

**WAYNE COUNTY EMERGENCY
COMMUNICATIONS DISTRICT**

(A Component Unit)

Financial Statements

June 30, 2015

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

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INTRODUCTORY SECTION

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Board of Directors

June 30, 2015

<u>Official</u>	<u>Office</u>
Frank Quigley	Chairman
Mike Smith	Vice Chairman
Keith Wilbanks	Treasurer
Daniel Kimes	Secretary
Jerry Butler	Board Member
Janice Harris	Board Member
Gary Cook	Board Member
Melba Staggs	Board Member
Randy Burns	Board Member
<u>Management</u>	
Jimmy Turnbow	Director

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

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HENDERSONVILLE, TN 37075

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wayne County Emergency Communications District
Waynesboro, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of the Wayne County Emergency Communications District, a component unit of Wayne County, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wayne County Emergency Communications District, a component unit of Wayne County, Tennessee as of June 30, 2015, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters -Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information which includes the Management's Discussion and Analysis 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. I 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 my inquiries, the basic financial statements and other knowledge we obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters -Other Information

The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section and the Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The Introductory Section and the Supplementary Information have 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 Introductory Section and the Supplementary Information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 31, 2015 on the consideration of the District's internal control over financial reporting and the 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 the testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

July 31, 2015

John R Poole, CPA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wayne County Emergency Communications District

Management's Discussion and Analysis

As management of the Wayne County Emergency Communications District, (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the District.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes.

Financial Highlights:

The assets of the Wayne County Emergency Communications District exceeded its liabilities at the close of the most recent fiscal year by \$1,048,203. Of this amount, \$147,000 (unrestricted net position) may be used to meet the District's ongoing obligations.

The District's total net position decreased by \$18,459 during the current year, primarily as a result of lower than expected grant revenues revenues, \$153,000 less than the prior year. Salaries and wages \$151,333, and depreciation \$78,683 were the largest expenses categories.

Overview of the Financial Statements:

The Statement of Net Position presents information on all 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.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District'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.

The Statement of Cash Flows presents the flow of cash inflows/outflows for all enterprise funds during the fiscal year.

The basic financial statements can be found on pages 8-10 of this report. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 11-14 of this report.

Financial Analysis of the Financial Statements

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Wayne County Emergency Communications District, assets exceeded liabilities by \$1,048,203 at the close of the most recent fiscal year.

By far the largest portion of the District's assets reflect its investment in capital assets. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Wayne County Emergency Communications District's Net position - 2015

Current assets	\$ 169,800
Capital assets, net	<u>1,356,180</u>
Total assets	<u>1,525,980</u>
Long-term debt	424,977
Current liabilities	<u>52,800</u>
	<u>477,077</u>
Net position:	
Investment in capital assets	901,203
Unrestricted	<u>147,000</u>
Total net position	\$ <u>1,048,203</u>

Wayne County Emergency Communications District's Net position - 2014

Current assets	\$ 351,854
Capital assets, net	<u>1,357,585</u>
Total assets	<u>1,709,439</u>
Long-term debt	524,134
Current liabilities	<u>118,643</u>
	<u>642,777</u>
Net position:	
Net investment in capital assets	736,941
Unrestricted	<u>329,721</u>
Total net position	\$ <u>1,066,662</u>

At the end to the current fiscal year, the District is able to report positive balances in all categories of net position.

The District's total net position decreased by \$18,459 during the current year, primarily as a result of lower than expected grant revenues revenues, \$153,000 less than the prior year. Salaries and wages \$151,333, and depreciation \$78,683 were the largest expenses categories.

Comparison of revenues and expenses

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Operating Revenues:			
Emergency Telephone Service Charge	\$49,514	\$126,069	(\$76,555)
State Emergency Communications Board Wireless	<u>226,617</u>	<u>142,860</u>	<u>83,757</u>
Total Operating Revenues	<u>276,131</u>	<u>268,929</u>	<u>7,202</u>
Contributions:			
State and Local Contributions	<u>102,932</u>	<u>255,932</u>	<u>(153,000)</u>
Total Contributions	<u>102,932</u>	<u>255,932</u>	<u>(153,000)</u>
Operating Expenses:			
Salaries and wages	151,333	138,307	(13,026)
Employee benefits	12,105	11,552	(553)
Contract services	30,258	31,652	1,394
Supplies and materials	22,157	7,675	(14,482)
Depreciation	78,683	74,016	(4,667)
Insurance	16,489	14,174	(2,315)
Repair and maintenance	29,404	19,172	(10,232)
Training and travel	5,431	12,684	7,253
Utilities	25,750	20,549	(5,201)
Miscellaneous	905	1,569	664
Total Operating Expenses	<u>372,515</u>	<u>331,350</u>	<u>(41,165)</u>
Operating income (loss)	<u>6,548</u>	<u>193,511</u>	<u>(186,963)</u>
Nonoperating Revenues (Expenses):			
Interest expense	(27,467)	(31,149)	3,682
Other income	1,100	16,391	(15,291)
Interest income	<u>1,360</u>	<u>2,808</u>	<u>(1,448)</u>
Total Nonoperating Revenues (Expenses)	<u>(25,007)</u>	<u>(11,950)</u>	<u>(13,057)</u>
Net change in position	<u>(18,459)</u>	<u>181,561</u>	<u>(200,020)</u>

Capital Asset

The Wayne County Emergency Communications District's investment in capital assets from its activities at June 30, 2015, amounts to \$1,356,180 (net of accumulated depreciation). This investment in capital assets is in communications equipment and vehicles.

	<u>2015</u>	<u>2014</u>
Land	55,244	55,244
Building	826,122	820,294
Communication equipment	<u>883,009</u>	<u>914,930</u>
Total	1,764,375	1,790,468
Less accumulated depreciation	<u>(408,195)</u>	<u>(432,883)</u>
Net Capital Assets	\$ <u>1,356,180</u>	<u>1,357,585</u>

Additional information on the Wayne County Emergency Communications District's capital assets can be found in the notes to the financial statements section of this report.

Long-term Debt

The District has \$454,977 in long-term debt that was used to finance the purchase of a facility. The loan is paying down as scheduled. Additional information on the Wayne County Emergency Communications District's long-term debt can be found in the notes to the financial statements section of this report.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Jimmy Turnbow
Wayne County Emergency Communications District

FINANCIAL STATEMENTS

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Net Position

June 30, 2015

<u>Assets</u>	<u>Account Number</u>	
Current Assets:		
Cash and cash equivalents	1001	\$52,858
Certificate of deposits	1002	99,886
Prepaid insurance	1009	17,056
Total Current Assets		<u>169,800</u>
Capital Assets:		
Land	1300	55,244
Communication equipment	1308	805,260
Vehicles	1310	45,522
Buildings	1302	826,122
Maps	1320	32,227
Less accumulated depreciation - comm. equip.	1309	(218,951)
Less accumulated depreciation - vehicles	1305	(23,856)
Less accumulated depreciation - building	1303	(133,161)
Less accumulated depreciation - maps	1321	(32,227)
Total Capital Assets, Net		<u>1,356,180</u>
Total Assets		<u>\$1,525,980</u>
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	2001	14,813
Accrued liabilities	2020	7,987
Current portion of long-term debt	2202	30,000
Total Current Liabilities		<u>52,800</u>
<u>Other Liabilities</u>		
Long-term debt	2202	424,977
		<u>424,977</u>
Total liabilities		<u>\$477,777</u>
Net Position		
Net investment in capital assets	2301	901,203
Unrestricted	2320	147,000
Total Net Position		<u>1,048,203</u>

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

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

**Statement of Revenues, Expenses
and Changes in Net Position**

For the Year Ended June 30, 2015

	<u>Account Number</u>	
Operating Revenues:		
Emergency Telephone Service Charge	3001	\$33,571
State Emergency Communications Board Wireless Charge	3002	15,943
Operating Grants -TECB - Operational Funding	3003	71,430
TECB Distribution of Excess Revenue	3020	155,187
Total Operating Revenues		<u>276,131</u>
Operating Expenses:		
Salaries and wages	4000	151,333
Employee benefits	4100	12,105
Contract services	4200	30,258
Supplies and materials	4300	22,157
Depreciation	4500	78,683
Insurance	4409	16,489
Repair and maintenance	4232	29,404
Training and travel	4418	5,431
Utilities	4307	25,750
Miscellaneous	4499	905
Total Operating Expenses		<u>372,515</u>
Operating income (loss)		<u>(96,384)</u>
Nonoperating Revenues (Expenses):		
Interest expense	5010	(27,467)
Interest income	5002	1,360
Other income	5009	1,100
Contributions - other governments	5005	15,251
Grants -State Emergency Communications	5006	42,681
Total Nonoperating Revenues (Expenses)		<u>32,925</u>
Capital contribution	6003	<u>45,000</u>
Net change in net position		(18,459)
Net position, June 30, 2014		<u>1,066,662</u>
Net position, June 30, 2015		<u><u>\$1,048,203</u></u>

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

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Cash Flows

For the Year Ending June 30, 2015

Cash Flows from Operating Activities:	
Cash received from activities	\$297,228
Cash paid to employees	(163,438)
Cash paid to suppliers	(128,628)
Net Cash Provided (Used) by Operating Activities	<u>5,162</u>
Cash Flows from Capital and Related Financing Activities:	
Payments of debt- principal	(165,667)
Payments of interest	(27,467)
Contribution capital	45,000
Acquisition of capital assets	(77,277)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(225,411)</u>
Cash Flows from Noncapital financing:	
Operating contributions	<u>57,932</u>
Net Cash Provided (Used) by Noncapital financing	<u>57,932</u>
Cash Flows from Investing Activities:	
Redemption (purchase) of Certificate of deposit	140,803
Interest received	1,360
Net Cash Provided (Used) by Investing Activities	<u>142,163</u>
Net Change in Cash	(20,154)
Cash and Cash Equivalents, June 30, 2014	<u>73,012</u>
Cash and Cash Equivalents, June 30, 2015	<u>\$52,858</u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income (loss)	(\$96,384)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other income	1,100
Depreciation	78,683
Change in assets (increase) decrease:	
Accounts receivable	21,097
Change in liabilities increase (decrease):	
Account payable	(2,244)
Accrued liabilities	2,910
Net Cash Provided (Used) by Operating Activities	<u>\$5,162</u>

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

NOTES TO THE FINANCIAL STATEMENTS

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Wayne County Emergency Communications District (the District) is a component unit of Wayne County, Tennessee. The District encompasses the same boundaries as Wayne 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 Wayne County Mayor. The Wayne County Commission has the ability to adjust the District's service charges. The District must obtain County Commission approval before the issuance of most debt. The District is considered a political subdivision and is exempt from Federal and State income taxes.

Basis of Accounting

The accompanying financial statements of the District have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable. The District uses the economic resources measurement focus in the financial statements.

Cash and Cash Equivalents

The District considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

Capital Assets

Capital assets of the District is recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant and equipment in service is from 3 to 40 years. The District does capitalize interest incurred on construction projects.

Estimates

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund 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.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Supply Inventory

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

Operating revenues and operating expenses

The District recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed nonoperating.

Note 2 - CASH AND CERTIFICATES OF DEPOSIT

The District is authorized to invest funds in financial institutions and direct obligations of the Federal Government. During the year, the District invested funds that were not immediately needed in deposit accounts. Deposits in financial institutions are required by State Statute to be secured and collateralized by the institutions. The District has deposit policies to minimize custodial credit risks. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the District and must total a minimum of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The District's deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

Note 3 - CAPITAL ASSETS

A summary of changes in capital assets in service is as follows:

	Balance <u>6-30-14</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6-30-15</u>
Land	55,244	-	-	55,244
Equipment	837,181	71,449	103,370	805,260
Buildings	820,294	5,828	-	826,122
Vehicles	45,522	-	-	45,522
Maps	<u>32,227</u>	<u>-</u>	<u>-</u>	<u>32,227</u>
Total	1,790,468	77,277	103,370	1,764,375
Less accumulated depreciation				
		Balance <u>6-30-14</u>		Balance <u>6-30-15</u>
Equipment		244,193		218,951
Buildings		133,162		133,161
Vehicles		23,301		23,856
Maps		<u>32,227</u>		<u>32,227</u>
Less accumulated depreciation		<u>(432,883)</u>		<u>(408,195)</u>
Utility plant - net		<u>\$1,357,585</u>		<u>1,356,180</u>

All assets except land are being depreciated.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2015

Note 4 - LONG-TERM DEBT

The following is a summary of changes in long-term debt:

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
	<u>6-30-14</u>			<u>6-30-15</u>
Mortgage loan	\$ 484,977	-	30,000	454,977
Equipment lease	<u>135,667</u>	<u>-</u>	<u>135,667</u>	<u>-</u>
Total	620,644	-	165,667	454,977

Future maturities of note principal and interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	30,000	20,703
2017	30,000	19,338
2018	30,000	17,973
2019	35,000	16,608
2020	35,000	15,015
2021-2025	200,000	49,823
2026-2027	<u>94,977</u>	<u>6,599</u>
Total	\$ <u>454,977</u>	<u>146,059</u>

The Building of the District is pledged as collateral on the mortgage loan indebtedness until the existing principal and interest are paid in full.

Note 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The District purchases commercial financial bonded insurance for its officials. For all other risks, the District purchases commercial insurance. There have been no claims during the last three years.

Note 6 - COMMITMENTS AND CONTINGENCIES

Federal and State Grants

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities: the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2015

Note 7 - BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by Board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- b. The Board approves, total budget appropriations. The Manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the Board.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

The Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts establishes the legal budget level of control to be at the line-item level.

SUPPLEMENTAL
INFORMATION

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Revenues and Expenses
Budget and Actual

For the Year Ended June 30, 2015

		<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable) <u>Variance</u>
Operating Revenues:	<u>Number</u>			
Emergency Telephone Service Charge	3001	\$85,000	\$33,571	(\$51,429)
State Emergency Communications Board Wireless Charge	3002	16,000	15,943	(57)
Operating Grants -TECB - Operational Funding	3003	42,000	71,430	29,430
TECB Distribution of Excess Revenue	3020	159,550	155,187	(4,363)
Total Operating Revenues		<u>302,550</u>	<u>276,131</u>	<u>(26,419)</u>
Operating Contributions:				
Contributions - other governments	5005	12,100	15,251	3,151
Grants - State Emergency Communications	5006	28,000	42,681	14,681
Total Operating Contributions		<u>40,100</u>	<u>57,932</u>	<u>17,832</u>
Capital Contributions:				
Grants - State Emergency Communications	5006	45,000	45,000	0
Total Capital Contributions		<u>45,000</u>	<u>45,000</u>	<u>0</u>
Operating Expenses:				
Salaries and wages	4000	151,950	151,333	617
Employee benefits	4100	12,900	12,105	795
Contract services	4200	32,000	30,258	1,742
Supplies and materials	4300	26,100	22,157	3,943
Depreciation	4500	80,000	78,683	1,317
Insurance	4409	17,000	16,489	511
Repair and maintenance	4232	30,000	29,404	596
Training and travel	4418	8,800	5,431	3,369
Utilities	4307	27,300	25,750	1,550
Miscellaneous	4499	3,800	905	2,895
Total Operating Expenses		<u>389,850</u>	<u>372,515</u>	<u>17,335</u>
Operating income (loss)		<u>(2,200)</u>	<u>6,548</u>	<u>8,748</u>
Nonoperating Revenues (Expenses):				
Interest expense	5010	(28,000)	(27,467)	533
Interest income	5002	1,500	1,360	(140)
Other income	5002	1,100	1,100	0
Total Nonoperating Revenues (Expenses)		<u>(25,400)</u>	<u>(25,007)</u>	<u>393</u>
Net change in position		<u>(27,600)</u>	<u>(18,459)</u>	<u>9,141</u>

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Expenses

For the Year Ended June 30, 2015

Director- wages	\$	58,100
Address/mapping - wages		16,758
Telecommunications wages		41,115
Administrative - wages		35,360
Address/mapping expense		2,759
Auditing		2,500
Accounting		855
Social security		9,360
Medicare		2,190
Service provider fees		3,430
Legal fees		150
Board meeting		852
Unemployment insurance		556
Repair and maintenance - grounds		1,966
Repair and maintenance- equipment		17,141
Repair and maintenance- facilities		7,829
Service contracts		35,796
Office supplies		2,694
Small equipment purchases		6,494
Utilities- water		720
Utilities- electric		10,262
Utilities- telephone -call center		14,452
Building insurance		14,535
Vehicle insurance		1,894
Surety insurance		60
Training		794
Travel		1,498
Vehicle expense		3,139
Depreciation		78,683
Interest		27,467
Miscellaneous		573
Total expenses	\$	<u>399,982</u>

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2015

<u>Program Name</u>	<u>Grantor Agency</u>	Receivable (Deferred) Balance July 1, 2014	Cash Receipts	Other Receipts	Cash Expenditures	Receivable (Deferred) Balance June 30, 2015
State Program:						
Equipment	State of Tennessee Commerce and Insurance	\$0	45,000	\$0	45,000	0
Dispatch	State of Tennessee Commerce and Insurance	\$0	9,000	\$0	9,000	0
GIS allocation	State of Tennessee Commerce and Insurance	\$0	29,877	\$0	29,877	0
ECB reimbursement	State of Tennessee Commerce and Insurance	\$0	3,804	\$0	3,804	0
		\$0	\$87,681	\$0	\$87,681	\$0

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Debt Service Requirements

June 30, 2015

Year	BUILDING LOAN		TOTALS	
	Principal	Interest	Principal	Interest
2016	\$ 30,000	20,703	30,000	20,703
2017	30,000	19,338	30,000	19,338
2018	30,000	17,973	30,000	17,973
2019	35,000	16,608	35,000	16,608
2020	35,000	15,015	35,000	15,015
2021	35,000	13,423	35,000	13,423
2022	40,000	11,830	40,000	11,830
2023	40,000	10,010	40,000	10,010
2024	40,000	8,190	40,000	8,190
2025	45,000	6,370	45,000	6,370
2026	45,000	4,323	45,000	4,323
2027	49,977	2,276	49,977	2,276
	<u>454,977</u>	<u>146,059</u>	<u>454,977</u>	<u>146,059</u>

COMPLIANCE AND INTERNAL CONTROL

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

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

Board of Directors
Wayne County Emergency Communications District
Waynesboro, Tennessee

I have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Wayne 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 the Wayne County Emergency Communications District's basic financial statements, and have issued a report thereon dated July 31, 2015.

Internal Control Over Financial Reporting

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

My consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified. However, as discussed below, I identified a deficiency in internal control that I consider to be a material weakness (2011-001 Lack of segregation of Duties).

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 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. A material weakness is a deficiency, or 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. I consider the deficiency described below (2011-001) to be a material weakness.

The material weakness is as follows:

2011-001 Separation of Duties

Due to the limited number of personnel employed by the District, several functions, which ideally should be performed by different individuals, are regularly performed by one or two persons. I recommend that the District strengthen its internal control in cash receipts, cash disbursements, and reconciliation of cash.

Management Response:

Due to the size of the office, a complete separation of duties is not possible. However we are continuing to monitor office responsibilities and segregate duties as needed.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wayne County Emergency Communications District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Finding

The Wayne County Emergency Communications District's response to the finding identified in the audit is described above. The Wayne County Emergency Communications District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of This Report

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

Jaki K. Poolb, CPA

July 31, 2015

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Disposition of Prior Year Comments

June 30, 2015

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2011-001	Separation of Duties	Continues