

**Robertson County Emergency  
Communications District  
(A Component Unit)  
Financial Statements  
June 30, 2015**

**Robertson County Emergency Communications District  
(A Component Unit)  
Table of Contents**

Introductory Section

Board of Directors..... 1

Financial Section

Independent Auditors' Report .....2  
Statement of Net Position .....5  
Statement of Revenues, Expenses and Changes in Net Position .....7  
Statement of Cash Flows – Direct Method .....8  
Notes to Financial Statements..... 10

Required Supplementary Information

Schedule of Changes in Net Pension Liability ..... 23  
Schedule of Contributions..... 24

Supplementary Information and Schedules

Budgetary Comparison Schedule (GAAP Basis) ..... 25  
Exhibit 1 – Schedule of Salaries and Wages ..... 28  
Exhibit 2 – Schedule of Employee Benefits ..... 29  
Exhibit 3 – Schedule of Contracted Services..... 30  
Exhibit 4 – Schedule of Supplies and Materials..... 31  
Exhibit 5 – Schedule of Other Charges ..... 32  
Schedule of Disposition of Bond Proceeds..... 33

Internal Control and Compliance Section

Independent Auditors' 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*..... 34  
Schedule of Prior Audit Findings. .... 36

**Robertson County Emergency Communications District  
(A Component Unit)  
Board of Directors  
June 30, 2015**

***Name***

Kathy Spears, Chairman  
PO Box 727  
Ridgetop, TN 37152

Bruce Dean, Vice-Chairman  
2201 Memorial Blvd  
Springfield, TN 37172

Gwen Martin, Secretary/Treasurer  
132 Eagle Pte  
Springfield, TN 37172

Russell Gupton, Member  
1305 Hill St  
Springfield, TN 37172

R.L. Douglas, Member  
103 Corbitt Ln  
Springfield, TN 37172

Jimmy Ayers, Member  
Springfield, TN 37172

Nancy Johnson, Member  
8078 Clay Gregory Rd  
Orlinda, TN 37141

Bill Holt, Member  
239 Allen Dr  
Greenbrier, TN 37073

David Thompson, Member  
802 S Willow St  
Springfield, TN 37172

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Robertson County Emergency Communications District

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Robertson County Emergency Communications District, a component unit of Robertson County, TN, 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 misstatements, whether due to fraud or error.

**Auditors' 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 auditors' 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

## Independent Auditors' Report – (Continued)

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the pension data on pages 23 through 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.

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 historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Robertson County Emergency Communications District's basic financial statements. The Budgetary Comparison Schedule on pages 25-27, and the Schedules of Detailed Expenses on pages 28-32 are presented for purposes of additional analysis as required by the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts and are not a required part of the basic financial statements. The Schedule of Disposition of Bond Proceeds on page 33 is presented for additional analysis as required by the bond issuer and is also not a required part of the basic financial statements.

The Schedules of Detailed Expenses and Budgetary Comparisons Schedule 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 our opinion, the schedules of detailed expenses and budgetary comparison schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Disposition of Bond Proceeds, which is of a non-accounting nature, 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 April 29, 2016 on our consideration of Robertson County Emergency Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Robertson County Emergency Communications District's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC  
April 29, 2016

**Robertson County Emergency Communications District  
(A Component Unit)  
Statement of Net Position  
June 30, 2015**

**ASSETS**

<b>Current Assets</b>	
Cash	\$ 614,295
Investments	659,382
Prepaid Expenses	9,032
Total Current Assets	<u>1,282,709</u>
<b>Noncurrent Assets</b>	
Restricted Assets - Restricted Cash and Investments	<u>248,299</u>
Total Noncurrent Assets	<u>248,299</u>
<b>Property and Equipment</b>	
Land	270,000
Building and Improvements	2,812,156
Office Equipment	10,520
Communications Equipment	1,103,983
Vehicles	21,207
Total Property and Equipment	<u>4,217,866</u>
Accumulated Depreciation	<u>(846,169)</u>
Net Property and Equipment	<u>3,371,697</u>
<b>Other Assets</b>	
Bond Issue Costs	32,854
Less: Accumulated Amortization	<u>(25,435)</u>
Total Other Assets	<u>7,419</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Changes in Cxperience	98,643
Pension Other Deferral	<u>99,087</u>
Total Deferred Outflows of Resources	<u>197,730</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 5,107,854</u></u>

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Statement of Net Position**  
**June 30, 2015**

**LIABILITIES**

<b>Current Liabilities</b>	
Accounts Payable	\$ 442
Accrued Payroll	56,576
Compensated Absences Payable	111,548
Bonds Payable - Current	125,000
Total Current Liabilities	<u>293,566</u>
<b>Noncurrent Liabilities</b>	
Net Pension Liability	69,123
Bonds Payable - Long Term	2,225,000
Total Noncurrent Liabilities	<u>2,294,123</u>
Total Liabilities	<u>2,587,689</u>

**DEFERRED INFLOW OF RESOURCES**

Pension Change in Investment Earnings	<u>27,013</u>
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**NET POSITION**

<b>Net Position</b>	
Net Investment in Capital Assets	1,021,697
Restricted for Debt Service	230,550
Unrestricted	1,240,905
Total Net Position	<u>2,493,152</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 5,107,854</u>

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2015**

Operating Revenue	
Emergency Telephone Service Charge	\$ 120,971
Tennessee Emergency Communications Board - Shared Wireless Charge	70,751
Tennessee Emergency Communications Board - Operational Funding	62,972
Other Operating Revenues	404,421
Total Operating Revenues	<u>659,115</u>
Operating Expenses	
Salaries and Wages (see Exhibit 1)	1,059,918
Employee Benefits (see Exhibit 2)	312,345
Contracted Services (see Exhibit 3)	201,735
Supplies and Materials (see Exhibit 4)	25,186
Other Charges (see Exhibit 5)	62,316
Depreciation and Amortization	190,605
Total Operating Expenses	<u>1,852,105</u>
Operating Loss	<u>(1,192,990)</u>
Nonoperating Revenues (Expenses)	
Interest Income	4,418
Interest Expense	(110,409)
Misc Income	8,196
Contributions from Primary Government	1,081,094
Tennessee Emergency Communications Board - Grants and Reimbursements	58,843
Total Nonoperating Revenues and (Expenses)	<u>1,042,142</u>
Decrease in Net Position	(150,848)
Net Position, Beginning of Year	2,616,749
Prior Period Adjustment	<u>27,251</u>
Net Position, End of Year	<u>\$ 2,493,152</u>

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Statement of Cash Flows - Direct Method**  
**For the Year Ended June 30, 2015**

<b>Cash Flows From Operating Activities</b>	
Cash Received from Surcharges and Other Revenues	\$ 733,016
Cash Paid to Suppliers for Goods and Services	(238,732)
Cash Paid for Payroll, Taxes and Related Benefits	<u>(1,373,656)</u>
Net Cash Used by Operating Activities	<u>(879,372)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Grants/Reimbursements TECB	58,843
Contributions from Primary Government	<u>1,114,888</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,173,731</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Other	8,196
Interest paid	(110,409)
Repayment of Bonds	<u>(120,000)</u>
Net Cash Used by Capital and Related Financing	<u>(222,213)</u>
<b>Cash Flows From Investing Activities</b>	
Interest Received	4,418
Reinvested interest earned on investments	<u>(4,418)</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>
Net Increase In Cash	72,146
Cash at Beginning of Year	<u>542,149</u>
Cash at End of Year	<u>\$ 614,295</u>

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Statement of Cash Flows - Direct Method**  
**For the Year Ended June 30, 2015**

**Reconciliation of Net Loss from Operations to Net**

**Cash Used by Operating Activities**

Net Loss from Operations	\$ (1,192,990)
Adjustments to Reconcile Net Loss to Net	
Cash Used by Operating Activities	
Depreciation	186,366
Amortization of Intangible Assets	4,239
Decrease in Accounts Receivable	73,901
Increase in Deferred Outflows	(197,730)
Decrease in Prepaid Assets	50,063
Increase in Accounts Payable	442
Increase in Net Pension Liability	96,374
Increase in Deferred Inflows	27,013
Increase in Other Accrued Payroll	27,024
Increase in Accrued Absences	45,927
Total Adjustments	313,619
Net Cash Used by Operating Activities	\$ (879,371)

Supplemental Disclosures

Cash Paid During the Year for:

Cash Paid for Interest	\$ 110,409
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Non Cash Investing, Financing and Capital Activities

Fully Depreciated Assets Removed From the Books	\$ 25,500
Credit Due for Sales Tax Paid on Equipment Purchases	
Included in Accounts Receivable Determined Uncollectible	\$ 42,461

See notes to financial statements

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements  
For the Year Ended June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies**

**Organization**

Robertson County Emergency Communications District (the District) was created as a "Municipality" or public corporation on January 31, 1987 under the authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Robertson County, Tennessee. The powers of the District are vested in and exercised by a majority of the members of the Board of Directors, who are appointed by the County Court. The Board consists of nine members. The District is considered a political subdivision and is exempt from Federal and State income tax.

**Reporting Entity**

The District, a component unit of Robertson County, provides emergency communications and dispatch services for all fire, law enforcement and other emergency departments within the County. The District is considered a component unit of Robertson County since the County Court appoints the Board of Directors, and therefore, may indirectly impose its will on the District. Furthermore, the county provides office space at a nominal fee to cover utilities through the Sheriff's Department and provides funding for the salaries and related payroll expenses for dispatchers from the General Fund; therefore, the county provides a substantial financial benefit to the District.

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

District operations are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

The accounts of the District are organized as a proprietary governmental fund. A proprietary fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing services to the general public covered by the District are financed through user charges. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principle operating revenues are E-911 service charges, state operational funding and tariffs. Operating expenses for enterprise funds include the communication expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Notes to Financial Statements (continued)**  
**For the Year Ended June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (continued)**  
**Measurement Focus/ Basis of Accounting (continued)**

The major sources of operating revenue are customer service charges, shared wireless charges and operating subsidies. There is also other income that is considered substantial.

**(1) Customer Service Charges**

A monthly subscriber fee is added to each telephone line in Robertson County. The charge is billed and collected by the telephone company and is remitted to the District after a deduction of a 1% administrative fee.

**(2) Shared Wireless Charges**

A monthly wireless E-911 fee is collected by the State of Tennessee from wireless customers and is remitted to the District.

**(3) Operating Subsidies**

The District receives an operating subsidy from the Tennessee Emergency Communications Board.

**(4) Other Income**

The District also receives support from the County for dispatcher payroll and related expenses.

Operating expenses for enterprise funds include expenses incurred relating to the operation and maintenance of its system. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash deposits and investments in CD's are reported at carrying amounts which approximates fair value. Because the restricted cash reported is not available for general operations and is excluded from current assets, we have not included it in cash and cash equivalents.

**Property and Equipment**

Property and equipment are carried at cost. Assets are depreciated using the straight-line basis, and a five to forty year expected useful life as required by the Accounting and Financial Reporting Manual. The District capitalizes all significant purchases over \$7,000 with a useful life greater than one year.

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Budgets and Budgetary Accounting**

The District's annual budget is required by state law and assists its users in analyzing financial activity for the fiscal year ended June 30, 2015. The District's board of directors formally approves the budget. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget was amended during the year by vote of the Board of Directors. The budget may also be amended at the discretion of the director when necessary.

Budgeted amounts lapse at the end of the fiscal year and no unexpended balances are carried to the subsequent year.

A statement of comparison for the budgeted and actual revenues and expenditures is included in the Supplementary Information section of this report.

Per TCA Section 7-86-120, the Board is legally required to adopt and operate under an annual budget. All monies received and expended by the district must be included in the budget. The district cannot expend any monies regardless of source except in accordance with the legally adopted budget. Budgetary control for emergency communication districts is legally set at the line-item level.

**Risk Management**

The District is exposed to various risks of loss from theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters; tort; medical malpractice claims and judgments; and employee health and accident benefits. Commercial insurance has been purchased for claims arising from such matters. The District has had no settled claims in any of the three preceding years.

**Use of 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 assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Deferred Inflows/Deferred Outflows**

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of revenue until that time. A deferred outflow of resources represents consumption of resources that is applicable to future reporting periods.

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Robertson County Emergency Communication District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Robertson County Emergency Communication District's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (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.

**Note 2 – Service Arrangement Contract and Economic Dependence**

In 1987 Robertson County Emergency Communications District negotiated a service application with AT&T, formerly known as BellSouth, for the installation and service of an Enhanced 911 Emergency Service System. AT&T furnished equipment and service sufficient to operate the system for an initial installation fee and a monthly fee based upon the number of telephone stations and access lines served by the System. As of January 1, 2015 all fees are paid to the Tennessee Emergency Communication's Board. The Board forwards each district a monthly amount based upon the board's calculation of the District's annual portion of revenues.

**Note 3 – Occupancy In-Kind and Related Party Transactions**

Robertson County provides free office space for the District administrative operations and the City of Springfield provided certain dispatchers free of charge for the first two months of the year. No provision has been made to recognize this item in the financial statements of Robertson County Emergency Communications. The District pays \$150 per month to Robertson County to cover the cost of general utilities. General utilities include electric, gas, water and sewer. The District is also liable for an accounting fee of one percent of net cash receipts (gross revenues less uncollectibles on the cash basis) totaling \$18,074 which is paid to the Robertson County Finance office for accounting services.

Beginning September 1, 2014, City dispatchers came under the umbrella of the District. As such, all payroll and payroll related items are now being paid through the District. An interlocal agreement was signed by the District, Robertson County and the Cities of Springfield and Whitehouse. The interlocal agreement requires predetermined monthly

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 3 – Occupancy In-Kind and Related Party Transactions (continued)**

payments from the county and cities to fund dispatch. The Cities' and County's respective amounts were allocated based upon their percentage of emergency and non-emergency calls for service over a pre-determined time period. The term of the interlocal agreement ends June 30, 2015 with anticipated annual renewals. The funding is reported on the Statement of Revenues, Expenses and Changes in Net position as Contributions from Primary Government.

**Note 4 – Noncash Investing and Financing Transactions**

Noncash investing and financing transactions are disclosed in the statement of cash flows.

**Note 5 – Cash Deposits and Investments**

The District's deposits with financial institutions consist of the following at June 30, 2015:

	Maturity Date	Interest Rate	Carrying Amount	Bank Balance
<b>Cash</b>				
Checking	n/a	0.00%	\$ 264,295	\$ 316,158
Wireless Checking	n/a	0.00%	350,000	350,000
			<u>\$ 614,295</u>	<u>\$ 666,158</u>
<b>Temporary Investments</b>				
Certificate of Deposit - 3962	6/16/2015		\$ 112,512	\$ 112,512
Certificate of Deposit - 9006		0.50%	248,299	248,299
Certificate of Deposit - 5394	10/28/2015	0.65%	27,248	27,248
Certificate of Deposit - 1962	5/27/2015		107,040	107,040
Certificate of Deposit - 2144			107,562	107,562
Certificate of Deposit - 3722		0.70%	35,084	35,084
Certificate of Deposit - 3842		1.01%	214,034	214,034
Certificate of Deposit - 1693	10/25/2015	0.65%	55,902	55,595
			<u>\$ 907,681</u>	<u>\$ 907,374</u>

Custodial credit risk for the District's deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As required by state statutes, the District's policy is to require that financial institutions holding its deposits be members of the Tennessee Collateral Pool or pledge collateral for deposits in excess of federal depository insurance. At June 30, 2015, bank deposits did not exceed amounts insured and collateralized.

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 5 – Cash Deposits and Investments (continued)**

State statutes authorize the District to invest in obligations of the federal government, federal agencies, state government, the state investment pool, certificates of deposit, other time deposits and repurchase agreements. The District's investment policy follows state law which authorizes investments for emergency communications districts in Tennessee Code Annotated Section 5-8-301. All of the District's temporary investments are in certificates of deposit with maturity dates that range from six to twenty-four months.

**Note 6 – Restricted Assets**

Certain of the District's cash and investments are restricted for the following purposes:

	Cash	Investments	Total
Restricted for Debt Service	\$ -	\$ 230,550	\$ 230,550

**Note 7 – Property and Equipment**

Property and Equipment consisted of the following at June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 270,000	\$ -	\$ -	\$ 270,000
Building and Improvements	2,769,695	42,461	-	2,812,156
A/D-Building and Improvements	(277,120)	(70,304)	-	(347,424)
Office Equipment	10,520	-	-	10,520
A/D-Office Equipment	(614)	(613)	-	(1,227)
Communications Equipment	1,129,483	-	(25,500)	1,103,983
A/D-Communications Equipment	(389,720)	(113,328)	25,500	(477,548)
Vehicles	21,207	-	-	21,207
A/D-Vehicles	(17,849)	(2,121)	-	(19,970)
Net Property and Equipment	\$ 3,515,602	\$ (143,905)	\$ -	\$ 3,371,697

Assets are valued at cost of purchase and depreciated using the straight-line method over their estimated useful lives.

**Note 8 – Compensated Absences**

Upon termination, an employee is paid for all vacation accrued up to 240 hours. Any excess vacation hours are reclassified as sick time. Then the terminated employee would also receive 25 percent of all sick time accrued. If 25 percent of sick time exceeds 240 hours, the remainder is used as a credit to increase service years in TCRS.

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 9 – Pension Plan**

*Plan Description*

Employees of Robertson County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury .tn.gov/tcrs](http://www.treasury.tn.gov/tcrs) .

*Benefits Provided*

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

*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	1
Inactive employees entitled to but not yet receiving benefits	1
Active employees	12
	14

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 9 – Pension Plan (continued)**

*Contributions*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The District adopted a noncontributory retirement plan whereby it assumes the employee contributions up to five percent of annual covered payroll. Robertson 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 Robertson County Emergency Communications District were \$99,087 based on a rate of 10.66 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Robertson County Emergency Communication 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)**

Robertson County Emergency Communication District's net pension liability 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

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.

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

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 9 – Pension Plan (continued)**

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 Gorham-MacBane Public Library 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.

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 9 – Pension Plan (continued)**

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.

**Changes in the Net Pension Liability (Asset)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
<b>Balance at June 30, 2014</b>	<u>\$ 383,467</u>	<u>\$ 353,347</u>	<u>\$ 30,120</u>
<b>Changes for the year:</b>			
Service cost	20,409	-	20,409
Interest	29,577	-	29,577
Differences between expected and actual experience	107,611	-	107,611
Contributions - employer	-	57,371	(57,371)
Net investment income	-	61,687	(61,687)
Benefit payments, including refunds of employee contributions	(19,039)	(19,039)	-
Administrative expense	-	(464)	464
<b>Net changes</b>	<u>138,558</u>	<u>99,555</u>	<u>41,861</u>
<b>Balance at June 30, 2015</b>	<u>\$ 522,025</u>	<u>\$ 452,902</u>	<u>\$ 69,123</u>

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the net pension liability (asset) of Robertson County Emergency Communicaton 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%)
Clarksville Montgomery County E-911's net pension liability (asset)	\$ 191,471	\$ 69,123	\$ (26,712)

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 9 – Pension Plan (continued)**

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

*Pension expense*

For the year ended June 30, 2015, Robertson County Emergency Communication District recognized pension expense of \$24,744.

*Deferred outflows of resources and deferred inflows of resources*

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 98,643	\$ -
Net difference between projected and actual earnings on pension plan investments	-	27,013
Contributions subsequent to the measurement date of June 30, 2014	<u>99,087</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 197,730</u></b>	<b><u>\$ 27,013</u></b>

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

<b>Year Ended June 30:</b>	
2016	\$ 2,215
2017	2,215
2018	2,215
2019	2,215
2020	8,968
Thereafter	53,808

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 10 – Long-Term Debt and Commitments**

On June 24, 2009, the District issued Revenue Bonds to finance the construction of a new communications center and upgrades to the current communications equipment. The bonds are secured by pledge of the first revenues derived from the operations of the District as required by the bond issue documents. The District is required to maintain their rates sufficient to cover: 1) 100% of current expenses, 2) 100% of the debt service coming due in the following year (except for the final maturity year), 3) required payments into the reserve fund and 4) an amount adequate to meet the costs of major renewals, replacements, repairs, additions, betterment and improvements to the communications system.

The bonds were issued at a rate of 4.47% with balloon payment due on April 1, 2017. However, the bond issue documents indicate that the District intends to refinance these bonds at that time for an additional 12 years.

Annual debt service requirements to maturity for the revenue bonds are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2016	\$ 125,000	\$ 105,046	\$ 230,046
June 30, 2017	2,225,000	99,458	2,324,458
Total	<u>\$ 2,350,000</u>	<u>\$ 204,504</u>	<u>\$ 2,554,504</u>

Long-Term debt for the year ended June 30, 2015 is as follows:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
Revenue Bonds	<u>\$ 2,470,000</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$2,350,000</u>	<u>\$ 125,000</u>

The total interest incurred on these liabilities for the year ending June 30, 2015 was \$110,409.

As required by the bond issue documents \$248,299 has been set aside in a separate account for the principal payment on these bonds. See Note 6.

**Robertson County Emergency Communications District  
(A Component Unit)  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2015**

**Note 11 – Subsequent Events**

Management has evaluated subsequent events through April 29, 2016 the date at which these financial statements were available to be issued.

The Tennessee Emergency Communications Board increased the District's operational funding to \$808,000 for the year ending June 30, 2016 in its attempt to order more fairly and adequately allocate operational funding among the districts.

**Note 12 – New Accounting Standard and Prior Period Adjustment**

The District adopted the provisions of GASB No. 68 during the current year. This statement requires governmental organizations to recognize an asset or liability based upon the actuarial present value of accrued pension benefits earned to the actual assets of the pension plan. The adoption of this statement resulted in an increase to beginning net position of \$27,251.

## REQUIRED SUPPLEMENTARY INFORMATION

**Robertson County Emergency Communicaton District**  
**Schedule of Changes in Net Pension Liability**  
**(Asset) and Related Ratios Based on Participation in the Public Employee**  
**Pension Plan of TCRS**  
**Last Fiscal Year Ending June 30**

	<b>2014</b>
<b>Total Pension Liability</b>	
Service Cost	\$ 20,409
Interest	29,577
Changes in Benefit Terms	-
Differences Between Actual & Expected Experience	107,611
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(19,039)</u>
<b>Net Change in Total Pension Liability</b>	<b>138,558</b>
<b>Total Pension Liability - Beginning</b>	<b>383,467</b>
<b>Total Pension Liability - Ending (a)</b>	<b><u>\$ 522,025</u></b>
<b>Plan Fiduciary Net Position</b>	
Contributions-Employer	\$ 57,371
Net Investment Income	61,687
Benefit Payments, Including Refunds of Employee Contributions	(19,039)
Administrative Expense	<u>(464)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	<b>99,555</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>353,347</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b><u>\$ 452,902</u></b>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b><u>\$ 69,123</u></b>
<b>Plan Fiduciary Net Position As a Percentage of Total Pension Liability</b>	<b><u>86.76%</u></b>
<b>Covered-Employee Payroll</b>	<b><u>\$ 538,194</u></b>
<b>Net Pension Liability (Asset) As a Percentage of Covered-Employee Payroll</b>	<b><u>12.84%</u></b>

**Robertson County Emergency Communication District  
Schedule of Contributions  
Based on Participation in the Public Employee Pension Plan of TCRS  
Last Fiscal Year Ending June 30**

	2014
Actuarially Determined Contribution	\$ 57,371
Contributions in Relation to the Actuarially Determined Contribution	57,371
Contribution Deficiency (Excess)	-
 Covered-Employee Payroll	 \$ 538,194
 Contributions As a Percentage of Covered-Employee Payroll	 10.66%

**Notes to Schedule**

*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	8 years
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary Increases	Graded salary ranges form 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

**SUPPLEMENTARY INFORMATION  
AND  
SCHEDULES**

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Budgetary Comparison Schedule (GAAP Basis)**  
**For the Year Ended June 30, 2015**

	ORIGINAL BUDGET (Accrual)	AMENDED BUDGET (Accrual)	ACTUAL	VARIANCE OVER (UNDER)
<b>Operating Revenues</b>				
Emergency Telephone Service Charge	\$ 121,500	\$ 121,500	\$ 120,971	\$ (529)
TECB - Shared Wireless Charge	80,330	80,330	70,751	(9,579)
TECB - Operational Funding	147,549	147,549	62,972	(84,577)
Other Operating Revenues	404,421	404,421	404,421	-
<b>Total Operating Revenues</b>	<u>753,800</u>	<u>753,800</u>	<u>659,115</u>	<u>(94,685)</u>
<b>Operating Expenses</b>				
<b>Salaries and Wages</b>				
County Official/Administrative Officer	65,000	65,000	65,000	-
Director	49,255	52,505	52,475	(30)
Dispatchers/Radio Operators	635,185	614,347	614,347	-
Salaries and Wages	128,590	137,000	136,993	(7)
Part-time Personnel	41,600	34,440	32,341	(2,099)
Overtime Pay	46,555	110,412	105,149	(5,263)
Vacation/Sick Pay	95,700	45,926	45,926	-
In Service Training	14,000	7,687	7,687	-
<b>Total Salaries and Wages</b>	<u>1,075,885</u>	<u>1,067,317</u>	<u>1,059,918</u>	<u>(7,399)</u>
<b>Employee Benefits</b>				
Social Security	48,890	62,753	58,290	(4,463)
Retirement Contributions	75,060	99,087	24,744	(74,343)
Medicare	10,990	14,676	13,632	(1,044)
Medical Insurance	190,974	215,751	215,679	(72)
<b>Total Employee Benefits</b>	<u>325,914</u>	<u>392,267</u>	<u>312,345</u>	<u>(79,922)</u>
<b>Contracted Services</b>				
Accounting Services	18,500	18,500	18,074	(426)
Administrative Fees-Service Charge	-	-	3,600	3,600
Advertising	1,500	-	-	-
Audit Services	8,000	8,000	8,000	-
Data Processing Services	8,500	4,650	4,621	(29)
Disposal Fees	1,050	1,050	979	(71)
Fuel - Vehicles	1,000	1,000	832	(168)
Fees Paid to Service Providers - Communication	54,400	41,543	40,873	(670)
Legal Services	2,000	311	97	(214)
Maintenance Agreements	69,325	88,360	88,355	(5)
Maintenance and Repairs - Buildings	15,000	11,800	11,390	(410)
Maintenance and Repairs - Communication Equipment	42,386	5,992	7,769	1,777
Maintenance and Repairs - Vehicles	2,000	1,000	615	(385)
Pest Control	540	540	540	-
Other Contracted Services	16,550	17,900	15,990	(1,910)
<b>Total Contracted Services</b>	<u>\$ 240,751</u>	<u>\$ 200,646</u>	<u>\$ 201,735</u>	<u>\$ 1,089</u>

**Robertson County Emergency Communications District  
(A Component Unit)  
Budgetary Comparison Schedule (GAAP Basis) (continued)  
For the Year Ended June 30, 2015**

	ORIGINAL BUDGET (Accrual)	AMENDED BUDGET (Accrual)	ACTUAL	VARIANCE OVER (UNDER)
<b>Supplies and Materials</b>				
Office Supplies	\$ 6,000	\$ 3,583	\$ 2,369	\$ (1,214)
Custodial Supplies	3,000	1,000	487	(513)
Data Processing Supplies	1,500	500	230	(270)
Duplicating Supplies	-	-	-	-
Postal Charges	1,000	395	294	(101)
Small Equipment Purchases	3,000	3,000	-	(3,000)
Uniforms and Shirts	500	-	-	-
Diesel	1,515	1,515	1,513	(2)
Other Equipment	-	-	922	922
Utilities	24,845	21,650	19,371	(2,279)
<b>Total Supplies and Materials</b>	<u>41,360</u>	<u>31,643</u>	<u>25,186</u>	<u>(6,457)</u>
<b>Other Charges</b>				
Dues and Memberships	1,130	1,130	1,126	(4)
Evaluation and Testing	-	-	-	-
Janitorial Services	10,000	6,600	6,600	-
Building and Content Insurance	26,900	30,248	30,248	-
Insurance - Workers Compensation	3,650	3,278	3,278	-
Insurance - Liability	-	-	-	-
Insurance - Auto	1,100	1,150	1,150	-
Legal Notices	500	500	66	(434)
Licenses	1,000	2,720	2,720	-
Premiums on Surety Bonds	2,370	311	311	-
Training Expenses	10,000	3,500	3,181	(319)
Travel Expenses	150	150	42	(108)
Employee Testing and Exams	-	-	-	-
Board Meeting Expenses	-	-	-	-
Communication Equipment	14,696	14,696	13,594	(1,102)
Other Charges	13,000	5,555	-	(5,555)
<b>Total Other Charges</b>	<u>84,496</u>	<u>69,838</u>	<u>62,316</u>	<u>(7,522)</u>
Depreciation and Amortization Expense	4,240	4,240	190,605	186,365
<b>Total Operating Expenses</b>	<u>1,772,646</u>	<u>1,765,951</u>	<u>1,852,105</u>	<u>86,154</u>
<b>Operating Income (Loss)</b>	<u>\$ (1,018,846)</u>	<u>\$ (1,012,151)</u>	<u>\$(1,192,990)</u>	<u>\$ (180,839)</u>

**Robertson County Emergency Communications District  
(A Component Unit)  
Budgetary Comparison Schedule (GAAP Basis) (continued)  
For the Year Ended June 30, 2015**

	ORIGINAL BUDGET (Accrual)	AMENDED BUDGET (Accrual)	ACTUAL	VARIANCE OVER (UNDER)
<b>Nonoperating Revenues</b>				
Misc Income	\$ -	\$ -	\$ 8,196	\$ 8,196
Proceeds from Disposal of Property	-	-	-	-
Interest Income	5,100	5,100	4,418	(682)
Contributions from Primary Government	1,110,764	1,110,764	1,081,094	(29,670)
TECB - Grants and Reimbursements	-	-	58,843	58,843
<b>Total Nonoperating Revenues</b>	<u>1,115,864</u>	<u>1,115,864</u>	<u>1,152,551</u>	<u>36,687</u>
<b>Nonoperating Expenses</b>				
Interest Expense	110,409	110,409	110,409	-
<b>Total Nonoperating Expenses</b>	<u>110,409</u>	<u>110,409</u>	<u>110,409</u>	<u>-</u>
<b>Total Non-Operating Revenues and Expenses</b>	<u>1,005,455</u>	<u>1,005,455</u>	<u>1,042,142</u>	<u>36,687</u>
<b>Income before Capital Contribution</b>	(13,391)	(6,696)	(150,848)	(144,152)
<b>Capital Contributions</b>				
Capital Contributions from Primary Government	-	-	-	-
<b>Total Capital Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Decrease in Net Assets</b>	(13,391)	(6,696)	(150,848)	<u>\$ (144,152)</u>
<b>Net Position, Beginning of Year</b>	-	-	-	
<b>Prior Period Adjustment</b>			27,251	
<b>Net Position, End of Year</b>	<u>\$ (13,391)</u>	<u>\$ (6,696)</u>	<u>\$ (123,597)</u>	

**Robertson County Emergency Communications District  
(A Component Unit)  
Exhibit 1 - Schedule of Salaries and Wages  
For the Year Ended June 30, 2015**

County Official/Administrative Officer	\$ 65,000
Director	52,475
Dispatchers/Radio Operators	614,347
Salaries and Wages	136,993
Part-time Personnel	32,341
Overtime Pay	105,149
Vacation/Sick Pay	45,926
In Service Training	7,687
Total Salaries and Wages	<u>\$ 1,059,918</u>

**Robertson County Emergency Communications District  
(A Component Unit)  
Exhibit 2 - Schedule of Employee Benefits  
For the Year Ended June 30, 2015**

Social Security	\$	58,290
Retirement Contributions		24,744
Medicare		13,632
Medical Insurance		<u>215,679</u>
Total Employee Benefits	\$	<u>312,345</u>

**Robertson County Emergency Communications District  
(A Component Unit)  
Exhibit 3 - Schedule of Contracted Services  
For the Year Ended June 30, 2015**

Accounting Services	\$ 18,074
Administrative Fees-Service Charge	3,600
Audit Services	8,000
Data Processing Services	4,621
Disposal Fees	979
Fuel - Vehicles	832
Fees Paid to Service Providers - Communication	40,873
Legal Services	97
Maintenance Agreements	88,355
Maintenance and Repairs - Buildings	11,390
Maintenance and Repairs - Communications Equipment	7,769
Maintenance and Repairs - Vehicles	615
Pest Control	540
Other Contracted Services	15,990
Total Contracted Services	<u>\$ 201,735</u>

**Robertson County Emergency Communications District  
(A Component Unit)  
Exhibit 4 - Schedule of Supplies and Materials  
For the Year Ended June 30, 2015**

Office Supplies	\$ 2,369
Custodial Supplies	487
Data Processing Supplies	230
Postal Charges	294
Diesel	1,513
Other Equipment	922
Utilities	<u>19,371</u>
Total Supplies and Materials	<u><u>\$ 25,186</u></u>

**Robertson County Emergency Communications District**  
**(A Component Unit)**  
**Exhibit 5 - Schedule of Other Charges**  
**For the Year Ended June 30, 2015**

Dues and Memberships	\$	1,126
Janitorial Services		6,600
Building and Content Insurance		30,248
Insurance - Workers Compensation		3,278
Insurance - Vehicle/Equipment		1,150
Legal Notices		66
Licenses		2,720
Premiums on Surety Bonds		311
Training Expenses		3,181
Travel Expenses		42
Communication Equipment		13,594
Total Other Charges	<u>\$</u>	<u>62,316</u>

**Robertson County Emergency Communications District  
(A Component Unit)  
Schedule of Disposition of Bond Proceeds  
June 30, 2015**

**DISPOSITION OF BOND PROCEEDS**

The proceeds of the Series 2009 Revenue Bond Issue will be used for the purpose of financing the construction of extensions and improvements to the emergency communications system serving Robertson County Emergency Communications District.

**SOURCES AND USES OF FUNDS**

The following table summarizes the source of and uses of such funds since the issuance of the bonds:

<i>Sources of Funds:</i>	
Principal Amount of Bonds	\$ 3,000,000
Total	<u>\$ 3,000,000</u>
<i>Uses of Funds</i>	
Construction of emergency communications system	\$ 2,967,146
Bond Issue Costs	32,854
Total	<u>\$ 3,000,000</u>

INDEPENDENT AUDITORS' 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  
Robertson County Emergency Communications District

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 the business-type activities of Robertson County Emergency Communications District (the District – a component unit of Robertson County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Robertson County Emergency Communication District's basic financial statements and have issued our report thereon dated April 29, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Robertson County Emergency Communication 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 the District's internal control. Accordingly, we 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.

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 or significant deficiencies.. However, material weaknesses and significant deficiencies may exist that have not been identified.

INDEPENDENT AUDITORS' 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 - CONTINUED

**Compliance and Other Matters**

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

**The District's Response to Findings**

Robertson County Emergency Communications District's response to the findings identified in our audit is described in the accompanying schedule of finding 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.

Blankenship CPA Group, PLLC

April 29, 2016

**Robertson County Emergency Communications District  
(A Component Unit)  
Schedule of Prior Audit Findings  
June 30, 2015**

**Financial Statement Findings**

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2014-1	Dispatcher Training	Resolved
2014-2	Budget Requirement	Resolved
2014-3	Financial Reporting	Resolved