the monies and funds managed by the Board of Directors of the District.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the District are funds provided by Tennessee Emergency Communications Board. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, and Net Position

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. The District has no investments that meet these criteria. All investments of the District consist of Certificates of Deposit, which are stated at cost.

Capital Assets

Capital assets consist of buildings, communication equipment, and office equipment owned by the District. The Capital assets are capitalized at cost. Depreciation for furniture, fixtures, and equipment is computed using the straight-line method over a five to ten-year estimated life of the assets. Buildings and building improvements are depreciated over a forty-year estimated life using the straight-line method.

LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Depreciation expense charged to operations was \$60,161 for the year ended June 30, 2015.

Capitalization of capital asset type purchases is determined according to the capitalization policy adopted by the District.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Compensated Absences

It is the Districts policy to permit employees to accumulate earned but unused vacation, holiday, and compensatory pay benefits.

Vacation benefits are earned in accordance with the following table.

<u>Length of Service</u>	<u>Benefit</u>
1 year	4 hours/Month
After 1 year	8 hours/Month

Maximum accumulation – 80 hours

There is no liability for unpaid accumulated sick leave.

The District has accrued absences that have been earned by the employees and are payable in accordance with the above table.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 (expenses) until then.

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

LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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.

Net Position

Equity is classified as net position and displayed in the following three components:

- Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Restricted for Debt Service – Consists of net position for which constraints are placed thereon by lenders less any related liabilities.
- Unrestricted – All other net position that do not meet the description of the above categories.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the District's fiduciary net position has been determined on the same basis as they reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Impact of Other Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. Statement No. 67 revises existing standards of financial reporting by state and local government pension plans and is effective for fiscal years beginning after June 15, 2013. Statement No. 68 improves accounting and financial reporting by state and local governments for pensions and is effective for fiscal years beginning after June 15, 2014. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure

LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. These pension standards include significant changes of how governmental employers will report liabilities related to pension obligations. The adoption of Statement No. 68 resulted in a restatement of beginning net position to record the calculated liability to the pension plan as of July 1, 2014. This restatement increased net position by \$16,390 and increased the net pension asset by the same amount.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is officially adopted by the governing body and approved by the County Commission on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. The accounting and financial reporting manual for Tennessee Emergency Communications Districts establishes the legal level of control to be at the line item level.

B. Expenses over Budget

Expenses were less than budget in total. However, the District had expenses exceeding budgeted amounts for the following line items: Supplies, materials, and maintenance-postage \$343; Utilities-electric \$249; Utilities-general telephone \$1,317; and Maintenance and repairs-building \$345.

NOTE 3 – DETAILED NOTES ON ACCOUNTS

A. Cash and investments

Cash and investments, which are stated at cost, consist of the following:

Cash in banks	\$ 833,648
Certificates of deposit	<u>200,276</u>
Total	<u>\$ 1,033,924</u>

Cash in banks and certificates of deposits, are insured up to \$ 250,000 by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2015 all monies were covered by FDIC or covered by the Tennessee Collateral Pool. The Board of Directors approves all investments. The investments consist of certificates of deposits and are in conformity with State guidelines. All cash and investments are held by the depositories in the name of the District.

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2015

B. Capital Assets

Capital assets are summarized as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>
Capital assets being depreciated:				
Building and improvements	\$ 167,072	\$ 5,000	\$ -	\$ 172,072
Communication equipment	606,489	32,353	-	638,842
Office equipment	69,866	-	-	69,866
Furniture and fixtures	<u>16,125</u>	<u>-</u>	<u>-</u>	<u>16,125</u>
Subtotals	859,552	37,353	-	896,905
Less accumulated depreciation for:				
Building and improvements	49,495	4,068	-	53,563
Communication equipment	364,777	54,830	-	419,607
Office equipment	69,404	462	-	69,866
Furniture and fixtures	<u>14,189</u>	<u>801</u>	<u>-</u>	<u>14,990</u>
Subtotals	<u>497,865</u>	<u>60,161</u>	<u>-</u>	<u>558,026</u>
Total capital assets being depreciated, net	<u>\$ 361,687</u>	<u>\$ (22,808)</u>	<u>\$ -</u>	<u>\$ 338,879</u>

C. Leases

The District leases answering and monitoring equipment from AT& T under operating leases for an indefinite period. The lease, which began at the date of installation, is billed to the District at a monthly rate of \$3,342.

The following is a schedule by years of expected minimum future rentals on operating leases as of June 30, 2015:

Year ended June 30:

2016	\$ 40,102
2017	\$ 40,102
2018	\$ 40,102
2019	\$ 40,102
2020	\$ 40,102

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2015

NOTE 4 – OTHER INFORMATION

A. Risk management

Under Tennessee State Law, the board of directors is immune from liability unless they are grossly negligent. Therefore, no additional liability insurance is purchased on behalf of the board members. Board members who are responsible for the cash management of the District are covered under an insurance bond. The Board insures the equipment from loss through commercial insurance. Insurance has been purchased to protect against dispatcher negligence or omissions. No settlements have occurred in any of the prior three years.

B. Concentration of credit risk

The District receives its operating funds from tariffs assessed on and collected from telephone users in Lauderdale County, Tennessee. While the District has a broad consumer base, the ability of consumers to pay their accounts is dependent on the economic conditions of the area.

C. Pension Plan

Plan description

Employees of the Lauderdale County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), and agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits.

The TCRS issues a publically available financial report that includes financial statements and required supplementary information for the PSSP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 15th Floor Andrew Jackson Building, Nashville, TN 37243-0230, or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Benefits provided

Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Lauderdale County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2015

Employees covered by benefit terms.

At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	8
Active employees	2
	10

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5.0 percent of salary. Lauderdale County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Lauderdale County Emergency Communications District were \$930 based on a rate of 1.55 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Lauderdale County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension asset as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2015

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. Fixed Income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Lauderdale County Emergency Communications District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2015

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2013	\$ 130,328	\$ 145,788	(15,460)
Changes for the year:			
Service Cost	7,819	-	7,819
Interest	10,325	-	10,325
Differences between expected and actual experience	(26,261)	-	(26,261)
Contributions - employer	-	930	(930)
Contributions - employee	-	3,006	(3,006)
Net investment income	-	24,489	(24,489)
Benefit payments, including refunds of employee contributions	(959)	(959)	-
Administrative expenses	-	(77)	77
Net changes	(9,076)	27,389	(36,465)
Balance at June 30, 2014	\$ 121,252	\$ 173,177	\$ (51,925)

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of Lauderdale County Emergency Communications District calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
	Lauderdale County Emergency Communication District's net pension liability (asset)	\$ (33,884)	\$ (51,925)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense (income)

For the year ended June 30, 2015, Lauderdale County Emergency Communications District recognized pension income of (\$2,894).

LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2015, Lauderdale County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,884
Net difference between projected and actual earnings on pension plan investments	-	-
Contributions subsequent to the measurement date of June 30, 2014	-	10,757
	\$ -	\$ 32,641

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction in pension expense as follows:

Year Ended June 30:		
2016	\$	(7,066)
2017		(7,066)
2018		(7,066)
2019		(7,066)
2020		(4,377)
Thereafter		-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

D. Restatement of Beginning Net Position – GASB Statement 68 and 71 Implementation

As of July 1, 2014 a restatement of beginning net position was made for net pension asset and deferred inflows/outflows of resources on pension plan investments due to the System implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The implementation of GASB Statement No. 68 and 71 resulted in the System restating net position by \$16,390 with a measurement date of June 30, 2014. The net effect of this restatement of beginning net position resulted in an increase in the July 1, 2014 net position in the amount of \$16,390.

LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 5 – OTHER MATTERS

Effective January 1, 2015, service fees assessed to non-wireless telephone subscribers in the County are remitted by the collecting telephone companies directly to the Tennessee Emergency Communications Board (TECB). The TECB allocates the collected revenue by jurisdiction and makes payments to the local emergency communications districts. Prior to January 1, 2015, the District collected revenues from individual telephone companies one month in arrears of the time the charges were actually assessed to telephone subscribers and therefore always had one month of accrued, uncollected revenue receivable at the end of any month. At point of the change in the collection process mandated by the TECB, their decision was to account for revenues on an as-collected basis so the District did not and will not collect the accrued revenues for December, 2014. The effect of this change is to reflect only eleven months of revenue from non-wireless subscribers in the fiscal year ended June 30, 2015. This change did not affect operating cash flows as there were twelve months of actual collections of revenues.

REQUIRED SUPPLEMENTARY INFORMATION

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN TCRS**

Last Fiscal Year Ending June 30

	2014
Total pension liability	
Service Cost	\$ 7,819
Interest	10,325
Changes in benefit terms	-
Differences between actual & expected experience	(26,261)
Change in assumptions	-
Benefit payments, including refunds of employee contributions	(959)
Net change in total pension liability	(9,076)
Total pension liability-beginning	130,328
Total pension liability-ending (a)	\$ 121,252
 Plan fiduciary net position	
Contributions - employer	\$ 930
Contributions - employee	3,006
Net investment income	24,489
Benefit payments, including refunds of employee contributions	(959)
Administrative expense	(77)
Net change in plan fiduciary net position	27,389
Plan fiduciary net position - beginning	145,788
Plan fiduciary net position - ending (b)	\$ 173,177
 Net Pension Liability (asset) - ending (a) - (b)	\$ (51,925)
 Plan fiduciary net position as a percentage of total pension liability	142.82%
 Covered - employee payroll	\$ 60,120
 Net pension liability (asset) as a percentage of covered - employee payroll	-86.37%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until 10 years of information is available.

See independent auditor's report

**LAUDERDALE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC PENSION PLAN OF TCRS AND NOTES TO SCHEDULES
Last Fiscal Year Ending June 30**

	2014	2015
Actuarially determined contribution	\$ 930	\$ -
Contributions in relation to the actuarially determined contribution	930	-
Contributions deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 60,120	\$ -
Contributions as a percentage of covered-employee payroll	1.55%	-

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until 10 years of information is available.

Notes to Schedules:

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	7 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.5 percent

See independent auditor's report

SUPPLEMENTARY AND OTHER INFORMATION SECTION

**LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL**

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating revenues				
Emergency telephone service charge	\$ 94,800	\$ 94,800	\$ 45,944	\$ (48,856)
TECB shared wireless charge	69,000	69,000	28,050	\$ (40,950)
TECB operational funding	142,860	142,860	290,873	\$ 148,013
TECB GIS/TIPS	29,561	29,561	15,473	(14,088)
TECB training	18,000	18,000	9,000	(9,000)
Contingency fund	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total operating revenues	429,221	429,221	389,340	(39,881)
Operating expenses				
Salaries and wages				
Director	8,120	8,120	8,100	(20)
Part-time assistant	11,492	11,492	9,186	(2,306)
Dispatchers	62,088	84,688	83,866	(822)
Overtime pay	7,165	5,165	3,825	(1,340)
Part-Time personnel	55,000	42,000	41,605	(395)
Employee benefits				
Social security	9,200	9,200	8,789	(411)
Medicare	2,200	2,200	2,054	(146)
Health insurance	36,000	32,000	30,250	(1,750)
Unemployment compensation	2,100	2,100	1,388	(712)
Retirement	2,500	2,500	-	(2,500)
Contracted Services				
Mapping	7,500	7,500	7,475	(25)
Advertising	800	800	414	(386)
Audit services	4,000	4,000	3,950	(50)
Accounting	5,100	5,600	5,400	(200)
Legal	1,500	1,000	-	(1,000)
Maintenance agreements	13,000	15,000	14,165	(835)
Pest control	500	500	420	(80)
Lease/Rental communications equipment	45,000	41,000	39,879	(1,121)
Other contracted services	1,000	600	-	(600)
Supplies, materials, and maintenance				
Office supplies	4,000	4,000	3,322	(678)
Custodial supplies	1,200	1,200	-	(1,200)
Postage	300	300	643	343
Small equipment purchases	5,000	4,240	-	(4,240)
Utilities - electric	11,000	9,500	9,749	249
Utilities - gas and water	1,750	1,750	1,388	(362)
Utilities - general telephone	7,000	8,500	9,817	1,317
Utilities - cable	1,500	1,500	190	(1,310)

See independent auditor's report

**LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL**

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating expenses (continued)				
Other supplies and materials	1,500	1,500	-	(1,500)
Maintenance and repairs - communications equip.	5,000	5,000	4,112	(888)
Maintenance and repairs-- building	4,500	2,500	2,845	345
Maintenance and repairs - office equipment	3,000	3,000	1,358	(1,642)
Other charges				
Bank charges	300	300	261	(39)
Board meeting expenses	500	500	-	(500)
Dues and memberships	1,000	1,000	373	(627)
Insurance - workman's compensation	1,500	1,500	-	(1,500)
Insurance - liability general management	-	760	759	(1)
Insurance - building and contents	11,500	9,900	8,388	(1,512)
Insurance - vehicles	650	650	551	(99)
Legal notices	1,000	1,000	-	(1,000)
Premiums on surety bonds	1,500	1,500	1,275	(225)
Service awards	500	500	-	(500)
Training expenses	6,000	4,000	-	(4,000)
Travel expenses	4,500	500	-	(500)
Depreciation expense	<u>70,000</u>	<u>78,400</u>	<u>60,161</u>	<u>(18,239)</u>
Total operating expenses	418,965	418,965	365,958	(53,007)
Operating income	10,256	10,256	23,382	13,126
Nonoperating revenues (expenses)				
Interest Income	2,200	2,200	3,929	1,729
Pension income	<u>-</u>	<u>-</u>	<u>2,894</u>	<u>2,894</u>
Total nonoperating revenues (expenses)	2,200	2,200	6,823	4,623
Change in net position	<u>12,456</u>	<u>12,456</u>	<u>30,205</u>	<u>17,749</u>
Net position - July 1, 2014 as originally stated	1,329,546	1,329,546	1,329,546	-
Restatement for adoption of new pension standards	<u>-</u>	<u>-</u>	<u>16,390</u>	<u>16,390</u>
Net position - July 1, 2014 restated	<u>1,329,546</u>	<u>1,329,546</u>	<u>1,345,936</u>	<u>16,390</u>
Net position - June 30, 2015	<u>\$ 1,342,002</u>	<u>\$ 1,342,002</u>	<u>\$ 1,376,141</u>	<u>\$ 34,139</u>

See independent auditor's report

INTERNAL CONTROL AND COMPLIANCE SECTION

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Offices in Tennessee & Kentucky

185 N. Church Ave.
Dyersburg, TN 38204

Phone 731.285.7900
Fax 731.285.6221
www.atacpa.net

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

Board of Directors
Lauderdale County Emergency Communication District
Ripley, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lauderdale County Emergency Communications District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lauderdale County Emergency Communications District's basic financial statements, and have issued our report thereon dated May 25, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lauderdale 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lauderdale County Emergency Communications District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lauderdale County Emergency Communications District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as 2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lauderdale County Emergency Communications District's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying schedule of findings and responses as 2015-001.

Lauderdale County Emergency Communications District Response to Finding

This District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and 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.

Alexander Thompson Arnold PLLC

Dyersburg, Tennessee
May 25, 2016

**LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR
JUNE 30, 2015**

**FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Current Year Findings:

2015-001 Budget Overages

Condition - Certain line item expenses exceeded approved budgeted expenses. However, total expenses were less than total approved budgeted expenses.

Cause – Expenses in line item exceeded original or amended budget amounts as approved.

Criteria – Per TCA Section 7-86-120, expenses must be presented at the legal level of control, which is defined to be at the line item level.

Effect – Annual line item budget of expenses exceeded.

Recommendation – We recommend that District personnel review the budget near the end of the fiscal year and submit any necessary amendments to the Board for its approval. Substantial improvement was noted over the previous year.

Response – We will review the budget periodically throughout the year and present amendments as needed for board approval in order to remain compliant.

**LAUDERDALE COUNTY EMERGENCY COMMUNICATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR
JUNE 30, 2015**

Findings – Financial Statement Audit

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2015-001 (Previously 2007-003)	Budget Overages	Repeated