

**CALHOUN COUNTY, ALABAMA 9-1-1
EMERGENCY COMMUNICATIONS DISTRICT**

**REQUEST FOR PROPOSAL
FOR
PROFESSIONAL CPA ACCOUNTING AND
FINANCIAL AUDIT SERVICES**

**INQUIRIES AND PROPOSALS SHOULD BE
DIRECTED TO:**

**Kevin Jenkins
Executive Director
Calhoun County 9-1-1 District
507 Francis Street West
Jacksonville, Alabama 36265
kjenkins@911.calhouncountyal.gov**

PROPOSALS ARE DUE BY JULY 17, 2024 AT 4:30 P.M.

I. GENERAL INFORMATION.

- A. **Purpose.** This Request for Proposal (RFP) is for professional accounting and financial audit services to be provided to the **Calhoun County, Alabama 9-1-1 Emergency Communications District (CC911)**. The contract and/or engagement letter will effectively hire the selected Proposer to conduct an independent, third-party audit of the annual financial and accounting records of CC911.
- B. **Who May Respond.** Any Certified Public Accountant (CPA) currently licensed to practice in the **State of Alabama**, or professional accounting firms including such CPA personnel, are cordially invited to respond to this RFP.
- C. **Instructions on Proposal Submission.**
1. **Closing Submission Date.** Proposals must be submitted no later than **4:30 pm** on **Wednesday, July 17, 2024**.
 2. **Inquiries.** Any inquiries concerning this RFP should be directed to:
Kevin Jenkins
Executive Director
Calhoun County 9-1-1 District
507 Francis Street West
Jacksonville, Alabama 36265

E-mail is acceptable to: kjenkins@911.calhouncountyal.gov
 3. **Conditions of Proposal.** All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Proposer and will not be reimbursed by the Calhoun County 9-1-1 District (hereinafter referred to as CC911).
 4. **Instructions to Prospective Contractors.** Your proposal should be addressed as follows:

Calhoun County 9-1-1 District
ATTN: Audit Proposal
507 Francis Street West
Jacksonville, Alabama 36265

It is important that the proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

**SEALED PROPOSAL For Financial Audit Services
Delivery Required by July 17, 2024**

The proposal should be mailed via United States Postal Service or a delivery courier. It is the responsibility of the Proposer to ensure that the proposal is received by CC911, by the date, time and in the manner specified above. Any late or unsealed proposals will not be considered.

5. **Right to Reject.** CC911 reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be drafted based upon the factors described in this RFP.
6. **Notification of Award.** It is expected that a decision for selection of the successful proposal will be made within four (4) weeks of the closing date. Upon conclusion of final negotiations regarding the successful proposal, all other Proposers will be informed, in writing, of the name of the successful Proposer. It is expected the professional services contract will be awarded for a minimum of three (3) years (as determined by CC911).

D. **Description of Entity.** The Calhoun County, Alabama 9-1-1 District consistently delivers the most reliable and effective emergency telecommunications in service of the citizens and first responders of Calhoun County. A legal and duly authorized Emergency Communications District (ECD) in the State of Alabama since 1986, CC911 is responsible for management, direction and oversight of the 24-7-365 operations and accountability of Calhoun County's primary Public Safety Answering Point (PSAP) and our Cooperative/Regional Project 25 (P25) Communications System headquartered in Jacksonville, Alabama.

The ECD is administered by a seven (7) member Board of Commissioners, all of which are appointed to serve a four (4) year term. ECD Board Members are appointed by the Calhoun County Commission, an elected body serving on behalf of the People.

Our 9-1-1/Communications/Dispatch Operations Division serves more than 116,000 citizens and nearly 1,200 public safety officials in Calhoun County, Alabama by providing efficient and highly professional 9-1-1 call processing along with continuous law enforcement, fire and emergency medical (EMS) telecommunications services using advanced CAD/RMS/GIS/Radio platforms. Our communications center consistently processes 400-500 calls for service each day.

The Systems/Information Technology Services Division operates a regional P25 Land-Mobile Radio (LMR) Communications System serving the 24-7-365 interoperable and

mission-critical two-way radio/data requirements for public safety/first responders throughout Calhoun and Cherokee Counties, Alabama. The regional radio network includes 9 (nine) simulcast/multicast communications sites and 12 dispatch locations, interconnected with approximately 2,800 paid annual subscribers.

- II. SCOPE OF SERVICES.** CC911 seeks to retain the services of a certified public accountant or public accounting firm to conduct its annual, third-party accounting and financial audit(s). The period, for any given fiscal year, is October 1 to September 30. The first audit period will be FY2023. With satisfactory performance, CC911 will strongly consider using the same contractor and/or arrangement(s) to complete future year's audits.

The audit will perform an independent review of the financial statements, documents, data, and accounting entries. The purpose is to review and account for all balances, cash flow statements, income statements, balance sheets, tax returns, and internal control systems, etc.

For the purpose of describing the extent of the audit services to be performed, Calhoun County 9-1-1 handles:

- A. Number of accounts payable (average): 40 checks monthly;
- B. Number of accounts receivable (average): 120 invoices annually – with receivables posted at various intervals through the year;
- C. Payroll: 35 personnel; 26 pay periods each year.

For consideration in preparation of a proposal to CC911, we have included the most recent third-party annual audit report (FY2022). This is an example of the work and services to be performed by the prospective contractor.

The timeline for completion of the annual audit is negotiable. Ideally, the audit will be completed by the contractor within 120 days of the CC911's award of a professional services contract.

- III. PROPOSAL CONTENTS.** The Proposer, in the response, shall as a minimum include the following:

- A. **Accounting Experience.** The Proposer should describe its experience related to the areas outlined in the scope of services. Additionally, if applicable, provide a description of any experience advising organizations comparable to CC911 that offer similar programs and government-funded services.
- B. **Organization, Size, Structure, and Areas of Practice.** The Proposer should describe its

organization in terms of the following:

- Size and organizational structure
- Number of employees and their responsibilities
- Areas of practice
- Office location(s)
- Small or minority-owned business

C. **Accountant Qualifications.** The Proposer should separately attach a description of the qualifications of accountant(s) to be assigned. Descriptions should include:

1. Resume
2. Professional and education background of each accountant;
3. Most up-to-date peer review letter;
4. Overall supervision to be exercised;
5. Prior experience of the accountant(s) with respect to required responsibilities. Additional relevant previous work experience with governmental operations, public safety or emergency communications will be strongly considered.

D. **Fee(s).** The Proposer's fee(s) for services should describe information on the hourly billing rates of the accountant(s) and/or other support staff who are expected to perform work. This should include any retainers (if any) and/or hourly billing rate(s) that would be charged to CC911. CC911 reserves the right to negotiate with the Proposer on the structure of the billing and/or retainer fee.

IV. **PROPOSAL EVALUATION.**

A. **Submission of Proposals.** All proposals shall include two (2) original versions.

B. **Evaluation Procedure and Criteria.** CC911's Executive Director and appropriate staff will review proposals and make recommendations to the Board of Commissioners for final approval. The Executive Director and/or Board of Commissioners may request a meeting with some qualified Proposers prior to final selection. Proposals will be reviewed in accordance with the following criteria:

1. Proposed approach to scope of work;
2. Level of experience of the individual(s) identified to work on this matter;
3. The Proposer's experience with similar clients and accounting matters;
4. Fee(s) or any other proposed costs for audit services;
5. Interviews, if conducted.

V. QUESTIONS.

Questions for the purpose of clarifying the RFP must be submitted **in writing by email** and must be received no later than **4:30 p.m. on Friday, July 5, 2024**. Questions must be emailed to Kevin Jenkins at kjenkins@911.calhouncountyal.gov. Questions and responses will be posted as “Addendum to the Calhoun County 9-1-1 District RFP for Financial Audit Services” on the CC911 website at <http://www.calhoun911.org> by **4:30 p.m. on Wednesday, July 10, 2024**. Please note that submission of questions is not a factor for determination of a professional services contract through this RFP.

VI. GENERAL INFORMATION.

A. Contract Award

CC911 reserves the right to award a professional services contract in a manner deemed to be in the best interests of CC911.

B. Stability of Proposed Prices

Any price offerings from Proposers must be valid for a period of 30 days from the due date of the proposals.

C. Amendment or Cancellation of the RFP

CC911 reserves the right to cancel, amend, modify, or otherwise change this RFP at any time if it deems it to be in the best interests of CC911.

D. Proposal Modifications

No additions or changes to any proposal will be allowed after the proposal due date, unless such modification is specifically requested by CC911. CC911, at its option, may seek Proposer retraction and clarification of any discrepancy or contradiction found during its review of proposals.

E. Proposer Presentation of Supporting Evidence

Proposers must be prepared to provide any evidence of experience, performance, ability, and/or financial surety that CC911 deems necessary or appropriate to fully establish the performance capabilities represented in their proposals.

F. Proposer Demonstration of Proposed Services and/or Products

Proposers must be able to confirm their ability to provide all proposed services.

G. Ownership of Proposals

All proposals shall become the property of CC911 and will not be returned.

H. Ownership of Subsequent Products

Any product, whether acceptable or unacceptable, developed under a contract awarded as the result of this RFP shall be the sole property of CC911 unless otherwise stated in the contract.

I. Oral Agreement or Arrangements

Any alleged oral agreements or arrangements made by Proposers with CC911 will be disregarded in any proposal evaluation or associated award.

J. Not a Contract

This RFP is not a contract and, alone, shall not be interpreted as such. Rather, this RFP serves only as the instrument through which proposals are solicited. CC911 will pursue negotiations with the highest scoring proposal. If, for some reason, CC911 and the initial Proposer fail to reach consensus on the issues relative to a contract, then CC911 may commence contract negotiations with other Proposers. CC911 may decide at any time to start the RFP process again. The selected Proposer may be required to enter into a formal professional services contract.

L. Subcontractors

CC911 must approve any and all subcontractors utilized by the successful Proposer prior to any such subcontractor commencing any work. Proposers acknowledge by the act of submitting a proposal that any work provided under the contract is work conducted on behalf of CC911 and that the CC911 Executive Director or designee may communicate directly with any subcontractor as CC911 deems necessary or appropriate.

It is also understood that the successful Proposer shall be responsible for all payment of fees charged by the subcontractor(s). A performance evaluation of any subcontractor shall be provided promptly by the successful Proposer to CC911 upon request. The successful Proposer must provide the majority of services described in the specifications.

July 26, 2023

Calhoun County 911 District of Directors
Calhoun County 911 District
507 Francis Street West
Jacksonville, Alabama 36265

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Calhoun County 911 District for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 16, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the district are described in Note 1 to the financial statements. During the year ended September 30, 2022, the Calhoun County 911 District implemented a new accounting policy for leasing arrangements. The new policy is outlined in Note 1 to the financial statement. We noted no transactions entered into by Calhoun County 911 District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the district's financial statements was:

Management's estimate of the depreciation is based on useful lives of these assets. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no financial statements disclosures that were particularly sensitive.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following journal entries were material to the financial statements:

- The district had construction in process for the Microwave System/ IP Simulcast which resulted in a decrease in the capital outlays accounts of \$716,514 and an increase in the districts proprietary network and infrastructure account in the same amount.
- To record wages payable to actual Salaries were increased by \$15,238 and the wages payable was increased to record to actual. Long term compensated absences were increased by \$20,362 while current compensated absences were decreased by \$3,273.

- Deferred Outflows of resources was adjusted by \$13,581, which corresponded with a change in net pension liability by \$21,612 and deferred inflows by \$20,210. Pension expense was increased by \$12,179. This adjustment is related to the standard GASB 68.
- As a part of our audit of leasing arrangements, we proposed an adjustment increasing leases receivable by \$370,116 with a corresponding increase in deferred inflows related to leases.
- The depreciation account was decreased by \$287,461 to record depreciation expense to actual for the proprietary fund. This adjustment decreased expenses and would increase net income in the proprietary fund by the \$287,461.
- The adjustment for unearned service fees was reclassified to Local user fees which resulted in an increase in Local User Fee income of \$66,434.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 26, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Calhoun County 911 District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual, the Statement of Changes in Net Pension Liability, and the Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Calhoun County 911 District of Directors and management of Calhoun County 911 District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Gerald G. Pentecost, Jr. CPA

DRAFT

For Discussion Purposes Only

**CALHOUN COUNTY 9th DISTRICT Change
JACKSONVILLE, ALABAMA**

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

SEPTEMBER 30, 2022

GERALD G. PENTECOST, JR., CPA



Certified Public Accountants

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DRAFT

For Discussion Purposes Only
Subject To Change

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Calhoun County 911 District
Jacksonville, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Calhoun County 911 District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Calhoun County 911 District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Calhoun County 911 District, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Calhoun County 911 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 United 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 Calhoun County 911 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

Our 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 our 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 judgment 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*, we:

- 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 Calhoun County 911 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Calhoun County 911 District's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 – 38, the schedule of changes in net pension liability on page 39, and the schedule of employer contributions on page 40, as well as the notes to the required supplementary information on page 41 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. 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.

The Calhoun County 911 District 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2023, on our consideration of the Calhoun County 911 District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Calhoun County 911 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 Calhoun County 911 District's internal control over financial reporting and compliance.

Gerald G. Pentecost, Jr., CPA

Gadsden, Alabama

July 26, 2023

**Calhoun County 911 District
Statement of Net Position
September 30, 2022**

	Governmental Activities	Business-type Activities	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Unrestricted	\$ 777,981	\$ 1,056,229	\$ 1,834,210
Receivables - Net of Allowance For Bad Debts	183,603	93,710	277,313
Interfund Receivables/Payables	1,146,073	(1,146,073)	-
Prepaid Expenses	12,271	71,746	84,017
Current Portion of Leases Receivable			
Total Current Assets	<u>2,119,928</u>	<u>75,612</u>	<u>2,195,540</u>
Capital Assets (Net of Accumulated Depreciation):			
Non-Depreciable Assets	-	719,094	719,094
Building Improvements	355,670	-	355,670
Network and Infrastructure	-	17,289,925	17,289,925
Office Fixtures	161,332	2,448,041	2,609,373
Computers	432,185	-	432,185
Communications	4,956,770	-	4,956,770
Radio	35,605	8,477,435	8,513,040
Vehicles	215,028	-	215,028
Other Equipment	80,515	-	80,515
Accumulated Depreciation	<u>(4,514,662)</u>	<u>(27,440,515)</u>	<u>(31,955,177)</u>
Total Capital Assets, Net	<u>1,722,443</u>	<u>1,493,980</u>	<u>3,216,423</u>
Leases Receivable (Net of Current Portion)	<u>-</u>	<u>370,116</u>	<u>370,116</u>
TOTAL ASSETS	<u>3,842,371</u>	<u>1,939,708</u>	<u>5,782,079</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>377,464</u>	<u>59,003</u>	<u>436,467</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,219,835</u>	<u>\$ 1,998,711</u>	<u>\$ 6,218,546</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 88,905	\$ 74,647	\$ 163,552
Accrued Payroll and Payroll Liabilities	38,731	3,361	42,092
Accrued Compensated Balances - Current	9,125	-	9,125
Current Portion of Long-term Debt	413,785	-	413,785
Other Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>550,546</u>	<u>78,008</u>	<u>628,554</u>
Noncurrent Liabilities:			
Accrued Compensated Balances - Non-current	92,174	12,100	104,274
Net Pension Liability	145,627	22,764	168,391
Long-term Debt, Net of Current Portion	430,419	-	430,419
Total Noncurrent Liabilities	<u>668,220</u>	<u>34,864</u>	<u>703,084</u>
TOTAL LIABILITIES	<u>1,218,766</u>	<u>112,872</u>	<u>1,331,638</u>
DEFERRED INFLOWS OF RESOURCES	<u>413,812</u>	<u>434,801</u>	<u>848,613</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	878,239	1,493,980	2,372,219
Unrestricted	<u>1,709,018</u>	<u>(42,942)</u>	<u>1,666,076</u>
TOTAL NET POSITION	<u>2,587,257</u>	<u>1,451,038</u>	<u>4,038,295</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 4,219,835</u>	<u>\$ 1,998,711</u>	<u>\$ 6,218,546</u>

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

Calhoun County 911 District
Statement of Activities
For the Year Ended September 30, 2022

	Program Revenues				Net (Expenses), Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions:							
Governmental Activities							
General Government	\$ 435,693	\$ 743,949	\$ -	\$ -	\$ 308,256	\$ -	\$ 308,256
Public Safety - Emergency Communications	2,945,060	-	-	-	(2,945,060)	-	(2,945,060)
Total Governmental Activities	<u>\$ 3,380,753</u>	<u>\$ 743,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,636,804)</u>	<u>-</u>	<u>(2,636,804)</u>
Business-type Activities							
NEARCS	616,086	850,067	-	-	-	233,981	233,981
Total Business-type Activities	<u>616,086</u>	<u>850,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,981</u>	<u>233,981</u>
Total Activities	<u>\$ 3,996,839</u>	<u>\$ 1,594,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,636,804)</u>	<u>233,981</u>	<u>(2,402,823)</u>
General Revenues							
Public Service Taxes					2,343,775	-	2,343,775
Lease Revenue					-	51,869	51,869
Miscellaneous Income					-	-	-
Interfund Transfers					-	-	-
Investment Earnings					6,198	26,180	32,378
Interest Expense					(49,992)	-	(49,992)
Total General Revenues					<u>2,299,981</u>	<u>78,049</u>	<u>2,378,030</u>
Change in Net Position					(336,823)	312,030	(24,793)
Net Position - Beginning of Year					2,924,080	1,139,008	4,063,088
Net Position - End of Year					<u>\$ 2,587,257</u>	<u>\$ 1,451,038</u>	<u>\$ 4,038,295</u>

Original
Audit of Financial Statements
September 30, 2022

Calhoun County 911 District
Balance Sheet - Governmental Funds and Reconciliation of the Governmental
Fund Balances - Governmental Fund
September 30, 2022

ASSETS

Cash	\$ 777,981
Prepaid Expenses	12,271
Accounts Receivable	183,603
Interfund Receivable	1,146,073

TOTAL ASSETS

\$ 2,119,928

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts Payable	88,905
Accrued Payroll and Payroll Liabilities	38,731
Total Current Liabilities	<u>127,636</u>

TOTAL LIABILITIES

127,636

FUND EQUITY

Nonspendable	12,271
Unassigned	1,980,021
Total Fund Equity	<u>1,992,292</u>

TOTAL LIABILITIES AND FUND EQUITY

\$ 2,119,928

Total Fund Balance - Governmental Funds \$ 1,992,292

Amounts reported for Governmental Activities in the Statement
of Net Position are different because:

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the funds. 1,722,443

Long-term liabilities are not due and payable in the current period, and,
therefore, are not reported in the funds. All liabilities, both current and long-term,
are reported in the statement of net position: (945,503)

Net Pension Liability, deferred inflows and deferred outflows, not reported in the funds (181,975)

Net Position of Governmental Activities 2,587,257

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

Calhoun County 911 District
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Fund
For the Year Ended September 30, 2022

REVENUES

Alabama 911 Board Revenue	\$ 2,343,775
Dispatch Service Fees	711,034
Other Revenue	<u>32,915</u>

Total Revenues

3,087,724

EXPENDITURES

Personnel	2,102,658
Contractual	51,857
Equipment Repair and Maintenance	412,364
Office	61,543
Utilities	66,967
Professional Development	25,233
Occupancy	49,099
Automobile	84,856
Other	<u>56,212</u>

Total Operational Expenditures

2,910,789

Operating Income

176,935

OTHER FINANCING SOURCES (USES)

Interest Income	6,198
Interfund Transfers	-
Principal Repayment on Long-Term Debt	(397,794)
Capital Outlay	(91,197)
Interest Expense	<u>(49,992)</u>

Total Other Financing Sources (Uses)

(532,785)

**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES**

(355,850)

Beginning Fund Balances

2,348,142

Ending Fund Balances

\$ 1,992,292

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CALHOUN COUNTY 911 DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances - Governmental Fund to the Statement of Activities
For the Year Ended September 30, 2022

Net Changes in Fund Balances - Total Government Funds \$ (355,850)

Amounts reported for governmental activities in the Statement of Activities are different because:

Government funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This variance is the amount by which depreciation exceeds capital expenditures (265,561)

Government funds report the issuance of debt as a source of funds, and the repayment of debt as a use of funds. However, in the Statement of Activities, the issuance of debt is reported as a liability and the repayment of debt as a reduction of the same liability. This reconciling amount is the amount of principal reduction on debt as no new debt was issued 397,794

Expenditures related to the accrual of compensated absences for employees are limited only to those using current financial resources, while expenditures are recognized in the statement of activities when they are incurred. Compensated absences increased from \$88,470 in the prior year to \$101,299 (12,829)

Net pension liability, deferred inflows an deferred outflows, not reported in the funds (100,377)

Changes in Net Position of Government Activities \$ (336,823)

CALHOUN COUNTY 911 DISTRICT
Statement of Net Position - NEARCS (Proprietary Fund)
September 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Current Assets

Cash and Cash Equivalent - Unrestricted	\$ 1,056,229
Receivables - Net of Allowance for Uncollectible Accounts	93,710
Prepaid Expenses	71,746
Total Current Assets	<u>1,221,685</u>

Non-Current Assets

Capital Assets

Land	2,580
Construction In Process	716,514
Network and Infrastructure	17,289,925
Radios	8,477,435
Equipment	2,448,041
Total Capital Assets	<u>28,934,495</u>

Less Accumulated Depreciation	<u>27,440,515</u>
Net Capital Assets	<u>1,493,980</u>

Leases Receivable	<u>370,116</u>
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TOTAL ASSETS 3,085,781

DEFERRED OUTFLOWS OF RESOURCES 59,003

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 3,144,784

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Current Liabilities

Accounts Payable	74,647
Interfund Payable	1,146,073
Accrued Payroll and Payroll Liabilities	3,361
Total Current Liabilities	<u>1,224,081</u>

Non-current Liabilities

Compensated Absences	12,100
Net Pension Liability	22,764
Total Non-current Liabilities	<u>34,864</u>

TOTAL LIABILITIES 1,258,945

DEFERRED INFLOWS OF RESOURCES 434,801

NET POSITION

Invested in Capital Assets, Net of Related Debt	1,493,980
Unrestricted	<u>(42,942)</u>
TOTAL NET POSITION	<u><u>1,451,038</u></u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION \$ 3,144,784

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALHOUN COUNTY 911 DISTRICT
Statement of Revenues, Expenses, and Changes in
Net Position - NEARCS (Proprietary Fund)
For the Year Ended September 30, 2022

OPERATING REVENUES

Lease Revenue	\$ 51,869
Local User Fees	846,773
Regional User Fees	-
Service Fees	3,294
Patch Fees	-
Total Operating Revenues	<u>901,936</u>

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OPERATING EXPENSES

Personnel Services	201,476
Contractual Services	900
Radio Equipment and Maintenance	304,892
Office Expenses	20,516
Utilities	5,009
Building and Building Maintenance	2,973
Training and Education	759
Automobile	6,246
Depreciation	73,315
Liability Insurance	-
Total Operating Expenses	<u>616,086</u>

OPERATING INCOME

285,850

NON-OPERATING REVENUES (EXPENSE)

Interfund Transfers	-
Miscellaneous Income	-
Interest Income	26,180
Total Non-Operating Revenues (Expense)	<u>26,180</u>

CHANGE IN NET POSITION

312,030

TOTAL NET POSITION - BEGINNING

1,139,008

TOTAL NET POSITION - ENDING

\$ 1,451,038

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALHOUN COUNTY 911 DISTRICT
Statement of Cash Flows - NEARCS (Proprietary Fund)
For the Year Ended September 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers and Users	\$ 916,960
Payments for Employees Payroll and Benefits	(185,603)
Payments to Suppliers	(320,898)
Net Cash Provided (Used) by Operating Activities	<u>410,459</u>
Cash Flows from Capital Related Investing Activities	
Payments made for Construction in Process	(716,514)
Cash Flows From Non-Capital Financing Activities:	
Interest earned on deposits	26,180
Proceeds from (Loans to) other funds	516,578
Other Non-Capital Financing Activities	-
Net Cash Used by Non-Capital Financing Activities	<u>542,758</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>236,703</u>
Beginning Cash and Cash Equivalents	819,526
Ending Cash and Cash Equivalents	<u><u>\$ 1,056,229</u></u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	\$ 285,850
Adjustments to Reconcile Net Income to Net Cash	
Provided by Operating Activities	
Depreciation	73,315
(Increase) Decrease in Accounts Receivable	15,024
(Increase) Decrease in Deferred Outflows of Resources	13,581
Increase (Decrease) in Deferred Inflows of Resources	20,210
Increase (Decrease) in Net Pension Liability	(21,612)
Increase (Decrease) in Payroll Liabilities	3,694
(Increase) Decrease in Prepaid Expenses	(13,229)
Increase (Decrease) in Accounts Payable	33,626
Net Cash Provided by Operating Activities	<u><u>\$ 410,459</u></u>

DRAFT
For Discussion Purposes Only
Subject To Change

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Calhoun County 911 District have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards District is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the District are described below.

Reporting Entity

The Calhoun County 911 District (District) was established by resolution of the Calhoun County Commission under the provisions of Act 84-369, Acts of Alabama. The District was established by the Commission on November 10, 1986 for the purpose of linking, via a single primary three-digit number, persons in Calhoun County in need of emergency assistance with the appropriate emergency response provider (i.e. police, fire and ambulance agencies). The District is a public authority and is a political and legal subdivision of the State of Alabama.

The District complies with accounting principles generally accepted in the United States of America (GAAP). As required by GAAP, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable. A component unit is included in the District's reporting entity if it is both fiscally dependent on the District (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Basic Financial Statements

The District's basic financial statements include both government-wide (based on the District as a whole) and fund financial statements (reporting on the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

- A. *Government-Wide Financial Statements* – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole, in accordance with Governmental Accounting Standards District (GASB) Statement No. 34.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (1) are presented by column, and (2) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and other obligations.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

A. *Government-Wide Financial Statements (Continued)*

The government-wide Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services which report fees and other charges to users of the District's services. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

- B. *Fund Financial Statements* – The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses.

Government Funds

The focus of the governmental funds' measurement (in the fund statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District's sole governmental fund is its general fund. This fund is used to account for and report all financial resources except those required to be accounted for in another fund.

Proprietary Funds

Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB, in which case GASB prevails. The District reports a single proprietary fund.

The District's proprietary fund, NEARCS, includes the assets, liabilities, revenues and expenses related to: (1) the operation and management of the radio/alert notification and communication system for the users within the District (fire, medical, and law enforcement agencies), and (2) services offered with regard to direct dispatch of emergency personnel. Costs are financed through charges to customers. Rates are reviewed regularly and adjusted, if necessary.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus refers to the type of resources being measured such as current financial resources or economic resources. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement applied.

- A. *Accrual* – Both governmental and business-type activities in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Public service taxes are reported as collected by the assessing and collecting (state) government. Other non-exchange revenues are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.
- B. *Modified Accrual* – The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance

- A. *Investments* - For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, or short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the proprietary fund Statement of Cash Flows, cash and cash equivalents include all demand deposits, savings accounts, cash on hand, or short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the federal government and certificates of deposits offered by federally insured banking institutions. Investments for the District are stated at fair market value.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows/Outflows of Resources and
Net Position/Fund Balance (Continued)

- B. *Receivables and Payables* – Revenue for user fees are billed in advance on a quarterly, semi-annual or annual basis and are recognized over the period of service. Accounts receivable consist of uncollected billings for services for which service periods have expired. Management evaluates the listing of accounts receivable at the end of each fiscal year and books an allowance for uncollectible accounts.
- C. *Prepaid Items* – Insurance premiums, maintenance contracts, and tower leases are paid annually, recorded as prepaid expenses, and are amortized each month.
- D. *Capital Assets* - Capital assets, which include land, buildings and improvements, improvements other than buildings, furniture and equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost if purchased or constructed, or estimated historical cost if inadequate records are available to determine the actual cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the primary government and proprietary funds are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25-40
Network and Infrastructure	7-25
Office Fixtures and Computers	5-10
Communications, Radio and Other Equipment	5-10
Vehicles	5

- E. *Deferred Outflows/Inflows of Resource* - In addition to liabilities, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for Deferred Inflows of Resources. This separate financial statement element represents an acquisition of resources that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that time.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows/Outflows of Resources and
Net Position/Fund Balance (Continued)

- F. *Compensated Absences* – The District follows Governmental Accounting Standards District Statement No. 16, *Accounting for Compensated Absences*, which requires that accrued liabilities for future vacations and sick leave be recorded to the extent the future leaves (1) relate to the right attributable to employee services already rendered, (2) relate to rights that vest or accumulate, (3) where payment is probable and (4) where amounts can be reasonably estimated. The liability for these compensated absences is recorded as long-term debt. The current portion of this debt is estimated based on historical trends. Amounts that would normally be paid with expendable and available financial resources are recorded in current liabilities, and the remaining amounts are considered non-current. Amounts paid or payable within sixty days are deemed to be payable from expendable financial resources.

Full-time employees are awarded annual leave as of the first day of the fiscal year. The amount of leave is awarded at various rates (between 40 and 280 hours per year) based on their length of service. The maximum allowed accumulation of annual leave also varies based upon length of service, but ranges from 40 to 280 hours. Excess accumulated annual leave is paid at the employee's normal rate of pay. Upon resignation or termination, all unused leave is paid to employees who separate in good standing.

Full-time employees accrue 91 hours sick leave as of the first day of each fiscal year. As of year-end, unused sick leave may be carried forward to the next year up to a maximum accumulation of 571 hours. Upon separation of service, employees are not eligible for a payment for unused sick leave accrued. However, upon retirement, employees may use sick leave for additional retirement credit.

- G. *Encumbrances* - The District does not use an encumbrance account as part of their formal accounting system.
- H. *Long-term Obligations* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

In the fund financial statements, long-term debt is not reported as a liability. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt are reported as debt service expenditures.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows/Outflows of Resources and
Net Position/Fund Balance (Continued)

I. *Net Position/Fund Equity*

Government-wide Financial Statements - Net position is reported in the government-wide financial statements and is required to be classified into the following categories:

Invested in Capital Assets, Net of Related Debt - Capital Assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction or improvements of those assets.

Restricted - Constraints imposed on net assets by external creditors, grantors, contributors, law or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted - Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by the District.

Fund Financial Statements - Fund equity is reported in the fund financial statement. GASB 54 distinguishes fund balance between:

Non-spendable Fund Balance - Amounts that *cannot be spent* because they are either (1) not in spendable form (i.e. inventories, prepaid amounts, long-term loans and notes receivable, property held for resale) or (2) legally or contractually required to be maintained intact (i.e. the corpus or principal of a permanent fund).

Restricted Fund Balance - Amounts that are constrained for a specific purpose through restrictions of external parties, (i.e. creditors, grantors, contributors, or laws or regulations of other governments), or by constitutional provisions or enabling legislation, pursuant to the definition of "restricted" in paragraph 34 of GASB 34, as amended by GASB 46 (Net Assets Restricted by Enabling Legislation).

Committed Fund Balance - Amounts that are constrained for a specific purpose imposed by *formal action* of the government's highest level of decision-making authority (i.e. amounts that have been committed by governing body legislation, ordinances, or resolution for a specific purpose, such as an amount from specific park and recreation revenues committed by governing body resolution to be used only for park maintenance).

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Deferred Inflows/Outflows of Resources and
Net Position/Fund Balance (Continued)**

I. *Net Position/Fund Equity (Continued)*

Assigned Fund Balance - Amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Intent should be expressed by (1) the governing body itself or (2) a body (i.e. a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes (i.e. the amounts are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed, such as amounts set aside by management to fund a projected deficit in a subsequent year's budget).

Unassigned Fund Balance - The residual classification for the government's general fund. It includes all amounts that are not constrained as reported in the other classifications.

Restricted or unrestricted amounts are considered as spent when expenditures are incurred for the purpose for which both restricted and unrestricted fund balances are available. It is the District's policy to use funds in the following order when the expenditure meets the criteria for more than one fund: restricted funds, then committed funds, then assigned, and finally unassigned funds.

Revenues and Expenditures

A. *Revenues*

General Revenues - The primary general revenues for the Calhoun County 911 District are taxes collected by the State of Alabama.

Program Revenues - Program revenues for the District consist of charges for radio and dispatch services

- B. *Expenditures/Expenses* - In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, governmental funds report expenditures of financial resources.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inter-fund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide statements. Balances between the governmental funds are eliminated so that only the net amount is included in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, eliminations are made in the preparation of the government-wide financial statements so that only the net amount is included as transfers in the governmental activities column.

Proprietary Fund Operating and Non-operating Revenues and Expenses

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary fund (NEARCS) is derived from charges to customers for use of the emergency radio system and for services related to direct dispatch. Operating expenses include the cost of operating and maintaining the infrastructure, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates in Preparation of Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The District is exposed to normal business risk in the course of operations. Commercial insurance is purchased by the District to cover any normal, insurable loss up to policy limits. During the past three years, there have been no losses which exceeded insured amounts.

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle and Restatement

For 2022, the District implemented Governmental Accounting Standards District (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's 2022 and 2021 financial statements and had an effect on the beginning net position. The District recognized \$370,116 in leases receivable and deferred inflows of \$370,116 for tower leases.

The implementation of GASB Statement No. 87 had the following effect on net position as reported September 30, 2021:

Net Position September 30, 2021	\$ 4,063,088
Adjustments:	
Lease receivable	414,330
Deferred inflows – leases	(414,330)
Restated Net Position September 30, 2021	<u>\$ 4,063,088</u>

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Balance Sheet - Governmental Funds and the Government-Wide Statement of Net Position

The Balance Sheet - Governmental Funds includes a reconciliation between *Total Fund Balance - Governmental Funds* and *Net Position of Governmental Activities* reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Accrued Compensated Absences	\$ 101,299
Long-term Debt	844,204
Net adjustment to reduce <i>Total Fund Balance - Governmental Funds</i> to arrive at <i>Net Assets of Governmental Activities</i>	<u>\$ 945,503</u>

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Formal integration of budgets is used as a management control device during the year. The District approves and annual operating budget annually. Unused appropriations for the annually budgeted funds lapse at the end of the fiscal year.

Excess of Expenditures Over Appropriations

The District maintains a level of control at the department level. The following major categories had expenditures exceeding appropriations as of September 30, 2022:

	Final Budget	Actual	Variance
Personnel Administrative	894,442	988,767	(94,325)
Selective Routing	77,000	231,022	(154,022)
Telephone Equipment and Main	6,001	10,457	(4,456)

Budgeted revenues were more than actual revenues by \$74,681. Actual total expenditures for the District were less than its budgeted total expenditures by \$690,978. Net actual other income (expense) exceeded its total budgeted other income by \$25,064.

NOTE 4 – CASH AND CASH EQUIVALENTS

As of September 30, 2022, cash in the governmental fund includes amounts totaling \$777,981 in demand deposits. Cash in the proprietary fund consists of demand deposits totaling \$1,056,229

The District's deposits at year-end were entirely covered by federal depository insurance or by the Security for Alabama Funds Enhancement Program (SAFE Program). The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the **Code of Alabama, 1975**, Section 41-14A-1 through 41-14A-14. Under the SAFE Program, all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace those deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

All District deposits as of September 30, 2022 are held in a certified qualified public depository.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

The District's deposits are categorized to give an indication of the level of risk assumed by the District at the end of the year. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the District or its agent in the District's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Category 3 – Uncollateralized.

At September 30, 2022, all deposits of the District were insured by the FDIC or included in the SAFE program (Category 2).

NOTE 5 – RECEIVABLES

Receivables as of September 30, 2022 consist of the following:

	Governmental Fund	Proprietary Fund	Total
Receivable for Radio Services	\$ -	\$ 92,919	\$ 92,919
Taxes Receivable	183,603	-	183,603
Total	<u>\$ 183,603</u>	<u>\$ 92,919</u>	<u>\$ 276,522</u>

NOTE 6 – CAPITAL ASSETS

General infrastructure assets acquired prior to October 1, 2003, are not reported in the financial statements.

Depreciation expense in the amount of \$435,693 was charged to the governmental fund and \$73,315 was charged to the proprietary fund.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 6 – CAPITAL ASSETS (Continued)

<u>Governmental Activities</u>	Balance <u>9/30/2021</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>9/30/2022</u>
<u>Depreciable Assets</u>				
Building Improvements	\$ 355,670	\$ -	\$ -	\$ 355,670
Office Fixtures	151,436	9,896	-	161,332
Computers	350,883	81,297	-	432,180
Communications	4,956,777	-	-	4,956,777
Radio Equipment	35,605	-	-	35,605
Vehicles	163,441	78,935	(27,349)	215,027
Other Equipment	80,515	-	-	80,515
	<u>6,094,327</u>	<u>170,128</u>	<u>(27,349)</u>	<u>6,237,106</u>
Less Accumulated Depreciation	<u>(4,106,319)</u>	<u>(435,693)</u>	<u>27,349</u>	<u>(4,514,663)</u>
Capital Assets, Net	<u>\$ 1,988,008</u>	<u>\$ (265,565)</u>	<u>\$ -</u>	<u>\$ 1,722,443</u>

<u>Business-type Activities</u>	Balance <u>9/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2022</u>
<u>Capital Assets not Depreciated</u>				
Land	\$ 2,580	-	-	\$ 2,580
Construction in Process	-	716,514	-	716,514
<u>Depreciable Assets</u>				
Network and Infrastructure	\$ 17,289,925	\$ -	\$ -	\$ 17,289,925
Office Fixtures	105,430	-	-	105,430
Computers	1,561,225	-	-	1,561,225
Radio	8,477,435	-	-	8,477,435
Other Equipment	781,386	-	-	781,386
	<u>28,215,401</u>	<u>716,514</u>	<u>-</u>	<u>28,215,401</u>
Less Accumulated Depreciation	<u>(27,367,200)</u>	<u>(73,315)</u>	<u>-</u>	<u>(27,440,515)</u>
Capital Assets, Net	<u>\$ 848,201</u>	<u>\$ 643,199</u>	<u>\$ -</u>	<u>\$ 1,493,980</u>

Calhoun County 911 District
Notes to Financial Statements
September 30, 2022

NOTE 7 – INTER-FUND TRANSACTIONS

The composition of inter-fund balances as of September 30, 2022 is as follows:

<u>Payable Fund</u>		<u>Receivable Fund</u>	
Proprietary Fund	\$ 1,146,073	Governmental Fund	\$ 1,146,073

There were no inter-fund transfers in (out) for the year ended September 30, 2022.

NOTE 8 – ACCRUED ANNUAL LEAVE

Annual leave accrued at year-end includes \$104,573 in the general fund, and \$12,100 in the proprietary fund. The District has accrued a liability for annual leave which has been earned but not taken by District employees. All unused annual leave is accrued in the government-wide financial statements when earned by the employee.

NOTE 9 – LONG-TERM DEBT

On June 27, 2013 the District entered into a lease purchase agreement with Motorola Solutions, Inc. for the acquisition of equipment and software. The agreement, which bears interest at 4.02%, calls for ten annual payments of \$447,722 beginning July 1, 2015. This lease agreement qualifies as a capital lease for accounting purposes, as title transfers to the District at the end of the lease period. Therefore, on the government-wide financial statements, the lease is recorded as a liability and the underlying assets are recorded as fixed assets at the present value of the future minimum lease payments as of the date of inception of the lease.

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of September 30, 2022:

Fiscal Year Ending	
September 30,	
2023	447,722
2024	447,722
Total Minimum Lease Payments	895,444
Less Amount Representing Interest	51,240
Portion of Future Minimum Lease	
Payment Representing Principal	<u>\$ 844,204</u>

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10 – EMPLOYEE RETIREMENT PLAN

Plan Description:

The District contributes to the Employees' Retirement System of Alabama, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the various state agencies and departments.

The Employees' Retirement System was established as of October 1, 1945, under the provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for State employees, State police, and on an elective basis to all cities, counties, and quasi-public organizations.

The responsibility for general administration and operation of the Employees' Retirement System is vested in the District of Control. The ERS District of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS District of Control.

The Retirement Systems of Alabama (RSA) issues a publicly available financial report that includes financial statements and required supplementary information for the Employees' Retirement Systems of Alabama, and may be procured by contacting the Alabama RSA at www.rsa-al.gov.

Plan Description (Continued):

The ERS District of Control consists of thirteen (13) trustees as follows:

1. The Governor, ex officio.
2. The State Treasurer, ex officio.
3. The State Personnel Director, ex officio.
4. The State Director of Finance, ex officio.
5. Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6. Six members of the ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retirees employees of a city, county or a public agency, each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer that is participating in ERS pursuant to Code Section 36-27-6.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Benefits Provided:

State law establishes retirement benefits as well as death and disability death benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after ten (10) years of creditable service. State employees who retire after age sixty (60), or age fifty-two (52) for State Police, with ten (10) years or more of creditable service or with twenty-five (25) years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age sixty (60) with ten (10) years or more of creditable service or with twenty-five (25) or thirty (30) years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (three highest of the last ten (10) years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing this formula.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age sixty-two (62) or age fifty-six (56) for State Police, with ten (10) years or more of creditable service are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of ERS (except State Police) are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. State Police are allowed 2.375% for each year of State Police service in computing the formula method.

Members are eligible for disability retirement if they have ten (10) years creditable service, are currently in-service, and are determined by the RSA Medical District to be permanently incapacitated from further performance of duty. Pre-retirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10– EMPLOYEE RETIREMENT PLAN (Continued)

Benefits Provided (Continued):

The ERS serves approximately 853 local participating employers. The ERS membership includes approximately 101,245 participants. As of September 30, 2021, the District's membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	6
Vested inactive members	0
Non-vested inactive members	26
Active members	<u>31</u>
Total	<u>63</u>

Contributions Required and Made:

Covered members of the ERS contributed five percent 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, Tier 1 covered members of the ERS are required by statute to contribute 7.5% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.5% of earnable compensation. ERS local participating employers are not required by the state to increase contribution rates for their members. The District elected not to increase the employee contribution rate as provided by Act 2011-676.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. These contribution rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2021, the District's average contribution rate to fund the normal and accrued liability costs was 3.36%

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Contributions Required and Made (Continued):

The District's contractually required contribution rate for the year ended September 30, 2021 was 9.96% of pensionable pay for Tier 1 employees and 10.52% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2018, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the System were \$71,001 the year ended September 30, 2022.

Net Pension Liability:

The District's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2020 rolled forward to September 30, 2021 using standard roll-forward techniques as shown in the following table:

Total Pension Liability	
As of September 30, 2020 (a)	\$3,294,479
Discount Rate (b)	7.45%
Entry Age Normal Cost for	
October 1, 2019 – September 30, 2020 (c)	\$ 103,376
Difference Between Expected and	
Actual Experience (d)	\$ -
Transfers Among Employers (e)	\$ 32,411
Actual Benefit Payments and Refunds for	
October 1, 2019 – September 30, 2020 (f)	<u>\$ (141,200)</u>
Total Pension Liability	
As of September 30, 2020	
[(a) x (1+(b))] + (c) + (d)+(e)[(f) x (1+0.5*(b))]	<u>\$ 3,504,154</u>

Actuarial Assumptions: The total pension liability in the September 30, 2019 actuarial valuation was determined using these actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25 – 5.00%
Investment rate of return*	7.70% -- Net of pension plan investment expense, including inflation.

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Net Pension Liability (Continued):

Mortality rates for the ERS were based on the RP-2000 Blue Collar Mortality Table projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2021 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the September 30, 2019 calculation were based on the results of an investigation of the economic and demographic experience based on participant data as of September 30, 2017, completed by RSA and its actuaries.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. These ranges are combined to produce 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 expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class, as provided by the System, are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	17.00%	4.40%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash Equivalents	3.00%	1.50%
Total	100.00%	

*Includes assumed rate of inflation of 2.5%

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Net Pension Liability (Continued):

Discount rate: The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS District of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	<u>(a)</u>	<u>(b)</u>	<u>(a-b)</u>
Balances at 09/30/2020	\$ 3,294,479	\$ 3,027,524	\$ 266,955
Changes for the year:			
Service cost	103,376	-	103,376
Interest	248,239	-	248,239
Changes of benefit term	134,216	-	134,216
Changes of assumptions	171,536	-	171,536
Difference between expected and actual experience	61,097		61,097
Contributions - Employer	-	51,605	(51,605)
Contributions - Employee	-	89,523	(89,523)
Net investment income	-	675,900	(675,900)
Benefit payments, including refunds of employee contributions	(141,200)	(141,200)	-
Transfers among employers	32,411	32,411	\$ -
Net Changes	<u>609,675</u>	<u>708,239</u>	<u>(98,564)</u>
Balances at 9/30/2021	<u>3,904,154</u>	<u>\$ 3,735,763</u>	<u>\$ 168,391</u>

Sensitivity of the net pension liability to changes in the discount rate:

The following table presents the District's net pension liability calculated using the discount rate of 7.45%, what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45%), or one percentage point higher (8.45%) than the current rate:

(Continued)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Net Pension Liability (Continued)

	1% Decrease 6.45%	Current Rate 7.45%	1% Increase 8.45%
Plan's net pension liability	\$ 756,979	\$ 168,391	\$ (315,657)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available to the public in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2021. The auditor's report which is dated April 22, 2022 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows Related to Pensions:

For the year ended September 30, 2022, the District recognized pension expense of \$101,219. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 201,675	\$ 209,204
Changes of assumptions	163,791	-
Net difference between projected and actual earnings on pension plan investments	-	269,293
Employer contributions subsequent to the measurement date	71,001	-
measurement date	\$ 436,467	\$ 478,497
Total	<u>\$ 436,467</u>	<u>\$ 478,497</u>

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

<u>September 30:</u>	
2023	75,828
2024	(16,579)
2025	(80,968)
2026	(69,826)
2027	42,008
Thereafter	7,507

(Continued)

Calhoun County 911 District
Notes to Financial Statements
September 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Collective Deferred Outflows and Inflows between Expected and Actual Experience

Year	Initial Balance		Amortization Period	Amounts				Ending Balance	
				Initial Balance of Losses/ Deferred Outflow	Deferred Inflow	Deferred Outflows	Deferred Inflows	Recognized in Pension Expense/ Deferred Outflow	Recognized in Pension Expense/ Deferred Inflow
2021	\$ 61,097	\$ -	6.2	\$ -	\$ -	\$ 61,097	\$ -	\$ 9,584	\$ -
2020	\$ -	\$ 69,108	6.4	\$ -	\$ 58,310	\$ -	\$ -	\$ -	\$ 10,798
2019	\$ 77,288	\$ -	7.9	\$ 57,722	\$ -	\$ -	\$ -	\$ 9,783	\$ -
2018	\$ -	\$ 351,916	7.4	\$ -	\$ 209,248	\$ -	\$ -	\$ -	\$ 47,556
2017	\$ 82,884	\$ -	7.4	\$ 38,080	\$ -	\$ -	\$ -	\$ 11,201	\$ -
2016	\$ 378,068	\$ -	7.5	\$ 126,023	\$ -	\$ -	\$ -	\$ 50,409	\$ -
2015	\$ 13,552	\$ -	5.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total				\$ 221,825	\$ 267,558	\$ 61,097	\$ -	\$ 201,945	\$ 209,204

Collective Deferred Outflows and Inflows for Differences from Assumption Changes

Year	Initial Balance		Amortization Period	Amounts				Ending Balance	
				Initial Balance of Losses/ Deferred Outflow	Deferred Inflow	Deferred Outflows	Deferred Inflows	Recognized in Pension Expense/ Deferred Outflow	Recognized in Pension Expense/ Deferred Inflow
2021	\$ 171,536	\$ -	6.2	\$ -	\$ -	\$ 171,536	\$ -	\$ 27,667	\$ -
2020	\$ -	\$ -	6.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	7.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 18,493	\$ -	7.4	\$ 10,996	\$ -	\$ -	\$ -	\$ 2,499	\$ -
2017	\$ -	\$ -	7.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 57,139	\$ -	7.5	\$ 19,044	\$ -	\$ -	\$ -	\$ 7,619	\$ -
Total				\$ 30,040	\$ -	\$ 171,536	\$ -	\$ 163,791	\$ -

Calhoun County 911 District
Notes to Financial Statements
September 30, 2022
(Continued)

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Collective Deferred Outflows and Inflows for Differences in Investment Expenses

Year	Initial Balance		Amounts		Amounts		Ending Balance	
	of Losses/	of Gains/	Recognized	Recognized	in Pension	Expense/	Deferred	Deferred
	Deferred	Deferred	Outflow	Amortization	Deferred	Deferred	Outflows	Inflows
	Outflow	Inflow	Period		Outflow	Inflow	(a) + (c) -	(b) + (d) -
							(e)	(f)
2021	\$ -	\$ 441,536	5	\$ -	\$ -	\$ 88,307	\$ -	\$ 353,229
2020	\$ 57,069	\$ -	5	\$ 45,655	\$ -	\$ -	\$ 34,241	\$ -
2019	\$ 143,273	\$ -	5	\$ 85,963	\$ -	\$ -	\$ 57,308	\$ -
2018	\$ -	\$ 38,065	5	\$ -	\$ -	\$ 7,613	\$ -	\$ 7,613
2017	\$ -	\$ 115,065	5	\$ -	\$ -	\$ 23,013	\$ -	\$ -
Total				\$ 131,618	\$ -	\$ 441,536	\$ 91,549	\$ 360,842
							0	\$ 269,293

Net Difference between projected and actual earnings on investments

Summary of Deferred Outflows and Inflows of Resources

Year	Actual and Expected Experience			Assumption Changes			2018			2020			2021			Total		
	2015	2016	2017	2018	2019	2020	2021	2016	2018	2020	2021	2018	2020	2021	2018	2020	2021	Total
2023	-	50,409	11,201	(47,556)	9,783	(10,798)	9,854	7,619	2,499	27,667	27,667	(7,613)	11,414	(88,307)	28,655	11,414	(88,307)	4,827
2024	-	25,205	11,201	(47,556)	9,783	(10,798)	9,854	3,806	2,499	27,667	27,667	28,653	11,414	(88,307)	28,653	11,414	(88,307)	(16,579)
2025	-	-	4,477	(47,556)	9,783	(10,798)	9,854	-	2,499	27,667	27,667	11,413	(88,307)	(80,968)	11,413	(88,307)	(80,968)	(80,968)
2026	-	-	-	(19,024)	9,783	(10,798)	9,854	-	1,000	27,667	27,667	-	-	(69,826)	-	-	(69,826)	(69,826)
2027	-	-	-	-	8,807	(4,320)	9,854	-	-	27,667	27,667	-	-	42,008	-	-	42,008	42,008
Thereafter	-	-	-	-	-	-	1,973	-	-	5,534	5,534	-	-	7,507	-	-	7,507	7,507
Total	\$ -	\$ 75,614	\$ 26,879	\$ (161,692)	\$ 47,939	\$ (47,512)	\$ 51,243	\$ 11,425	\$ 8,497	\$ 143,869	\$ 143,869	\$ (7,613)	\$ 34,241	\$ (353,229)	\$ 57,308	\$ 34,241	\$ (353,229)	\$ (113,031)

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 11 – OPERATING LEASES

The District leases its operating and administrative facilities from the Calhoun County Commission under a 99 year lease agreement. Rent is due under the agreement at the rate of \$1 annually. The District is also required to reimburse the landlord for a pro-rata share of the total utility and maintenance expenses (referred to as "Facility Cost Share") at the rate of 70% of the operating costs of the Emergency Operations Center. These operating costs paid by the Calhoun County 911 District for the year ended September 30, 2022 totaled \$51,082.

NOTE 12 – LEASING ARRANGEMENTS

On April 8, 2014, the District entered into a five-year lease agreement to lease space on its tower beginning on May 8, 2014. The terms of this agreement include a fixed annual payment of \$2,000, payable in 12 monthly increments for the first 5 years. The agreement allowed for options to renew for 4 additional 5 year terms with the annual rent amount \$2,000 as stated in the agreement. A termination of the lease agreement is possible at the end of any 5 year term with at least 30 days advance written notice.

On April 7, 2020, the District entered into a five-year lease agreement to lease space on its tower beginning on May 7, 2020. The terms of this agreement include a fixed annual payment of \$500, payable in 12 monthly increments for the first 5 years. The agreement allowed for options to renew for 2 additional 5 year terms with the annual rent amount increases as stated in the agreement. A termination of the lease agreement is possible at the end of any 5 year term with at least 90 days advance written notice.

On December 18, 2019, the District entered into a five-year lease agreement to lease space on its tower beginning on January 18, 2019. The terms of this agreement include a fixed annual payment of \$480, payable in 12 monthly increments for the first 5 years. The agreement allowed for options to renew for 2 additional 5 year terms with the annual rent amount increases as stated in the agreement. A termination of the lease agreement is possible at the end of any 5 year term with at least 90 days advance written notice.

On December 21, 2018, the District entered into a five-year lease agreement to lease space on its tower beginning on January 21, 2018. The terms of this agreement include a fixed annual payment of \$842, payable in 12 monthly increments for the first 5 years. The agreement allowed for options to renew for 2 additional 5 year terms with the annual rent amount increases as stated in the agreement. A termination of the lease agreement is possible at the end of any 5 year term with at least 6 months advance written notice.

On July 1, 2016, the District entered into a five-year lease agreement to lease space on its tower beginning on August 1, 2016. The terms of this agreement include a fixed annual payment of \$225, payable in 12 monthly increments for the first 5 years. The agreement allowed for options to renew for 2 additional 5 year terms with the annual rent amount increases as stated in the agreement. The options for the first extension has been exercised. A termination of the lease agreement is possible at the end of any 5 year term with at least 6 months advance written notice.

**Calhoun County 911 District
Notes to Financial Statements
September 30, 2022**

NOTE 12 – LEASING ARRANGEMENTS- (Continued)

On September 1, 2016, the District entered into a five-year lease agreement to lease space on its tower beginning on October 1, 2016. The terms of this agreement include a fixed annual payment of \$450, payable in 12 monthly increments for the first 5 years. The agreement allowed for options to renew for 2 additional 5 year terms with the annual rent amount increases as stated in the agreement. The options for the first extension has been exercised. A termination of the lease agreement is possible at the end of any 5 year term with at least 6 months advance written notice.

The District implemented GASB No. 87 for the year ended September 30, 2021 and used the payment schedule set out by the leases to value the initial lease receivable and deferred outflows. The District also used the estimated incremental borrowing rate to value the initial lease receivable and deferred outflows since the lease did not contain an implicit borrowing rate. The District is at lease reasonably certain that the lessee will exercise all 4 of the stated options for renewal.

For the year ended September 30, 2022, the District received \$47,239 in lease revenue and \$18,730 in lease interest revenues. Future payments due under non-cancelable lease agreements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9/30/2023	\$ 39,308	\$ 16,688	\$ 55,996
9/30/2024	39,445	14,866	54,310
9/30/2025	34,879	13,021	47,900
9/30/2026	29,479	11,117	40,596
9/30/2027	13,509	10,491	24,000
Thereafter	213,496	64,504	278,000
	<u>\$ 370,116</u>	<u>\$ 130,686</u>	<u>\$ 500,802</u>

NOTE 13 – CONTINGENCIES

During the ordinary course of operations, the District is subject to various claims and threatened litigation. The District maintains liability insurance in amounts it deems sufficient to cover any potential claims against District assets resulting from litigation.

NOTE 14 – RELATED PARTY TRANSACTIONS

As disclosed in Note 11, the District has entered into a lease with Calhoun County for its operations facility. The details of said leases are disclosed in Note 11.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 27, 2023 which is the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CALHOUN COUNTY 911 DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Calhoun County 911	NEARCS (Proprietary)	Total	
REVENUES						
Wired/Wireless-Alabama 911 Board	\$ 2,341,139	\$ 2,341,139	\$ 2,343,775	\$ -	\$ 2,343,775	\$ 2,636
Contractual - Dispatch Services	711,034	711,034	711,034	-	711,034	-
Contractual - Other	120,797	120,797	20,814	51,869	72,683	(48,114)
Other						
Sale of Non-Capital Assets	1,000	1,000	40	-	40	(960)
Sale of Capital Assets	-	-	1,626	-	1,626	1,626
State Grant Revenue	-	-	10,320	-	10,320	10,320
Local User Fees	824,044	824,044	-	846,773	846,773	22,729
Regional User Fees	24,480	24,480	-	-	-	(24,480)
Service Fees	16,000	16,000	97	3,294	3,391	(12,609)
Patch Fees	24,847	24,847	-	-	-	(24,847)
Research/Public Records/Transcripts	1,000	1,000	18	-	18	(982)
	891,371	891,371	12,101	850,067	862,168	(29,203)
Total Revenues	4,064,341	4,064,341	3,087,724	901,936	3,989,660	(74,681)
EXPENDITURES						
Personnel						
Administrative						
Salaries and Wages	705,460	705,460	602,720	145,928	748,648	(43,188)
Overtime	12,640	12,640	13,649	7,306	20,955	(8,315)
Retirement	36,363	36,363	49,310	21,777	71,087	(34,724)
Health Insurance	82,065	82,065	55,900	15,796	71,696	10,369
Life Insurance	954	954	-	-	-	954
Employer Social Security	43,739	43,739	51,738	8,672	60,410	(16,671)
Employer Medicare	10,229	10,229	13,170	1,997	15,167	(4,938)
FUTA	616	616	544	-	544	72
SUTA	2,376	2,376	260	-	260	2,116
	894,442	894,442	787,291	201,476	988,767	(94,325)
Dispatch						
Salaries and Wages	1,098,499	1,098,499	926,367	-	926,367	172,132
Overtime	59,529	59,529	137,179	-	137,179	(77,650)
Retirement	46,566	46,566	12,093	-	12,093	34,473
Health Insurance	187,546	187,546	171,907	-	171,907	15,639
Life Insurance	2,429	2,429	848	-	848	1,581
Employer Social Security	68,107	68,107	43,668	-	43,668	24,439
Employer Medicare	15,928	15,928	8,874	-	8,874	7,054
FUTA	1,568	1,568	1,800	-	1,800	(232)
SUTA	6,048	6,048	2,531	-	2,531	3,517
	1,486,220	1,486,220	1,305,267	-	1,305,267	180,953
Contractual						
Accounting	8,500	8,500	2,034	-	2,034	6,466
Legal Counsel	17,000	17,000	7,969	-	7,969	9,031
9-1-1- Consultant	4,000	4,000	24,000	-	24,000	(20,000)
Communications Consultant	2,500	2,500	300	-	300	2,200
Information Technology Consultant	45,000	45,000	12,954	900	13,854	31,146
Human Resources Consultant	4,500	4,500	4,600	-	4,600	(100)
	81,500	81,500	51,857	900	52,757	28,743
Other Personnel Expenditures						
Employee Physicals	1,000	1,000	-	-	-	1,000
Pre-employment Testing	3,000	3,000	10,100	-	10,100	(7,100)
Employee-One Time Pay Increase	61,500	61,500	-	-	-	61,500
	65,500	65,500	10,100	-	10,100	55,400
Total Personnel Expenditures	2,527,662	2,527,662	2,154,515	202,376	2,356,891	170,771
Operational						
CPE Equipment						
Airbus Vesta 9-1-1 Phone Switch	84,000	84,000	-	56,034	56,034	27,966
Eventide Logging Recorder	215,000	215,000	10,250	-	10,250	204,750
Computer-Aided Dispatch	60,000	60,000	68,462	-	68,462	(8,462)
ESRI GIS	19,000	19,000	20,788	-	20,788	(1,788)
Computer Equipment	40,000	40,000	10,136	-	10,136	29,864

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALHOUN COUNTY 911 DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts		Total	Variance with Final Budget Positive (Negative)
	Original	Final	Calhoun County 911	NEARCS (Proprietary)		
	418,000	418,000	109,636	56,034	165,670	252,330
Selective Routing						
PSAP Data Service	70,000	70,000	220,040	-	220,040	(150,040)
911 Service Extra Line	7,000	7,000	10,982	-	10,982	(3,982)
	77,000	77,000	231,022	-	231,022	(154,022)
Telephone Equipment & Maintenance	6,001	6,001	10,457	-	10,457	(4,456)
Radio Equipment & Maintenance						
Infrastructure Response, Repair, Support	130,000	130,000	13,305	50,070	63,375	66,625
Motorola Network Monitoring	35,000	35,000	892	12,947	13,839	21,161
Motorola Dispatch Services	34,000	34,000	4,598	-	4,598	29,402
Microwave	32,000	32,000	13,300	13,419	26,719	5,281
Emergency Power Systems	40,000	40,000	9,885	19,457	29,342	10,658
Road/Right of Way/Groundskeeping	5,000	5,000	216	-	616	4,384
Batteries	7,000	7,000	-	1,406	1,406	5,594
Utilities	65,000	65,000	-	72,019	72,019	(7,019)
Preventative/Tower Climbs/Emergency	24,000	24,000	-	2,875	2,875	21,125
Insurance	60,000	60,000	-	54,747	54,747	5,253
Land Leases	8,500	8,500	-	-	-	8,500
Equipment/Spares/Parts	20,000	20,000	2,116	1,858	3,974	16,026
Technical Equipment & Supplies	12,000	12,000	-	19,660	19,660	(7,660)
Miscellaneous	19,000	19,000	-	-	-	19,000
Licensing	7,500	7,500	-	-	-	7,500
Leased Lines	15,600	15,600	14,187	-	14,187	1,413
MCM/Genesis/Microsoft/SSL/ Licensing	47,000	47,000	-	-	-	47,000
	561,600	561,600	58,499	248,858	307,357	254,243
Road Sign Expense	3,002	3,002	2,750	-	2,750	252
Office Expenditures						
Miscellaneous	20,000	20,000	5,123	-	5,123	14,877
Bank Charges	1,450	1,450	1,200	-	1,200	250
Postage	2,000	2,000	368	124	492	1,508
Tools/Equipment/Furniture	20,000	20,000	236	-	236	19,764
Computer Hardware/Software/Accessories	20,000	20,000	43,049	15,306	58,355	(38,355)
Maintenance and Repair	17,000	17,000	935	5,086	6,021	10,979
	80,450	80,450	50,911	20,516	71,427	9,023
Utilities	74,400	74,400	66,967	5,009	71,976	2,424
Supplies						
Printing	2,000	2,000	9,552	-	9,552	(7,552)
General Office Supplies	20,000	20,000	1,080	-	1,080	18,920
Uniforms	5,375	5,375	-	-	-	5,375
	27,375	27,375	10,632	-	10,632	16,743
Building & Maintenance						
Building Cost Share	90,000	90,000	48,381	2,701	51,082	38,918
Building Repair/Maintenance	15,000	15,000	718	272	990	14,010
	105,000	105,000	49,099	2,973	52,072	52,928
Other						
Advertising	3,000	3,000	6,612	-	6,612	(3,612)
Insurance	73,000	73,000	39,229	-	39,229	33,771
Emergency Sustenance/Supplies	3,500	3,500	1,499	-	1,499	2,001
Map Department	100	100	-	-	-	100
Miscellaneous	2,000	2,000	3,338	-	3,338	(1,338)
LPFM Equipment/Services/Support	15,000	15,000	5,534	-	5,534	9,466
	96,600	96,600	56,212	-	56,212	40,388
Training & Education: Board						
Registration	4,600	4,600	-	-	-	4,600
Travel & Lodging	6,500	6,500	-	-	-	6,500
Meals	2,500	2,500	-	-	-	2,500
	13,600	13,600	-	-	-	13,600

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALHOUN COUNTY 911 DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts		Total	Variance with Final Budget Positive (Negative)
	Original	Final	Calhoun County 911	NEARCS (Proprietary)		
Training & Education: Staff						
Registration	10,000	10,000	825	-	825	9,175
Travel and Lodging	14,000	14,000	1,845	-	1,845	12,155
Meals	5,000	5,000	4,590	759	5,349	(349)
Training & Professional Development	12,500	12,500	15,019	-	15,019	(2,519)
Dues & Subscriptions	3,500	3,500	2,954	-	2,954	546
	<u>45,000</u>	<u>45,000</u>	<u>25,233</u>	<u>759</u>	<u>25,992</u>	<u>19,008</u>
Automobile						
Registration	1,200	1,200	556	-	556	644
Fuel, Maintenance & Repair	28,160	28,160	5,365	6,246	11,611	16,549
Vehicle Replacement	85,000	85,000	78,935	-	78,935	6,065
	<u>114,360</u>	<u>114,360</u>	<u>84,856</u>	<u>6,246</u>	<u>91,102</u>	<u>23,258</u>
Capital Projects						
Dell M1000e Geo-Redundant High-Availability Central IT Core/Chassis	50,000	50,000	75,553	-	75,553	(25,553)
CAD/RMS Software Replacement	-	-	5,748	-	5,748	(5,748)
LPFM Station	18,000	18,000	9,896	-	9,896	8,104
Access Control/CCTV Upgrades	-	-	-	-	-	-
Other	91,000	91,000	-	-	-	91,000
	<u>159,000</u>	<u>159,000</u>	<u>91,197</u>	<u>-</u>	<u>91,197</u>	<u>67,803</u>
Depreciation Expense	-	-	-	73,315	73,315	(73,315)
Total Operational Expenditures	<u>1,781,388</u>	<u>1,781,388</u>	<u>847,471</u>	<u>413,710</u>	<u>1,261,181</u>	<u>520,207</u>
NET OPERATING INCOME	<u>(244,709)</u>	<u>(244,709)</u>	<u>85,738</u>	<u>285,850</u>	<u>371,588</u>	<u>616,297</u>
Other Income (Expense)						
Interfund Transfer	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Interest Income	7,250	7,250	6,198	26,180	32,378	25,128
Principal on Long-Term Debt	(397,794)	(397,794)	(397,794)	-	(397,794)	-
Interest Expense	(49,928)	(49,928)	(49,992)	-	(49,992)	(64)
Total Other Income (Expense)	<u>(440,472)</u>	<u>(440,472)</u>	<u>(441,588)</u>	<u>26,180</u>	<u>(415,408)</u>	<u>25,064</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u><u>(685,181)</u></u>	<u><u>(685,181)</u></u>	<u><u>(355,850)</u></u>	<u><u>312,030</u></u>	<u><u>(43,820)</u></u>	<u><u>641,361</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALHOUN COUNTY 911 DISTRICT
Schedule of Changes in Net Pension Liability
Last Ten Fiscal Years Ending September 30

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 103,376	\$ 107,680	\$ 99,847	\$ 90,772	\$ 99,079	\$ 104,251	\$ 74,525	\$ 82,557
Interest	248,239	237,613	214,459	228,846	214,471	176,841	166,655	156,749
Changes in benefit terms	134,216	-	-	-	-	-	-	-
Differences between expected and actual experience	61,097	(69,108)	77,288	(351,916)	82,884	378,068	13,552	-
Changes of assumptions	171,536	-	-	18,493	-	57,139	-	-
Benefit payments, including refunds of employee contributions	(141,200)	(156,156)	(177,069)	(126,532)	(197,690)	(132,500)	(122,321)	(108,630)
Transfers among employees	32,411	10,487	75,723	(2,066)	(48,837)	5,650	-	-
Net changes in total pension liability	609,675	130,516	290,248	(142,403)	149,907	589,449	132,411	130,676
Total Pension Liability - beginning	3,294,479	3,163,963	2,873,715	3,016,118	2,866,211	2,276,762	2,144,351	2,013,675
Total pension liability - ending (a)	\$ 3,904,154	\$ 3,294,479	\$ 3,163,963	\$ 2,873,715	\$ 3,016,118	\$ 2,866,211	\$ 2,276,762	\$ 2,144,351
Plan fiduciary net position								
Contributions - employer	\$ 51,605	\$ 45,648	\$ 61,679	\$ 59,989	\$ 77,487	\$ 71,044	\$ 63,404	\$ 48,293
Contributions - member	89,523	78,649	82,275	81,855	78,680	77,904	74,357	52,565
Net investment income	675,900	164,228	71,686	234,112	291,508	213,585	22,453	184,971
Benefit payments, including refunds of employee contributions	(141,200)	(156,156)	(177,069)	(126,532)	(197,690)	(132,500)	(122,321)	(108,630)
Transfers among employees	32,411	10,487	75,723	(2,066)	(48,837)	5,650	326,987	(2,774)
Net changes in plan fiduciary net position	708,239	142,856	114,294	247,358	201,148	235,683	364,880	174,425
Plan net position-beginning	3,027,524	2,884,668	2,770,374	2,523,016	2,321,868	2,086,185	1,721,305	1,546,880
Plan net position-ending (b)	\$ 3,735,763	\$ 3,027,524	\$ 2,884,668	\$ 2,770,374	\$ 2,523,016	\$ 2,321,868	\$ 2,086,185	\$ 1,721,305
Net Pension Liability (asset)-ending	\$ 168,391	\$ 266,955	\$ 279,295	\$ 103,341	\$ 493,102	\$ 544,343	\$ 190,577	\$ 423,046
Plan fiduciary net position as a percentage of the total pension liability	95.69%	91.90%	91.17%	96.40%	83.65%	81.01%	91.63%	80.27%
Covered-employee payroll	1,833,149	1,683,932	1,459,890	1,451,866	1,471,685	1,448,528	1,444,928	1,414,616
Net pension liability (asset) as a percentae of covered-employee payroll	9.19%	15.85%	19.13%	7.12%	33.51%	37.58%	13.19%	29.91%

CALHOUN COUNTY 911 DISTRICT
Schedule of Employer Contributions
Last Ten Fiscal Years Ending September 30

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	71,001	91,403	74,548	\$ 64,676	\$ 74,116	\$ 94,473	\$ 58,775	\$ 66,282
Contributions in relation to the								
actuarially determined contributions	71,001	91,403	74,548	64,676	74,116	94,473	58,775	66,282
Contribution deficiency (increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Contributions as a percentage of covered-employee payroll	3.87%	5.43%	5.11%	4.45%	5.04%	6.52%	4.07%	4.69%
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NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported.

Contributions for fiscal year 2022 were based on the September 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2020 to September 30, 2021:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization method	9.3 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%
Investment rate of return	7.70%

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**CALHOUN COUNTY 911 DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022**

An annual budget is prepared for the District's general fund and adopted on the modified accrual basis. All annual appropriations lapse at the end of the fiscal year. Accounting principles generally accepted in the United States of America require that a budget comparison be presented for special revenue funds if a budget is legally adopted. Such presentations have not been made because the District has no special revenue fund for this fiscal year. The Board of Commissioners approves each annual budget by resolution. Revisions to the budget must be approved by the Board of Commissioners.

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OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Calhoun County 911 District
Jacksonville, Alabama

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Calhoun County 911 District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Calhoun County 911 District's basic financial statements, and have issued our report thereon dated July 26, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Calhoun County 911 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calhoun County 911 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County 911 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calhoun County 911 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 are required to be reported under *Government Auditing Standards*.

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.

Gadsden, Alabama

July 26, 2022

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