FREDERICK COUNTY, MARYLAND
EMERGENCY COMMUNICATIONS

Schedule of 911 Revenue and Expenditures
Together with Report of Independent Public Accountants

For the Year Ended June 30, 2014
JUNE 30, 2014

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the State of Maryland Department of Public Safety and Correctional Services
Emergency Number Systems Board
Pikesville, MD

Report on the Schedule

We have audited the accompanying Schedule of 911 Revenue and Expenditures (the Schedule) of Frederick County, Maryland (the County) for the year ended June 30, 2014. This schedule is the responsibility of the County’s management. Our responsibility is to express an opinion on the schedule based on our audit.

Management’s Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the rules and regulations of Public Safety Article §1-301 through §1-312 of the Annotated Code of Maryland as described in Note 2. This includes determining that the basis of accounting is an acceptable basis for the preparation of the schedule given the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

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

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the 911 revenue and expenditures for the year ended June 30, 2014, in accordance with modified accrual basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared on the modified accrual basis of accounting, in compliance with the rule and regulation of Public Safety Article §1-301 through §1-312 of the Annotated Code of Maryland.

As discussed in Note 1, the accompanying Schedule presents only the transactions of the 911 revenue and expenditures and is not intended to present fairly the financial position of the County as of June 30, 2014, and the changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America on the basis described in Note 1 to the Schedule.

Hunt Valley, Maryland
December 10, 2014

SB & Company, LLC
FREDERICK COUNTY, MARYLAND

Schedule of 911 Revenue and Expenditures
For the Year Ended June 30, 2014

Revenue
Revenue from County imposed fees $1,424,567
Pre-paid revenue 110,991
Total Revenue $1,535,558

Expenditures
Personnel 4,213,308
Telephone 291,847
Repairs and maintenance 606,535
Utilities 16,346
Training 10,077
Miscellaneous 75,293
Total Expenditures 5,213,406

Net operating expenditures (3,677,848)
County funds required 3,671,337
Interest 6,511
Net -

County Fee Analytical Support
Total authorized salary expenditures on PSAP 911 call taker staff $2,518,457

Total authorized salary expenditures of PSAP support staff (support staff may include supervisory, administrative, GIS, CAD, timekeeping, and other personnel - with expenditures calculated on percentage of time allotted to 911 operations) $1,694,851

Amount of County fee contributed to PSAP Operation $3,671,337

The accompanying notes are an integral part of this schedule.
FREDERICK COUNTY, MARYLAND

Notes to the Schedule of 911 Revenue and Expenditures
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Schedule of 911 Trust Fund Revenue and Expenditures (the Schedule) is excerpted from the fund financial statements of the general fund of Frederick County, Maryland (the County), whose funds are accounted for using the modified accrual basis of accounting.

911 System receipts are deposited in the common bank account maintained in the County’s general fund. Separate general ledger receipts and expense accounts in the general fund are used to account for 911 transactions. Deferred amounts related to unexpended funds, if any, are recorded in the County’s general fund.

The accompanying Schedule presents only the transactions of the 911 receipts and expenditures and is not intended to present fairly the financial position of the County as of June 30, 2014.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of receipts and expenditures during the reporting period. Actual results could differ from those estimates.

Payroll Allocation

Salaries directly associated with the 911 System are allocated at either 40% or 100%.

2. RECEIPTS AND EXPENDITURES

Receipts are funded by the Maryland Emergency Number Systems Board to reimburse the cost of authorized equipment and operating expenditures of the 911 System.

Receipts are restricted in use to pay the costs of maintaining and operating the 911 System. All expenditures are subject to the limitations stated in the Annotated Code of Maryland, Public Safety Article §1-301 through §1-312.
FREDERICK COUNTY, MARYLAND

Notes to the Schedule of 911 Revenue and Expenditures
For the Year Ended June 30, 2014

3. 911 RECEIPTS

Receipts recognized in the Schedule of 911 Trust Fund Revenue and Expenditures for the County, for the year ended June 30, 2014, are wired and wireless fees are $1,542,069. The receipts include amounts received from the State of Maryland for the months of July 2013 through June 2014. Below is a reconciliation of the receipts recognized in fiscal year 2014:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014 receipts received in FY 2014</td>
<td>$1,145,558</td>
</tr>
<tr>
<td>FY 2014 receipts received in FY 2015</td>
<td>390,000</td>
</tr>
<tr>
<td>Interest</td>
<td>6,511</td>
</tr>
<tr>
<td>Total receipts</td>
<td>$1,542,069</td>
</tr>
</tbody>
</table>