

**ACCOUNTING AND FINANCIAL REPORTING MANUAL**  
**FOR**  
**TENNESSEE**  
**EMERGENCY COMMUNICATIONS DISTRICTS**



**EFFECTIVE JULY 1, 2008**

**STATE OF TENNESSEE**  
**COMPTROLLER OF THE TREASURY**  
**DIVISION OF COUNTY AUDIT**

# ACCOUNTING AND FINANCIAL REPORTING MANUAL FOR TENNESSEE EMERGENCY COMMUNICATIONS DISTRICTS

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## INTRODUCTION

The Tennessee General Assembly authorized the creation of emergency communications districts by passing the Emergency Communications District Law (Sections 7-86-101 through 7-86-320, Tennessee Code Annotated (TCA)). The legislative body of a municipality or county may create an emergency communications district following the approval of the voters within the boundaries of a proposed district. However, as of May 20, 1998, a referendum to allow the creation of a new district within the boundaries of an existing district should not take place, according to Section 7-86-310, TCA, without the prior approval of the Tennessee Emergency Communications Board. This board was established by Section 7-86-302, TCA, “for the purpose of assisting emergency communications district boards of directors in the areas of management, operations, and accountability, and establishing emergency communications for all citizens of the state.”

Section 7-86-304, TCA, directs the comptroller of the treasury to develop a uniform financial accounting system conforming to generally accepted accounting principles for use by all emergency communications districts. This section further provides that the annual audit disclose the failure of any district to maintain the financial accounting system prescribed by the comptroller. To fulfill this responsibility, the Office of the Comptroller of the Treasury, Division of County Audit, has developed this accounting and financial reporting manual to be used by all Tennessee emergency communications districts. **The provisions of this edition of the manual are effective July 1, 2008.**

Section III, Legal Requirements, has been updated for legislation passed since the last edition of the manual. Section V, Revenue Standards, has been revised for changes adopted by the Emergency Communications Board since the last edition of the manual.

New accounts have been added to the uniform chart of accounts and are summarized in Section IV. Some account titles have been repositioned within the chart and are also summarized in Section IV.

Section VI, Examples of Financial Statements, has been added to provide guidance in preparing the Typical County Emergency Communications District’s Financial Statements.

## **SECTION I AUDIT REQUIREMENTS**

### **STATUTORY AUTHORITY**

Section 4-3-304, Tennessee Code Annotated (TCA), and other state statutes place the audit responsibility for all governmental entities in Tennessee under the Office of the Comptroller of the Treasury. Section 7-86-113, TCA, specifically places the audit responsibility for emergency communications districts under the comptroller's authority. This statute requires each emergency communications district's board of directors to require an annual audit of the books and records of their district. If the board of directors fails or refuses to have an audit conducted, the comptroller may appoint a certified public accountant or direct the Department of Audit to perform the audit, with the district paying the cost of the audit. The comptroller may modify the requirements for an audit. The district is required to file a copy of the audit report with the clerk or recorder of the appropriate county or municipality. The district is also required to file a copy of the audit report with the chief administrative officer of the appropriate county or municipality.

### **AUDIT PERIOD**

Audits should be performed annually and cover only one fiscal year, unless otherwise approved by the comptroller of the treasury. The fiscal year-end for Tennessee emergency communications districts is June 30.

### **BASIS OF EMPLOYMENT**

Only certified public accountants or certified public accounting firms licensed by the Tennessee State Board of Accountancy may contract to perform audits of emergency communications districts. Section 12-4-106, TCA, requires that audit contracts not be awarded based upon competitive bids but on the basis of recognized competence and integrity.

### **AUDIT CONTRACT**

The comptroller of the treasury has prescribed a uniform audit contract for local governments, including emergency communications districts. Three copies of the contract must be properly executed and filed with the Office of the Comptroller of the Treasury for approval before any audit work is begun. Copies of the audit contract may be obtained from the Division of County Audit. This contract requires copies of the audit report to be filed with the Division of County Audit and the audit is not final until the Division of County Audit has reviewed and accepted the report. The contract also provides for the Division of County audit to have access to the auditor's working papers. The auditor must conduct the audit in accordance with generally accepted auditing standards, Government Auditing Standards published by the U.S. Government Accountability Office, and the Audit Manual for Governmental Units and Recipients of Grant Funds published by the Tennessee Office of the Comptroller of the Treasury.

## **TENNESSEE EMERGENCY COMMUNICATIONS BOARD**

Section 7-86-304, TCA, provides for the comptroller of the treasury to file with the Tennessee Emergency Communications Board a copy of the audited financial statements of each emergency communications district. This section gives the board the authority to act upon any adverse findings noted in the audit reports and to order such action as necessary to remedy the adverse findings. Section 7-86-304, TCA, further provides for a district that is “financially distressed” to be subject to the board’s supervision and evaluation.

As shown by annual audits, a district is deemed financially distressed if it:

- has a negative change in net assets for a period of three consecutive years;
- has deficit total net assets; or
- has a default on any indebtedness.

Notwithstanding annual audits, a district is deemed financially distressed if:

- it is the subject of a lien filed by the Internal Revenue Service;
- the board determines that the district cannot satisfy its financial obligations to the extent that the continued operation of the district is at risk; or
- the district has defaulted on any indebtedness due to insufficient funds, such default is not cured within 60 days, and upon determination of the board, it appears that the district cannot satisfy its financial obligations to the extent that the continued operation of the district is at risk.

## **SECTION II ACCOUNTING AND FINANCIAL REPORTING**

### **INTERNAL CONTROLS**

Internal control is the process that an entity's board of directors, management and other personnel design to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with laws and regulations.

Internal controls are the practical techniques that the management of an emergency communications district uses to achieve its objectives and to meet its responsibilities. A comprehensive internal control framework should 1) create and maintain an environment conducive to control, 2) ensure that risks from both inside and outside the entity are assessed and managed on an ongoing basis, 3) result in the design and implementation of appropriate control-related policies and procedures, 4) provide for the appropriate communication of information, and 5) monitor the effectiveness of control-related policies and procedures. The management of an emergency communications district is primarily responsible for internal controls, but the board of directors is responsible for ensuring that management accomplishes this duty. The board's role is particularly important because of management's ability to override controls.

Audit professionals, such as a district's independent auditors, can be valuable in helping management establish internal controls and assess their effectiveness. However, auditors cannot assume management's primary responsibility for internal controls. The management of an emergency communications district must establish a system of internal controls designed to meet its objectives and prevent fraud, abuse, and errors. Some districts have few employees, so the size of an entity must be considered. Internal controls are essential but do have limitations. Management should determine if the cost of implementing controls exceeds their potential benefit; however, adequate internal controls can be maintained with as few as two individuals within an office. Also, no system of controls can guard against collusion and the possibility of management overriding controls.

### **RECORDS**

Records must be maintained that provide reliable information upon which to base management decisions and the preparation of financial statements in accordance with generally accepted accounting principles. Formal books of account, such as journals and general ledgers, should be maintained utilizing double-entry bookkeeping. Documentation should be on file to support the books of account, such as prenumbered receipts, bank statements, cancelled checks, lease and loan agreements, contracts, time sheets, invoices, and inventories of capital assets. Written policies and procedures should be maintained for internal controls, travel, personnel, and purchasing. Personnel policies should include written job descriptions and purchasing policies should specify individuals authorized to make purchases. Formal minutes must be maintained for all meetings of the board of directors, and should be approved by the board in a subsequent meeting. These minutes must include the budget adopted by the board and any subsequent amendments.

## DEPRECIATION OF CAPITAL ASSETS

Each emergency communications district should establish a capitalization policy, which specifies the per unit cost at which a given capital asset qualifies for capitalization. Typically, this amount correlates with the size of the district. A record must be maintained for each capital asset acquired. The record of the capital asset should include information such as a description of the property, serial number or other identification number, acquisition cost and date, source of funds used in the purchase, location, use and condition, estimated useful life for depreciation purposes and disposition date if applicable. Capital assets should be inventoried periodically and the results of the inventory compared with the capital assets records. The useful life of assets for recording depreciation expense **should not exceed** the guidelines listed below.

<u>Asset Account</u>	<u>Years</u>
Office Furniture and Fixtures	10
Equipment	10
Vehicles	5
Buildings and Improvements	40
Leasehold Improvements	
(life of the lease or life of the asset, whichever is less)	

## FUND TYPE AND BASIS OF ACCOUNTING

The financial operations of Tennessee emergency communications districts must be accounted for in an enterprise fund. Enterprise funds are reported using a flow of economic resources measurement focus and the accrual basis of accounting. These are the same measurement focus and basis of accounting used by private business enterprises. Revenues are recognized in enterprise funds when they are earned and expenses are recognized as soon as a liability is incurred.

The Governmental Accounting Standards Board (GASB) exercises jurisdiction over accounting and financial reporting for governments. The Financial Accounting Standards Board (FASB) exercises jurisdiction over private enterprises and nonprofits. However, under the guidance of GASB Statement No. 20, pronouncements of FASB issued before November 30, 1989, are applicable to enterprise funds unless they conflict with or contradict GASB guidance. After November 30, 1989, there are two options for enterprise funds: 1) follow GASB guidance only and not follow any FASB guidance issued after that date or 2) continue to apply all future FASB guidance that does not conflict with or contradict GASB guidance.

**The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts to follow option one. Therefore, all emergency communications districts must follow only GASB guidance issued after November 30, 1989, and not follow any FASB guidance issued after that date.**

## **FINANCIAL REPORTING**

Emergency communications districts should be accounted for as single enterprise funds on the accrual basis of accounting. Financial statements and the accompanying notes must be prepared in accordance with the Codification of Governmental Accounting and Financial Reporting Standards (Codification) published by the Governmental Accounting Standards Board.

All audit reports must include the following information, as applicable, and conform to the following outline. (See Section VI, Examples of Financial Statements and Budgetary Comparison Schedules)

### **I. Introductory Section**

Table of contents, roster of management officials, roster of board members, and any other material deemed appropriate by management, such as a letter of transmittal or organizational chart.

### **II. Management's Discussion and Analysis**

This is required supplementary information by the GASB. Information required by the Codification should be included, as appropriate.

### **III. Financial Section**

#### **A. Independent Auditor's Report on the Financial Statements**

This report must state that the audit was performed in accordance with generally accepted government auditing standards. The AICPA Codification of Auditing Standards, AU Section 558, should be consulted for guidance on circumstances requiring reporting on required supplementary information.

#### **B. Financial Statements and Notes**

##### **1. Statement of Net Assets**

(The classified format which distinguishes between all current and long-term assets and liabilities is required by the Codification.)

##### **2. Statement of Revenues, Expenses, and Changes in Net Assets**

Revenue and expense classifications must follow the Uniform Chart of Accounts in Section IV and should be sufficiently detailed to be meaningful. Expenses may be summarized by major categories as identified in the Uniform Chart of Accounts in Section IV. If expenses are summarized by major categories, a schedule of detailed expenses must be presented in the supplementary information section.

##### **3. Statement of Cash Flows**

(The direct method is required by the Codification.)

##### **4. Notes to the Financial Statements**

### C. Supplementary Information

1. Independent Auditor's Report on Supplementary Information  
This may be addressed in the Independent Auditor's Report on the Financial Statements.
2. Budgetary Comparison Schedule  
This schedule must be presented to demonstrate legal compliance with Section 7-86-120, Tennessee Code Annotated, which requires emergency communications districts to adopt and operate under an annual budget. The board of directors should follow all the requirements of Section 7-86-120 in adopting the budget. However, for financial reporting purposes it is only necessary to present budgetary revenues and expenses compared with actual. Expenses must be presented at the legal level of control, **which is defined to be at the line-item level**. The budget **may or may not** be adopted in accordance with generally accepted accounting principles (GAAP). For example, depreciation may or may not be budgeted. Likewise, outlays for capital items may be budgeted as expenses. Budgetary comparison of budget with actual should be on the same basis of accounting. Budgetary information should be accompanied by information that reconciles budgetary information of actual amounts with GAAP amounts, if differences exist. Examples of a GAAP Basis and Cash Basis budgetary comparison are included in Section VI.
3. Schedule of Detailed Expenses  
This schedule is not required if expenses are detailed on the Statement of Revenues, Expenses, and Changes in Net Assets.
4. ~~Schedule of Information Required by the Tennessee Emergency Communications Board.~~  
~~The required information includes:~~
  - ~~a. The number of public safety answering points (PSAP).~~
  - ~~b. The address of each PSAP.~~
  - ~~c. The type of system/equipment and database used by each PSAP.~~
  - ~~d. The name, address, telephone number, and fax number of the director of the emergency communications district.~~
  - ~~e. The name, address, telephone number, and fax number of the chairman of the emergency communications district.~~
5. Any other schedules or information deemed necessary by management.

As of 12/9/2010, this information is no longer required by the Tennessee Emergency Communications Board. Reports should omit this information due to homeland security implications.

### IV. Internal Control and Compliance Section

This section must include the auditor's report on internal control and compliance over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. The auditor should consult the AICPA Audit Guide, Government Auditing Standards and Circular A-133 Audits, for sample reports. Any findings addressed in the report should include management's comments.

## **FINANCIAL REPORTING REQUIRED FOR BOARD MEETINGS**

Section 7-86-123, TCA, requires that a financial report of the district's activities must be provided to the board of directors at every scheduled meeting of the board. This report must be in accordance with guidelines developed by the Comptroller of the Treasury.

The **minimum guidelines** for the board meeting financial report are as follows:

1. The financial report shall be as of the most recent month ended prior to a regularly scheduled board meeting.
2. The report shall include a balance sheet reflecting the financial position of the district.
3. The report shall contain a statement of operations.
4. The report shall include a budgetary statement that compares budget with actual for the year to date.
5. The report shall include a summary of investment activity, which includes a listing of all investment accounts.

### **SECTION III LEGAL REQUIREMENTS**

Emergency communications districts are created under the authority of Title 7, Chapter 86, Tennessee Code Annotated (TCA). The following code sections taken from Chapter 86 contain provisions that relate to the financial operations of emergency communications districts. The auditor for the district should report noncompliance with these sections if the noncompliance has a significant effect on financial reporting. The list of references should only be used as a guideline and should not be considered comprehensive. Other state statutes may affect emergency communications districts, such as those relating to public records, open meetings, and conflicts of interest. In addition, the state attorney general has issued numerous opinions concerning the operations of emergency communications districts.

<b>Code Section</b>	<b>Subject</b>
Section 7-86-102(c)	Limited oversight of equipment by the Tennessee Regulatory Authority
Section 7-86-102(d)	District funds are public funds and limited as to purposes
Section 7-86-105	Composition and authority of the board of directors
Section 7-86-108	Maximum rate that can be levied on emergency telephone service charge on landlines; collection and disposition of the emergency telephone service charge by providers of non-wireline telecommunications service; methods for emergency communications boards to increase the service charge on landlines; legislative body of appropriate county or municipality may reduce rate by two-thirds vote; State Emergency Communications Board may withhold distribution of the wireless service charge to an emergency communications district if the district is operating in, or fails to correct a specific violation of state law
Section 7-86-109	The district may receive funds from state, federal, and local government sources and from the issuance of bonds; any legislative body of a municipality or county that created a district may appropriate funds to the district
Section 7-86-110	Collection and disposition of the emergency telephone service charge by the service supplier; duty of service supplier to provide emergency communications district boards of directors with an annual accounting of the amounts billed and collected and the disposition of such amounts
Section 7-86-112	Duty of the board of directors to reduce excess emergency telephone service charge rate

<b>Code Section</b>	<b>Subject</b>
Section 7-86-113	Duty of the board of directors to cause and pay for an annual audit; Office of the Comptroller of the Treasury has authority over audits
Section 7-86-114	District has the power to issue negotiable bonds, notes, and debt obligations for lease and lease purchases subject to the approval of the legislative body of the appropriate county or municipality; legislative body approval not required for leases and lease purchases not exceeding five years
Section 7-86-119	Surety bond required for certain board members and employees; the amount of the surety bond determined from the amount of revenues handled by the district
Section 7-86-120	Annual budget required, which includes certain information
Section 7-86-121(a)	Bonds and notes may be sold at public or private sale
Section 7-86-121(b)	District must follow the County Purchasing Law of 1983, Section 5-14-201 to 207, <u>TCA, (Public advertisement and competitive bids required for purchases of \$10,000 or more)</u>
Section 7-86-122	Investments must be made in accordance with Section 5-8-301, <u>Tennessee Code Annotated</u>
Section 7-86-123	Board must be provided with a financial report at every regularly scheduled meeting (Section II, FINANCIAL REPORTING REQUIRED FOR BOARD MEETINGS)
Section 7-86-124	No board member may have control or custody of financial assets; no board member on sole authority may authorize any transaction affecting a financial asset
Section 7-86-125	Requires the board of directors to adopt the same comprehensive travel regulations as the appropriate county or municipality or to adopt its own if the county or municipality has none
Section 7-86-126	Deposits to be secured by collateral under the same conditions as state deposits or as provided in the state collateral pool
Section 7-86-205	Requires every emergency call taker or public safety dispatcher who receives an initial or transferred 911 call from the public, regardless of agency or governmental jurisdiction, to obtain dispatcher training within six (6) months of hiring date
Section 7-86-301 to 319	Creation, powers, and duties of the State Emergency Communications Board

## SECTION IV UNIFORM CHART OF ACCOUNTS

All Tennessee emergency communications districts are required to adopt this uniform chart of accounts as of July 1, 2008. Suggestions and comments on the chart are welcomed. The chart will undergo changes in the future as needed. **Deviations from the uniform chart of accounts may not be made without the written approval of the Office of the Comptroller of the Treasury, Division of County Audit.**

Operating expenses are classified by major category. Major category accounts are identified in the uniform chart of accounts and should be used only to summarize the total of all accounts under a major category.

### Revisions to the Uniform Chart of Accounts - July 1, 2008

**Account Number 3003—Tennessee Emergency Communications Board (TECB) – Operational Funding** has been added to report payments from the operational funding program, which are paid to each district as a contribution for operating expenses.

**Account Number 4236—Fuel-Vehicles** has been added to allow fuel cost to be tracked.

**Account Number 5015—Impairment Loss** has been added to account and report the impairment of capital assets as directed by Governmental Accounting Standards Board Statement 42. Asset impairment is a significant unexpected decline in the service utility of a capital asset.

**Account Number 4109—Other Postemployment Benefits (OPEB) Expense** has been added to record the amount recognized in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.

**Account Number 1410—Other Postemployment Benefits (OPEB) Assets** has been added to recognize an asset for contributions to an OPEB plan that is greater than the OPEB expense.

**Account Number 2205—Net Other Postemployment Benefits (OPEB) Obligation** has been added to record the cumulative difference between annual OPEB cost and the contributions to an OPEB plan.

Revisions to the Uniform Chart of Accounts - July 1, 2008 (Cont.)

Change of Account Numbers and Repositioned within the Uniform Chart of Accounts

Old Number

- 3100 Capital Contributions
- 3101 Capital Contributions from Primary Government
- 3102 Capital Contributions from Other Governments and Agencies
- 3103 Capital Contributions from State Emergency Communications Board

New Number

- 6000 Capital Contributions
- 6001 Capital Contributions from Primary Government
- 6002 Capital Contributions from Other Governments and Agencies
- 6003 Capital Contributions from Tennessee Emergency Communications Board

Capital contribution accounts have been re-numbered and moved from the revenue section to the section following Nonoperating Revenues (Expenses).

Old Number

- 1301 Land
- 1314 Construction in Progress

New Number

- 1351 Land
- 1352 Construction in Progress

A new category of assets, Capital Assets Not Being Depreciated, has been added. Land and Construction in Progress have been re-numbered and grouped into this new category of assets.

**TENNESSEE EMERGENCY COMMUNICATIONS DISTRICTS  
UNIFORM CHART OF ACCOUNTS**

**ASSETS**

Acct.

<u>No.</u>	<u>Current Assets</u>
1001	Cash and Cash Equivalents
1002	Investments
1003	Accrued Interest Receivable
1004	Accounts Receivable
1005	Due from Tennessee Emergency Communications Board
1006	Due from Other Governments
1007	Due from Primary Government
1008	Inventories
1009	Prepaid Expenses
1020	Other Current Assets
1101	<u>Noncurrent Assets</u>
	Restricted Assets
	(Restricted asset accounts may only be used when required by legal or contractual requirements. As many restricted asset accounts may be used as needed. Appropriately descriptive account titles should be used for all restricted assets. If more than one account is needed, account numbers should start with 1101 and follow in sequence, 1102, 1103, etc.)
1201	<u>Deferred Charges</u>
	<u>Capital Assets</u>
	<u>Capital Assets Not Being Depreciated</u>
1351	Land
1352	Construction in Progress
	<u>Capital Assets Being Depreciated</u>
1302	Buildings and Improvements
1303	Accumulated Depreciation-Buildings and Improvements
1304	Furniture and Fixtures
1305	Accumulated Depreciation-Furniture and Fixtures
1306	Office Equipment
1307	Accumulated Depreciation-Office Equipment
1308	Communications Equipment
1309	Accumulated Depreciation-Communications Equipment
1310	Vehicles
1311	Accumulated Depreciation-Vehicles
1312	Leasehold Improvements
1313	Accumulated Depreciation-Leasehold Improvements
1320	Other Capital Assets
1321	Accumulated Depreciation-Other Capital Assets
1401	<u>Other Assets</u>
	(Appropriately descriptive account titles should be used for these items. If more than one account is needed, account numbers should start with 1401 and follow in sequence, 1402, 1403, etc.)
1410	Other Postemployment Benefits Assets

## **LIABILITIES**

### Current Liabilities

- 2001 Accounts Payable
- 2002 Accrued Payroll
- 2003 Payroll Deductions Payable
- 2004 Compensated Absences Payable
- 2005 Contracts Payable
- 2006 Claims and Judgments Payable
- 2007 Due to Primary Government
- 2008 Advances from Primary Government-Current
- 2009 Bonds Payable-Current
- 2010 Notes Payable-Current
- 2011 Accrued Interest Payable
- 2012 Capitalized Lease Obligations-Current
- 2013 Deferred Revenue
- 2020 Other Current Liabilities

### 2101 Current Liabilities Payable from Restricted Assets

(As many accounts may be used as needed. Appropriately descriptive account titles should be used for each account. If more than one account is needed, account numbers should start with 2101 and follow in sequence, 2102, 2103, etc.)

### Noncurrent Liabilities

- 2201 Advances from Primary Government--Long-term
- 2202 Bonds Payable--Long-term
- 2203 Notes Payable--Long-term
- 2204 Capitalized Lease Obligations--Long-term
- 2205 Net Other Postemployment Benefits Obligation
- 2210 Other Long-term Liabilities

## **NET ASSETS**

Acct.

No.

- 2301 Invested in Capital Assets, Net of Related Debt  
(“Net of Related Debt” should be removed from the account description if there is no capital related debt)
  
- 2302 Restricted Net Assets  
(Distinguish between major categories of restrictions, if any. Describe if more than one account is needed. Account numbers should start with 2302 and follow in sequence, 2303, 2304, etc.)
  
- 2320 Unrestricted Net Assets

## **REVENUES AND EXPENSES**

### Operating Revenues

- 3001 Emergency Telephone Service Charge
- 3002 Tennessee Emergency Communications Board–Shared Wireless Charge
- 3003 Tennessee Emergency Communications Board–Operational Funding
- 3004 Other Operating Revenues  
(Describe if more than one account is needed. Account numbers should start with 3004 and follow in sequence, 3005, 3006, etc.)

**Expense accounts that are identified as major categories should only be used to summarize the total of all accounts under a major category.**

### Operating Expenses

- 4000 Salaries and Wages (Major Category)
- 4001 Director
- 4002 Administrative Personnel
- 4003 Dispatchers
- 4004 Telecommunicators/Calltakers
- 4005 Data Processing Personnel
- 4006 Custodial Personnel
- 4007 Maintenance Personnel
- 4008 Overtime Pay
- 4009 Part-time Personnel
- 4010 Pay Bonuses
- 4099 Other Salaries and Wages (Appropriately descriptive account titles should be used.)
  
- 4100 Employee Benefits (Major Category)
- 4101 Social Security
- 4102 Medicare
- 4103 Life Insurance
- 4104 Medical Insurance
- 4105 Dental Insurance
- 4106 Disability Insurance
- 4107 Unemployment Compensation
- 4108 Retirement Contributions
- 4109 Other Postemployment Benefits Expense
- 4199 Other Fringe Benefits (Appropriately descriptive account titles should be used.)

Operating Expenses (Cont.)

- 4200 Contracted Services (Major Category)
- 4201 Addressing/Mapping Expenses
- 4202 Advertising
- 4203 Audit Services
- 4204 Accounting Services
- 4205 Administrative Fees-Service Charge
- 4206 Architects
- 4207 Contracts With Government Agencies
- 4208 Contracts With Private Agencies
- 4209 Data Processing Services
- 4210 Engineering Services
- 4211 Facility Relocation Expenses
- 4212 Fees Paid to Service Providers
- 4213 Fiscal Agent Charges
- 4214 Financial Advisory Services
- 4215 Impact Payments
- 4216 Janitorial Services
- 4217 Legal Services
- 4218 Maintenance Agreements
- 4219 Mapping/Data Base Consultants
- 4220 NCIC/TBI/TIES Expenses
- 4221 Other Consultants (Appropriately descriptive account titles should be used.)
- 4225 Pest Control
- 4226 Responder and Dispatcher Surveys
- 4227 Lease/Rental-Communications Equipment
- 4228 Lease/Rental-Buildings and Facilities
- 4229 Lease/Rental-Furniture and Fixtures
- 4230 Lease/Rental-Office Equipment
- 4231 Lease/Rental-Vehicles
- 4232 Maintenance and Repairs-Communications Equipment
- 4233 Maintenance and Repairs-Buildings and Facilities
- 4234 Maintenance and Repairs-Office Equipment
- 4235 Maintenance and Repairs-Vehicles
- 4236 Fuel-Vehicles
- 4299 Other Contracted Services (Appropriately descriptive account titles should be used)
  
- 4300 Supplies and Materials (Major Category)
- 4301 Office Supplies
- 4302 Custodial Supplies
- 4303 Data Processing Supplies
- 4304 Postage
- 4305 Small Equipment Purchases
- 4306 Uniforms and Shirts
- 4307 Utilities-Electric
- 4308 Utilities-Gas
- 4309 Utilities-Water and Sewer
- 4310 Utilities-General Telephone
- 4311 Utilities-Cell Phones and Pagers
- 4399 Other Supplies and Materials (Appropriately descriptive account titles should be used)

Operating Expenses (Cont.)

4400 Other Charges (Major Category)

- 4401 Bank Charges
- 4402 Board Meeting Expenses
- 4403 Claims and Judgments
- 4404 Debt Issuance Costs
- 4405 Dues and Memberships
- 4406 Employee Testing and Exams
- 4407 Insurance-Workers Compensation
- 4408 Insurance-Liability
- 4409 Insurance-Buildings and Contents
- 4410 Insurance-Equipment
- 4411 Insurance-Vehicles
- 4412 Legal Notices
- 4413 Licenses and Fees
- 4414 Premiums on Surety Bonds
- 4415 Public Education
- 4416 Responder and Dispatcher Surveys
- 4417 Service Awards
- 4418 Training Expenses
- 4419 Travel Expenses
- 4420 Internet Charges
- 4499 Other Charges (Appropriately descriptive titles should be used)

4500 Depreciation (Major Category)

4600 Amortization (Major Category)

Nonoperating Revenues (Expenses)

- 5001 Investment Income
- 5002 Interest Income
- 5003 Net Increase (Decrease) in the Fair Value of Investments
- 5004 Contributions from Primary Government
- 5005 Contributions from Other Governments and Agencies
- 5006 Tennessee Emergency Communications Board-Grants and Reimbursements
- 5007 Grants from Federal Government
- 5008 Gain on Disposal of Property
- 5009 Miscellaneous Income
- 5010 Interest Expense
- 5011 Loss on Disposal of Property
- 5012 Rental Income
- 5013 Insurance Reimbursements
- 5014 Revenue from Contracted Services
- 5015 Impairment Loss

6000 Capital Contributions

- 6001 Capital Contributions from Primary Government
- 6002 Capital Contributions from Other Governments and Agencies
- 6003 Capital Contributions from Tennessee Emergency Communications Board

**SECTION V**  
**ABBREVIATED 911 REVENUE STANDARDS**  
**Effective July 1, 2001**  
**As Amended through September 28, 2006**

Tennessee Code Annotated § 7-86-306(9) authorizes the Tennessee Emergency Communications Board (TECB) to “...establish operating standards concerning acceptable uses of revenue for emergency communications districts and periodically review and revise these standards....”

**Executive Summary**

To aid in quick reference, an abbreviated version of the TECB Revenue Standards is set out below. It contains a listing of the six Required Uses of 911 Revenue, 31 Permissible Uses of 911 Revenue, and the seven Prohibited Uses of 911 Revenue. The unabbreviated version of the TECB Revenue Standards is located on the TECB website (<http://www.state.tn.us/commerce/911/>). The unabbreviated version of the Revenue Standards includes full quotations of all statutory authority cited therein. The following revenue standards are in place as of July 1, 2008; however, the TECB website should be consulted for a full understanding of and recent updates to the revenue standards.

<b>Required Uses of 911 Revenue</b>
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The following items are required functions and uses of revenue of an Emergency Communications District (ECD). ECDs must assure that these items are obtained and operative before considering expending revenue on any permissible expenditure.

- 1. The lease, purchase, or maintenance of existing enhanced emergency (911 service) telephone equipment [Automatic Number Identification (ANI), and Automatic Location Identification (ALI)], including necessary computer hardware, software, and database provisioning for existing PSAP(s) in an Emergency Communications District.**
- 2. Rates associated with the service suppliers' enhanced emergency (911 service) telephone system network services (ANI and ALI) for existing PSAP(s) in an Emergency Communications District.**
- 3. Expenditures for the lease, purchase, modification, or upgrade of systems and devices required to provide wireless enhanced 911 service.**
- 4. Costs of an annual audit, as required by Tennessee Code Annotated § 7-86-113.**
- 5. Premiums on surety bonds for ECD board members, employees, officers or any other authorized person who receives, has authority to make expenditures from or has access to 911 funds in the amounts set forth in T.C.A. § 7-86-119.**
- 6. Public meeting notices or legal notices for compliance with the Open Meetings Act (T.C.A. Title 8, Chapter 44, et seq.)**

## Permissible Uses of 911 Revenue

The following items may be expended by an Emergency Communications District (ECD), regardless of the source of revenue. These items do not represent required expenditures of 911 revenue, but rather, are permissible uses of 911 revenue, provided that an Emergency Communications District has the budgetary resources and that such expenditures fit within the district's plan. Items are not listed by priority.

- 1. The costs to lease, purchase, or maintain additional enhanced emergency (911 service) telephone equipment [Automatic Number Identification (ANI), and Automatic Location Identification (ALI)], including necessary computer hardware, software, and database provisioning for additional PSAPs in an Emergency Communications District.**
- 2. The rates associated with the service suppliers' enhanced emergency (911 service) telephone system network services (ANI and ALI) for additional PSAPs in an Emergency Communications District.**
- 3. Back-up power and service for existing and additional PSAPs in an Emergency Communications District.**
- 4. Office supplies and equipment of an Emergency Communications District.**
- 5. The actual costs incurred of salaries of employees, experts, and consultants hired by the Board of Directors of an Emergency Communications District, pursuant to T.C.A. § 7-86-105(g) and (h). Provided, however, that no member of the Board of Directors of an Emergency Communications District shall be an employee of the Emergency Communications District [T.C.A. § 7-86-105(i)].**
- 6. Utilities and repair costs directly related to the implementation and maintenance of 911 service.**
- 7. The costs of leasing or purchasing, or payments of debt service on any bonds or notes issued pursuant to T.C.A. § 7-86-114 and § 7-86-121 for leasing or purchasing, a facility or service for the use by or for an Emergency Communications District.**
- 8. Addressing, mapping, master street address guides and location related equipment and operational costs required to provide 911 service. The involvement of Emergency Communications Districts in the addressing activities is complementary to the responsibilities of local governments.**
- 9. Public education on the implementation and use of 911 service.**

## **Permissible Uses of 911 Revenue (Cont.)**

- 10. Insurance.**
- 11. Interest income may be used for operating and capital expenditures of an Emergency Communications District, provided that such expenditures constitute permissible uses of 911 revenue established by the Tennessee Emergency Communications Board.**
- 12. Board meeting expenses.**
- 13. Employee uniforms and shirts that may include the “logo” or name of the Emergency Communications District.**
- 14. Pagers, and cell phones, and other personal communication devices for the exclusive use by an Emergency Communications District.**
- 15. Licenses and fees.**
- 16. Lawsuit settlement expenses.**
- 17. Dues and memberships to professional organizations for employees and board members of an Emergency Communications District. Dues and membership to Chamber of Commerce for the Emergency Communication District.**
- 18. Costs to issue negotiable bonds, notes and debt obligations (after approval by the applicable county or municipal legislative body) for lease and lease purchases in anticipation of the collection of revenues for, constructing, acquiring, reconstructing, improving, bettering or expanding any facility or service authorized by Title 7, chapter 86, including legal, engineering, fiscal services, and interest during construction and for six months after the estimated date of completion of construction, pursuant to T.C.A. § 7-86-114(a).**
- 19. Travel expenses, pursuant to T.C.A. § 7-86-125.**
- 20. Service recognition awards to members of the Board of Directors of an Emergency Communications District, employees of an Emergency Communications District, and members of the public.**
- 21. If and only if an Emergency Communications District is providing law enforcement dispatch services, pursuant to an interlocal agreement between the ECD and a law enforcement services provider, and pursuant to T.C.A. Title 12, Chapter 9, Part 1, expenditures for NCIC/TBI/TIES and associated costs.**
- 22. Contracts with Private Agencies to run ECD Operations, to the extent that the law allows and provided that oversight, accountability, and liability are retained by an Emergency Communications District concerning the level and quality of 911 service and the financial integrity of the Emergency Communications District.**
- 23. Responder and dispatch surveys.**
- 24. Facility relocation expenses of an Emergency Communications District.**

## Permissible Uses of 911 Revenue (Cont.)

25. **Training expenses.**
26. **Cost of dispatcher or telecommunicator or call taker salaries and benefits, as provided for in an interlocal agreement pursuant to T.C.A. Title 12, Chapter 9, Part 1.**
27. **If an Emergency Communications District is providing impact payments (pursuant to an interlocal agreement), such payments shall be based on true cost recovery, justified, and represent permissible uses of 911 revenue.**
28. **Capital costs for communications equipment and location equipment used by appropriate emergency service units or agencies that respond to 911 calls.**
29. **Vending machines, provided that all proceeds from vending operations shall be deposited to the Emergency Communications District's official bank account in the same manner as all other receipts. All disbursements related to vending operations shall be paid by official check of the Emergency Communications District in the same manner as all other disbursements. The machines shall be operated on at least a break-even basis. Provided further that, in all cases involving vending facilities, the Tennessee Department of Human Services (DHS) shall be contacted to determine requirements for compliance with T.C.A. § 71-4-501, et seq., and any other applicable state or federal laws.**
30. **Capital costs for emergency notification systems (e.g., reverse 9-1-1, etc.) used to perform broadcasts of public warnings issued by various government agencies. Emergency Communications Districts that are not financially distressed and have completed all necessary equipment upgrades and purchases for E-911 Phase I and II data retrieval may use their revenue for the purchase or enhancement of emergency notification systems. An ECD may also participate in federal grant programs to advance coverage of NOAA Weather Radio in unserved rural areas provided that any ECD funds used toward this effort are completely recovered through the grant.**
31. **Emergency Communications Districts may use their revenues toward the purchase of NOAA Weather Radios, weather radar, and other civil emergency and weather warning products for installation in a 911 call center to be used for alerting 911 personnel of impending dangers and warnings issued by government agencies.**

## **Prohibited Uses of 911 Revenue**

The following items represent expenditures that are prohibited, regardless of the source of revenue or the budgetary resources of an Emergency Communications District. This list is not all inclusive.

- 1. Capital costs or operational costs for emergency response equipment or emergency response personnel which respond after the 911 call is dispatched, transferred, or relayed [(as defined in T.C.A. § 7-86-103(10)).**
- 2. Purchase or lease of emergency response vehicles, law enforcement vehicles, vehicles for public safety emergency services providers [(as defined in T.C.A. § 7-86-103(10)], other political subdivision vehicles, and any other vehicles not designated for exclusive use for or by an Emergency Communications District.**
- 3. Costs of purchasing, installation, and maintenance for public or private road signs, posts, or any other markers related to addressing.**
- 4. Gifts and flowers.**
- 5. Entertainment expenses.**
- 6. Civic club dues.**
- 7. Cost of purchasing, installation, and maintenance of outdoor warning sirens.**

**SECTION VI  
EXAMPLES OF FINANCIAL STATEMENTS**

**TYPICAL COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
FINANCIAL STATEMENTS**

**Statement of Net Assets  
June 30, 20XX**

ASSETS

Current Assets

Cash	\$	53,645
Investments		125,750
Accrued Interest Receivable		1,125
Accounts Receivable		5,200
Due from Tennessee Emergency Communications Board		33,386

<u>Total Current Assets</u>	\$	<u>219,106</u>
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Noncurrent Assets

Capital Assets

Land	\$	685,000
Communications Equipment		406,131
Office Equipment		25,884
Vehicles		21,970

<u>Total Capital Assets</u>	\$	<u>1,138,985</u>
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Accumulated Depreciation		<u>(133,804)</u>
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Capital Assets, net	\$	<u>1,005,181</u>
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Total Assets	\$	<u>1,224,287</u>
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LIABILITIES

Current Liabilities

Accounts Payable	\$	27,390
Accrued Payroll		5,687
Compensated Absences Payable		2,355
Notes Payable-Current		25,000

<u>Total Current Liabilities</u>	\$	<u>60,432</u>
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Noncurrent Liabilities

Notes Payable-Long-term	\$	300,000
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Total Liabilities	\$	<u>360,432</u>
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NET ASSETS

Invested in Capital Assets, net of related debt	\$	680,181
Unrestricted Net Assets		183,674

Total Net Assets	\$	<u>863,855</u>
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**Typical County Emergency Communications District**

**Statement of Revenues, Expenses and Changes in Net Assets  
For the Year Ended June 30, 20XX**

Operating Revenues

Emergency Telephone Service Charge	\$ 240,387
Tennessee Emergency Communications Board - Shared Wireless Charge	51,265
Tennessee Emergency Communications Board - Operational Funding	22,093
<u>Total Operating Revenues</u>	<u>\$ 313,745</u>

Operating Expenses

Salaries and Wages

Director	\$ 29,775
Administrative Personnel	21,125
Dispatchers	31,751
Part-time Personnel	1,423
Other Salaries and Wages	17
<u>Total Salaries and Wages</u>	<u>\$ 84,091</u>

Employee Benefits

Social Security	\$ 5,267
Medicare	1,231
Medical Insurance	16,778
Dental Insurance	655
<u>Total Employee Benefits</u>	<u>\$ 23,931</u>

Contracted Services

Advertising	\$ 866
Audit Services	2,000
Contracts with Private Agencies	1,486
Maintenance Agreements	12,985
Janitorial Services	1,840
NCIC/TBI/TIES Expenses	6,920
Lease/Rental-Communications Equipment	30,660
Lease/Rental-Office Equipment	327
Maintenance and Repairs-Communications Equipment	940
Maintenance and Repairs-Buildings and Facilities	406
Maintenance and Repairs-Office Equipment	939
Maintenance and Repairs-Vehicles	308
Fuel-Vehicles	5,213
<u>Total Contracted Services</u>	<u>\$ 64,890</u>

## Typical County Emergency Communications District

### Statement of Revenues, Expenses and Changes in Net Assets (Cont.)

<u>Supplies and Materials</u>		
Office Supplies	\$	1,364
Custodial Supplies		368
Data Processing Supplies		1,340
Postage		174
Small Equipment Purchases		879
Utilities-Electric		3,635
Utilities-Gas		567
Utilities-Water and Sewer		328
Utilities-General Telephone		2,995
Utilities-Cell Phones and Pagers		420
		<u>12,070</u>
		\$ <u>12,070</u>
<u>Other Charges</u>		
Dues and Memberships	\$	475
Training Expenses		2,322
Travel Expenses		3,518
Internet Charges		1,916
		<u>8,231</u>
		\$ <u>8,231</u>
<u>Depreciation</u>		
Depreciation Expense	\$	24,503
		<u>24,503</u>
		\$ <u>24,503</u>
		<u>217,716</u>
		\$ <u>217,716</u>
		<u>96,029</u>
		\$ <u>96,029</u>
<u>Nonoperating Revenues and (Expenses)</u>		
Interest Income	\$	1,975
Investment Income		2,458
Net Increase (Decrease) in the Fair Value of Investments		(2,872)
Contributions from Primary Government		25,000
Tennessee Emergency Communications Board-Grants and Reimbursements		20,000
Interest Expense		(1,321)
		<u>45,240</u>
		\$ <u>45,240</u>
		<u>141,269</u>
		\$ <u>141,269</u>
<u>Capital Contributions</u>		
Capital Contributions from Primary Government	\$	10,000
Capital Contributions from Tennessee Emergency Communications Board		25,000
		<u>35,000</u>
		\$ <u>35,000</u>
		<u>176,269</u>
		\$ <u>176,269</u>
		687,586
		<u>863,855</u>
		\$ <u>863,855</u>

## Typical County Emergency Communications District

### Statement of Cash Flows

June 30, 20XX

#### Cash Flows from Operating Activities

Cash Received from Surcharges and Other Revenues	\$ 310,745
Cash Payments to Suppliers for Goods and Services	(81,191)
Cash Payments for Payroll, Taxes and Related Benefits	(110,022)

Net Cash Provided by Operating Activities \$ 119,532

#### Cash Flows from Noncapital Financing Activities

Grants / Reimbursements TECB	\$ 20,000
Contributions from Primary Government	25,000

Net Cash Provided by Noncapital Financing Activities \$ 45,000

#### Cash Flows from Capital and Related Financing Activities

Purchase of Capital Assets	\$ (50,000)
Principal Paid on Notes Payable	(25,000)
Interest Paid on Notes Payable	(1,321)
Capital Contribution by Primary Government	5,000
Capital Contribution by TECB	25,000
Proceeds from the Sale of Equipment	10,000

Net Cash Used for Capital and Related Financing Activities \$ (36,321)

#### Cash Flows from Investing Activities

Purchase of Investment Securities	\$ (130,750)
Proceeds from the Sale of Investment Securities	5,000
Interest Income Received	3,308

Net Cash Provided from Investing Activities \$ (122,442)

Net Increase (Decrease) in Cash and Cash Equivalents \$ 5,769

Cash and Cash Equivalents at Beginning of Year 47,876

Cash and Cash Equivalents at End of Year \$ 53,645

## Typical County Emergency Communications District

### Statement of Cash Flows (Cont.)

#### Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities

Operating Income (Loss)	\$	96,029
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation		24,503
Changes in Assets and Liabilities		
(Increase) Decrease in Current Receivables		(3,000)
Increase (Decrease) in Accounts Payable		4,000
Increase (Decrease) in Accrued Payroll		(2,600)
Increase (Decrease) in Compensated Absence Payable		600
Net Cash Provided by Operating Activities	\$	<u>119,532</u>

#### Reconciliation of Cash with Statement of Cash Flows

Cash Per Statement of Net Assets	\$	53,645
Investments with Original Maturity of 3 Months or Less		-
Cash and Cash Equivalents June 30, 20XX	\$	<u>53,645</u>

#### Noncash Investing, Capital and Financing Activities

Contribution of Capital Assets from Primary Government	\$	5,000
Decrease in the Fair Value of Investments		2,872

## Typical County Emergency Communications District

### Budgetary Comparison Schedule (GAAP Basis) June 30, 20XX

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
<u>Operating Revenues</u>			
Emergency Telephone Service Charge	\$ 240,387	\$ 241,000	\$ 613
TECB - Shared Wireless Charge	51,265	45,000	(6,265)
TECB - Operational Funding	22,093	20,000	(2,093)
<u>Total Operating Revenues</u>	<u>\$ 313,745</u>	<u>\$ 306,000</u>	<u>\$ (7,745)</u>
<u>Operating Expenses</u>			
<u>Salaries and Wages</u>			
Director	29,775	29,775	-
Administrative Personnel	21,125	21,125	-
Dispatchers	31,751	31,751	-
Part-time Personnel	1,423	1,000	(423)
Other Salaries and Wages	17	-	(17)
<u>Total Salaries and Wages</u>	<u>\$ 84,091</u>	<u>\$ 83,651</u>	<u>\$ (440)</u>
<u>Employee Benefits</u>			
Social Security	5,267	5,267	-
Medicare	1,231	1,231	-
Medical Insurance	16,778	16,778	-
Dental Insurance	655	655	-
<u>Total Employee Benefits</u>	<u>\$ 23,931</u>	<u>\$ 23,931</u>	<u>\$ -</u>
<u>Contracted Services</u>			
Advertising	866	500	(366)
Audit Services	2,000	2,000	-
Contracts with Private Agencies	1,486	1,500	14
Maintenance Agreements	12,985	13,000	15
Janitorial Services	1,840	1,500	(340)
NCIC/TBI/TIES Expenses	6,920	7,000	80
Lease/Rental-Communications Equipment	30,660	30,660	-
Lease/Rental-Office Equipment	327	327	-
Maintenance and Repairs-Communications Equipment	940	1,000	60
Maintenance and Repairs-Buildings and Facilities	406	1,000	594
Maintenance and Repairs-Office Equipment	939	-	(939)
Maintenance and Repairs-Vehicles	308	500	192
Fuel-Vehicles	5,213	3,500	(1,713)
<u>Total Contracted Services</u>	<u>\$ 64,890</u>	<u>\$ 62,487</u>	<u>\$ (2,403)</u>

Typical County Emergency Communications District

Budgetary Comparison Schedule (GAAP Basis) (Cont.)

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
<u>Operating Expenses</u>			
<u>Supplies and Materials</u>			
Office Supplies	\$ 1,364	\$ 250	\$ (1,114)
Custodial Supplies	368	350	(18)
Data Processing Supplies	1,340	1,200	(140)
Postage	174	100	(74)
Small Equipment Purchases	879	-	(879)
Utilities-Electric	3,635	4,000	365
Utilities-Gas	567	500	(67)
Utilities-Water and Sewer	328	300	(28)
Utilities-General Telephone	2,995	3,500	505
Utilities-Cell Phones and Pagers	420	350	(70)
<u>Total Supplies and Materials</u>	<u>\$ 12,070</u>	<u>\$ 10,550</u>	<u>\$ (1,520)</u>
<u>Other Charges</u>			
Dues and Memberships	475	400	(75)
Training Expenses	2,322	2,500	178
Travel Expenses	3,518	5,000	1,482
Internet Charges	1,916	2,000	84
<u>Total Other Charges:</u>	<u>\$ 8,231</u>	<u>\$ 9,900</u>	<u>\$ 1,669</u>
<u>Depreciation</u>			
Depreciation Expense	24,503	24,503	-
<u>Total Depreciation</u>	<u>\$ 24,503</u>	<u>\$ 24,503</u>	<u>\$ -</u>
<u>Total Operating Expenses</u>	<u>\$ 217,716</u>	<u>\$ 215,022</u>	<u>\$ (2,694)</u>
<u>Operating Income (Loss)</u>	<u>\$ 96,029</u>	<u>\$ 90,978</u>	<u>\$ (5,051)</u>
<u>Nonoperating Revenues and (Expenses)</u>			
Interest Income	1,975	2,000	(25)
Investment Income	2,458	2,500	(42)
Net Increase (Decrease) in the Fair Value of Investments	(2,872)	-	(2,872)
Contributions from Primary Government	25,000	25,000	-
Tennessee Emergency Communications Board-Grants and Reimbursements	20,000	20,000	-
Interest Expense	(1,321)	(1,300)	(21)
<u>Total Nonoperating Revenues and (Expenses)</u>	<u>\$ 45,240</u>	<u>\$ 48,200</u>	<u>\$ (2,960)</u>
<u>Income before Capital Contribution</u>	<u>\$ 141,269</u>	<u>\$ 139,178</u>	<u>\$ (2,091)</u>
<u>Capital Contributions</u>			
Capital Contributions from Primary Government	10,000	10,000	-
Capital Contributions from Tennessee Emergency Communications Board	25,000	25,000	-
<u>Total Capital Contributions</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>
Increase (Decrease) in Net Assets	<u>\$ 176,269</u>	<u>\$ 174,178</u>	<u>\$ (2,091)</u>
Net Assets-Beginning of Period	687,586	687,586	-
Net Assets-End of Period	<u>\$ 863,855</u>	<u>\$ 861,764</u>	<u>\$ (2,091)</u>

**Typical County Emergency Communications District**

**Budgetary Comparison Schedule (Cash Basis Budget)  
June 30, 20XX**

	Actual (Cash Basis)	Budget (CashBasis)	Variance Under (Over)
<u>Cash Receipts</u>			
Emergency Telephone Service Charge	\$ 238,387	\$ 241,000	\$ 2,613
TECB - Shared Wireless Charge	50,265	50,000	(265)
TECB - Operational Funding	22,093	25,000	2,907
Interest Income	850	2,000	1,150
Investment Income	2,458	2,500	42
Contributions from Primary Government	25,000	25,000	-
Tennessee Emergency Communications Board-Grants and Reimbursements	20,000	20,000	-
Capital Contributions from Primary Government	5,000	10,000	5,000
Capital Contributions from Tennessee Emergency Communications Board	25,000	25,000	-
	<u>\$ 389,053</u>	<u>\$ 400,500</u>	<u>\$ 11,447</u>
<u>Cash Expenditures</u>			
<u>Salaries and Wages</u>			
Director	30,675	29,775	(900)
Administrative Personnel	21,925	21,125	(800)
Dispatchers	32,051	31,751	(300)
Part-time Personnel	1,423	1,500	77
Other Salaries and Wages	17		(17)
	<u>\$ 86,091</u>	<u>\$ 84,151</u>	<u>\$ (1,940)</u>
<u>Employee Benefits</u>			
Social Security	5,267	5,267	-
Medicare	1,231	1,231	-
Medical Insurance	16,778	16,778	-
Dental Insurance	655	655	-
	<u>\$ 23,931</u>	<u>\$ 23,931</u>	<u>\$ -</u>
<u>Contracted Services</u>			
Advertising	866	900	34
Audit Services	1,400	2,000	600
Contracts with Private Agencies	1,486	1,500	14
Maintenance Agreements	10,985	13,000	2,015
Janitorial Services	1,840	1,500	(340)
NCIC/TBI/TIES Expenses	6,920	7,000	80
Lease/Rental-Communications Equipment	29,660	30,660	1,000
Lease/Rental-Office Equipment	327	327	-
Maintenance and Repairs-Communications Equipment	940	1,000	60
Maintenance and Repairs-Buildings and Facilities	406	1,000	594
Maintenance and Repairs-Office Equipment	939	500	(439)
Maintenance and Repairs-Vehicles	308	500	192
Fuel-Vehicles	4,813	4,000	(813)
	<u>\$ 60,890</u>	<u>\$ 63,887</u>	<u>\$ 2,997</u>

## Typical County Emergency Communications District

### Budgetary Comparison Schedule (Cash Basis Budget) (Cont.)

	Actual (Cash Basis)	Budget (CashBasis)	Variance Under (Over)
<u>Supplies and Materials</u>			
Office Supplies	\$ 1,364	\$ 1,500	\$ 136
Custodial Supplies	368	400	32
Data Processing Supplies	1,340	1,400	60
Postage	174	200	26
Small Equipment Purchases	879	1,000	121
Utilities-Electric	3,635	4,000	365
Utilities-Gas	567	500	(67)
Utilities-Water and Sewer	328	300	(28)
Utilities-General Telephone	2,995	3,500	505
Utilities-Cell Phones and Pagers	420	350	(70)
<u>Total Supplies and Materials</u>	<u>\$ 12,070</u>	<u>\$ 13,150</u>	<u>\$ 1,080</u>
<u>Other Charges</u>			
Dues and Memberships	475	500	25
Training Expenses	2,322	2,500	178
Travel Expenses	3,518	5,000	1,482
Internet Charges	1,916	2,000	84
Capital Purchases	50,000	55,000	5,000
Interest Expenses	1,321	1,300	(21)
Principal Payments on Notes	25,000	25,000	-
<u>Total Other Charges</u>	<u>\$ 84,552</u>	<u>\$ 91,300</u>	<u>\$ 6,748</u>
<u>Total Cash Basis Expenses</u>	<u>\$ 267,534</u>	<u>\$ 276,419</u>	<u>\$ 8,885</u>
<u>Cash Basis Net Income (Loss)</u>	<u>\$ 121,519</u>	<u>\$ 124,081</u>	<u>\$ 2,562</u>
<u>Reconciliation of Cash Basis to Accrual Basis</u>			
Depreciation Expense	\$ (24,503)		
Capital Purchases	50,000		
Increase in Accrued Interest Receivable	1,125		
Net Increase (Decrease) in Fair Value of Investments	(2,872)		
Increase in Current Receivables	3,000		
Principal Payments on Notes	25,000		
Increase in Accounts Payable	(4,000)		
Decrease in Accrued Payroll	2,600		
Increase in Compensated Absences Payable	(600)		
Noncash Capital Contributions	5,000		
Net Reconciliation Cash to Accrual	<u>\$ 54,750</u>		
Increase (Decrease) in Net Assets (Accrual)	<u>\$ 176,269</u>		
Net Assets-Beginning of Period	687,586		
Net Assets-End of Period	<u>\$ 863,855</u>		