PERRY COUNTY EMERGENCY

COMMUNICATIONS DISTRICT

(A Component Unit)

Financial Statements

June 30, 2023

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Table of Contents

INTRODUCTORY SECTION

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Board of Directors

June 30, 2023

Official	Office
Wes Ward	Chairman
Don Bates	Vice Chairman
Sam Worf	Director
Rodger Barber	Director
Nick Neems	Director
Jackie Duncan	Director
Chris O'Guin	Director
Jared Hesten	Director
Daniel McCoy	Director
Management	
Alycia Rosson	Manager

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

INDEPENDENT AUDITORS' REPORT

Board of Directors
Perry County Emergency Communications District
Linden, Tennessee

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the Perry County Emergency Communications District (the "District"), a component unit of Perry County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2023, 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.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Unites States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

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 is the responsibility of management and, 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 I obtained during my 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 us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information section, as listed in the table of contents, is presented for purposes of additional analysis and is 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information – Introductory Section

Management is responsible for the Introductory Section included in the annual report. The Introductory Section, as listed in the table of contents, does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the Introductory Section, and I do not express an opinion or any other assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the Introductory Section and consider whether a material inconsistency exists between the Introductory Section and basic financial statements, or the Introductory Section otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the Introductory Section exists, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated July 15, 2023, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

John R Poole, CPA

July 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Perry County Emergency Communications District

Management's Discussion and Analysis

As management of the Perry 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, 2023. 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 Perry County Emergency Communications District exceeded its liabilities at the close of the most recent fiscal year by $2,327,655. Of this amount, $1,757,090 (unrestricted Net Position) may be used to meet the District's ongoing obligations. The District's total Net Position increased by $83,657 during the current year, primarily as a result of keeping expenses within total expense appropriations.

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 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 11-13 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 Perry County Emergency Communications District, assets exceeded liabilities by $2,327,655 at the close of the most recent fiscal year. One of the largest portions of the District's assets reflects 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.

Comparison of Revenues and Expenses between years

	2023	2022	Variance
Operating Revenues:			
TECB Distribution of Revenues	416,263	385,390	30,873
Total Operating Revenues	416,263	385,390	30,873
Operating Expenses:			
Dispatchers	164,817	121,776	43,041
Depreciation	109,796	110,696	(900)
Supplies	21,621	14,348	7,273
Insurance	15,404	13,505	1,899
Professional services	14,216	25,160	(10,944)
Training	9,718	4,055	5,663
Utilities	19,594	32,994	(13,400)
Repair and maintenance	31,906	24,928	6,978
Total Operating Expenses	387,072	347,462	39,610
Operating income (loss)	29,191	37,928	(8,737)
Nonoperating Revenues (Expenses):			
TECB subsidies	17,753	17,753	0
Other income	17,741	43,243	(25,502)
Rent	9,240	9,240	0
Interest income	9,732	6,199	3,533
Total Nonoperating Revenues (Expenses)	54,466	76,435	(21,969)
Net change in net position	83,657	114,363	(30,706)

Perry County Emergency Communications District's Net Position

	2022	2023
Current assets	$ 1,660,266	1,758,824
Capital assets, net	585,417	570,565
Total assets	2,245,683	2,329,389
Accounts payable	1,685	1,734
Total liabilities	1,685	1,734
Net Position:		
Investment in capital assets	585,417	570,565
Unrestricted	1,658,581	1,757,090
Total Net Position	$ 2,243,998	2,327,655

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

Capital Assets

The Perry County Emergency Communications District's investment in capital assets from its activities at June 30, 2023, amounts to $570,565 (net of accumulated depreciation). This investment in capital assets is in communications equipment and vehicles.

		2023	2022
Vehicles	$	62,964	62,964
Land and building		188,065	188,065
Communication equipment		1,177,931	1,082,987
Total		1,428,960	1,334,016
Less accumulated depreciation		(858,395)	(748,599)
Net Capital Assets	$	570,565	585,417

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

Economic Factors and Next Year's Budget and Rates

In the 2023-2024 budget, District revenues are budgeted to increase from the 2022-2023 budget year primarily due to increases in surcharge revenues and maintaining purchases withing budgeted levels. All of these factors were considered in preparing the District's budget for the 2023-2024 fiscal year.

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:

Alycia Rosson
Perry County Emergency Communications District

FINANCIAL STATEMENTS

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Net Position

June 30, 2023

Assets	Account Number	
Current Assets:		
Cash and cash equivalents	1001	$740,007
Certificate of deposits	1001	1,000,000
Prepaid assets	1009	18,817
Total Current Assets		1,758,824
Capital Assets:		
Land	1351	23,923
Communication equipment	1308	1,177,931
Vehicles	1310	62,964
Buildings	1302	164,142
Less accumulated depreciation - buildings	1303	(44,078)
Less accumulated depreciation - comm. equip.	1309	(777,132)
Less accumulated depreciation - vehicles	1311	(37,185)
Total Capital Assets, Net		570,565
Total Assets		$2,329,389
Liabilities		
Current Liabilities		
Accounts payable	2001	1,734
Total Current Liabilities		1,734
Net Position		
Unrestriced	2320	1,757,090
Investment in capital assets	2301	570,565
Total Net Position		2,327,655

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

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2023

	Account Number	
Operating Revenues:		
TECB Distribution of 911 Surcharges	3010	$263,562
TECB Distribution of Excess Revenue	3020	152,701
Total Operating Revenues		416,263
Operating Expenses:		
Dispatchers	4004	164,817
Depreciation	4501	109,796
Supplies	4435	21,621
Insurance	4409	15,404
Professional services	4203	14,216
Training	4418	9,718
Utilities	4307	19,594
Repair and maintenance	4432	31,906
Total Operating Expenses		387,072
Operating income (loss)		29,191
Nonoperating Revenues (Expenses):		
TECB subsidies	5006	17,753
Insurance proceeds	5013	17,741
Rental income	5012	9,240
Interest income	5002	9,732
Total Nonoperating Revenues (Expenses)		54,466
Net change in net position		83,657
Net position, June 30, 2022		2,243,998
Net position, June 30, 2023		$2,327,655

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

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Cash Flows

For the Year Ending June 30, 2023

Cash Flows from Operating Activities:	
Cash received from State of Tennessee	$416,263
Cash received from Rental income	9,240
Cash received from Insurance proceeds	17,741
Cash paid to suppliers	(278,980)
Net Cash Provided (Used) by Operating Activities	164,264
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(94,944)
Net Cash Provided (Used) by Capital and Related Financing Activities	(94,944)
Cash Flows from Non-Capital and Related Financing Activities:	
State of Tennessee contributions	17,753
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	17,753
Cash Flows from Investing Activities:	
Redemption (purchase) of Certificate of deposit	(267,096)
Interest received	9,732
Net Cash Provided (Used) Investing Activities	(257,364)
Net Increase (decrease) in Cash	(170,291)
Cash and Cash Equivalents, June 30, 2022	910,298
Cash and Cash Equivalents, June 30, 2023	$740,007

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income (loss)	$29,191
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	109,796
Rent	9,240
Insurance proceeds	17,741
Change in assets (increase) decrease:	
Prepaid assets	(1,753)
Change in liabilities increase (decrease):	
Accounts payable	49
Net Cash Provided (Used) by Operating Activities	$164,264

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

NOTES TO THE FINANCIAL STATEMENTS

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Notes to Financial Statements

June 30, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Perry County Emergency Communications District (the District) was created as a public corporation on November 8, 1998 under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Perry 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. The District is considered a political subdivision and is exempt from Federal and State income taxes. The District is considered a component unit of Perry County. The County appoints the board of directors and the County Commission may adjust service fees and must approve bonded debt. As a result, the Perry County Commission indirectly imposes its will on the District.

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.

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).

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 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.

Restricted Assets

It is the policy of the District to apply restricted assets when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets
Capital assets of the District is recorded at cost. It is the District's policy to capitalize all assets of $10,000 with an estimated life of more than three years. 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 10 years. Interest incurred on construction projects is expensed when paid and thus not a part of the capitalized cost.

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.

Budgets and Budgetary Accounting
The District's annual budget is required by state law. The District's Board of Directors formally approve the budget. The budget is adopted on a basis consistent with generally accepted accounting principles. 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 by line item only. The Board is authorized to transfer budget amounts between line items within each line item; however, any revisions that alter the total appropriations of any fund must be approved by vote of the Board. Management may not adjust budget amounts without Board approval. State regulations establishes the legal level of control to be at the line-item level.

c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

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. Cash and cash equivalents were adequately covered by federal depository insurance, insured by the depository bank's participation in the State of Tennessee Bank Collateral Pool or collateralized by securities, pledged for deposits, held by an independent third-party financial institution under the terms of a safekeeping collateral agreement in the District's name. Investment policies of the District follow state law and bond requirements prohibiting investments that are not secured or insured by the U.S. Government.

Note 3 - CAPITAL ASSETS

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

	Balance 6-30-22	Additions	Disposals	Balance 6-30-23
Land	23,923	-	-	23,923
Buildings	164,142	-	-	164,142
Vehicles	62,964	-	-	62,964
Equipment	1,082,987	94,944	-	1,177,931
	1,334,016	94,944	-	1,428,960
Less accumulated depreciation				
Buildings	(39,621)			(44,078)
Vehicles	(28,593)			(37,185)
Equipment	(680,385)			(777,132)
Utility plant - net	$ 585,417			570,565

The depreciation expense for the communication equipment is $96,747, for vehicles is $8,592, and for the buildings is $4,457. Depreciation expense for the year was $109,796.

Note 4 - 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 Treasurer and Chairman. For all other risks, the District purchases commercial insurance. The District has not had claims in excess of insurance coverage during the last three years.

SUPPLEMENTAL INFORMATION

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Revenues and Expenses
Budget and Actual

For the Year Ended June 30, 2023

	Number	Budget	Actual	Favorable (Unfavorable) Variance
Operating Revenues:				
TCA Section 7-86-303 Receipts	3010	$263,562	$263,562	$0
TCA Section 7-86-130 Receipts	3020	144,694	152,701	8,007
Total Operating Revenues		408,256	416,263	8,007
Operating Expenses:				
Dispatchers	4004	164,878	164,817	61
Depreciation	4501	110,000	109,796	204
Supplies	4435	22,350	21,621	729
Insurance	4409	16,225	15,404	821
Professional services	4203	16,140	14,216	1,924
Training/travel	4418	10,500	9,718	782
Utilities	4307	28,410	19,594	8,816
Repair and maintenance	4432	39,000	31,906	7,094
Total Operating Expenses		407,503	387,072	20,431
Operating income (loss)		753	29,191	28,438
Nonoperating Revenues (Expenses):				
TECB subsidies	5006	17,753	17,753	0
Insurance proceeds	5013	0	17,741	17,741
Rental income	5012	9,240	9,240	0
Interest income	5002	2,000	9,732	7,732
Total Nonoperating Revenues (Expenses)		28,993	54,466	25,473
Net change in net position		29,746	83,657	53,911

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Expenses

For the Year Ended June 30, 2023

	Account Number		Expenses
Telecommunications wages	4004	$	164,817
Telephone	4437		650
Repair and maintenance	4432		31,906
Supplies	4435		20,230
Office suppies	4246		1,391
Utilities	4307		18,944
Liability insurance	4240		15,404
Training	4418		4,409
Travel	4419		5,309
Depreciation	4501		109,796
Professional services	4203		14,216
Total expenses		$	387,072

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
Perry County Emergency Communications District
Linden, 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 Perry County Emergency Communications District, a component unit of Perry County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Perry County Emergency Communications District's basic financial statements, and have issued a report thereon dated July 15, 2023.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Perry County Emergency Communications District's internal control over financial reporting (internal control) as a basis for designing 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 Perry County Emergency Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Perry County Emergency Communications District's internal control.

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

My consideration of 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 weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001, that I consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Perry 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 Perry County Emergency Communications District's response to the finding identified in the audit is described in the Schedule of Findings and Responses. The Perry 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.

John R Poole, CPA

July 15, 2023

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Findings and Responses

June 30, 2023

2023-001 - Separation of Duties

Condition: The Perry County Emergency Communications District currently has one employee that works in performing the majority of the accounting functions for the District. Due to only having one employee performing the accounting transactions there is currently an inadequate segregation of duties.

Criteria: Generally accepted accounting principles require that accounting functions be adequately segregated to ensure that the internal accounting controls are effective.

Cause: The District has a limited number of office employees to provide for a proper division of duties.

Effect: The risk of errors and irregularities occurring and not being detected in a timely manner along with the possibility of fraud or misappropriation of assets increases when accounting functions are not adequately segregated.

Recommendation: For adequate separation of duties, the employee who writes receipts, prepares and makes bank deposits, or writes checks should neither reconcile bank statements nor post to the cash receipts and disbursements journals.

Response: "We agree that the staff size will not allow the District to segregate duties to the optimum level desired. There is only one employee working in the department so it is virtually impossible to segregate duties unless more staff could be hired and due to the finances of our district, we could not financially hire additional office help."

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of Disposition of Prior Year Comments

June 30, 2023

Finding Number	Finding Title	Status
2022-001	Separation of Duties	Repeated

Original finding number was 2001-001. Current year finding number is 2023-001.

Alycia J. Rosson
PC E911 Director
911director@perrycountytn.gov
300 Venture Dr., Linden, Tn 37096

Wess Ward
911 Board Chairman
Mayorward2016@gmail.com
300 Venture Drive, Linden, Tn 37096

Management's Corrective Action Plan

Audit period: June 30, 2023

The findings from the June 30, 2023, *Schedule of Findings and Responses* are discussed below.

2023-001 Segregation of Duties (Internal Control)

Contact person: Alycia Rosson

Planned Corrective Action: It is not economically feasible at this time to hire a sufficient number of people to adequately separate the duties. The Board of Directors continues to monitor our finances and internal control.

Anticipated Completion Date: At the current time, due to our size, we do not believe we can fully segregate these duties. We will continue to improve and strengthen our internal controls, but we cannot give a definite date.

Signature: Alycia Rosson, CMCP
911 Director of Operations