



**NORTH NET TRAINING AUTHORITY**

Basic Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

# NORTH NET TRAINING AUTHORITY

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## Independent Auditors' Report

The Board of Directors  
North Net Training Authority:

### *Opinion*

We have audited the financial statements of the North Net Training Authority (the Authority) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 Authority'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.

### *Auditors' 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 auditors' report that includes our opinion. 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 GAAS 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 GAAS, 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 Authority'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 Authority'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*

Management has omitted management's discussion and analysis that U.S. generally accepted accounting principles 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.

**KPMG LLP**

Los Angeles, California  
December 23, 2022

**NORTH NET TRAINING AUTHORITY**

Statements of Net Position

June 30, 2022 and 2021

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Current assets:		
Investments	\$ 1,268,153	1,379,125
Accounts receivable	184,167	10,775
Interest receivable	5,925	7,680
Prepays	1,932	1,804
Total current assets	1,460,177	1,399,384
Noncurrent assets:		
Capital assets:		
Land	237,322	237,322
Building, structures, and improvements	2,658,232	2,365,299
Machinery and equipment	200,547	200,547
Construction work in progress	463,442	304,510
Less accumulated depreciation	(1,585,526)	(1,443,988)
Capital assets, net	1,974,017	1,663,690
Total noncurrent assets	1,974,017	1,663,690
Total assets	3,434,194	3,063,074
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	39,830	28,722
Accrued payroll	6,721	2,787
Interest payable	24	26
Unearned revenues	53,885	44,070
Current portion of long-term debt	6,824	6,756
Total current liabilities	107,284	82,361
Noncurrent liability:		
Long-term debt, less current portion	103,026	109,850
Total noncurrent liability	103,026	109,850
Total liabilities	210,310	192,211
<b>Net Position</b>		
Net investment in capital assets	1,864,167	1,547,084
Unrestricted	1,359,717	1,323,779
Total net position	\$ 3,223,884	2,870,863

See accompanying notes to basic financial statements.

**NORTH NET TRAINING AUTHORITY**

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Operating revenue:		
Member agency contributions	\$ 726,084	726,084
Fire training fees	224,570	291,206
Rental income	31,515	21,705
Fire assistance reimbursements	—	123,916
Total operating revenue	982,169	1,162,911
Operating expenses:		
Salaries and wages reimbursements	309,177	373,826
Instructional training	292,231	324,984
Administration and overhead	43,565	43,565
Office supplies and maintenance	126,196	151,233
Other operating	106,508	123,572
Depreciation	141,538	124,806
Total operating expenses	1,019,215	1,141,986
Operating income (loss)	(37,046)	20,925
Nonoperating revenue (expense):		
Grants and contributions	430,099	—
Investment income (loss)	(38,884)	—
Interest expense	(1,148)	(1,218)
Total net nonoperating revenue	390,067	(1,218)
Change in net position	353,021	19,707
Net position at beginning of year	2,870,863	2,851,156
Net position at ending of year	\$ 3,223,884	2,870,863

See accompanying notes to basic financial statements.

**NORTH NET TRAINING AUTHORITY**

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Receipts from member agencies	\$ 726,084	726,084
Receipts from users for training	235,960	301,726
Receipts from rental income	36,750	19,764
Receipts from fire assistance reimbursements	—	131,486
Payments to suppliers for goods and services	(513,955)	(613,215)
Payments for wages and other benefits reimbursements	(305,243)	(377,414)
Payments to City of Anaheim for administration and overhead	(43,565)	(43,565)
Net cash provided by operating activities	<u>136,031</u>	<u>144,866</u>
Cash flows from capital and related financing activities:		
Capital grants and contributions	249,897	—
Principal payment on long-term debt	(6,756)	(6,689)
Interest paid	(1,150)	(1,216)
Capital purchases	(451,865)	(374,787)
Net cash used for capital and related financing activities	<u>(209,874)</u>	<u>(382,692)</u>
Cash flows from investing activities:		
Purchase of investment securities	(315,758)	(180,593)
Proceeds from sale and maturity of investment securities	367,000	386,000
Interest received	22,601	32,419
Net cash used for investing activities	<u>73,843</u>	<u>237,826</u>
Change in cash	—	—
Cash at beginning of year	<u>—</u>	<u>—</u>
Cash at end of year	<u>\$ —</u>	<u>—</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (37,046)	20,925
Adjustment to reconcile income to net cash provided by operating activities:		
Depreciation	141,538	124,806
Changes in assets and liabilities:		
Accounts receivable	6,810	1,454
Prepays	(128)	(1,804)
Accounts payable	11,108	(11,622)
Accrued payroll	3,934	(3,588)
Unearned revenues	9,815	14,695
Net cash provided by operating activities	<u>\$ 136,031</u>	<u>144,866</u>
Schedule of noncash investing activity:		
Decrease in fair value of investments	\$ (59,730)	(30,595)
Increase in accounts receivable	180,202	—

See accompanying notes to basic financial statements.

## NORTH NET TRAINING AUTHORITY

### Notes to Basic Financial Statements

June 30, 2022 and 2021

#### (1) Summary of Accounting Policies

##### (a) Organization

On October 5, 1976, the North Net Training Authority (the Authority) was created by a Joint Exercise of Powers Agreement (JPA) to construct, operate, and maintain a joint use of a consolidated Training Center and Training Center Equipment. The Authority commenced operation in August 1978.

The following entities are members of the Authority: City of Anaheim (the City), and the City of Orange. Members of the Board of Directors (the Board) consist of one voting Board member from each city and an alternate appointed by each city's respective governing body.

Public entities within the County of Orange, California (the County) may receive services from the Authority by executing an agreement and paying a "fair share" contribution determined annually. Each year the Board adopts a budget in order to determine the cost of services to the participating agencies.

All personnel of the Authority are employees of the City. The Authority and the City have entered into an agreement whereby the Authority is responsible for all costs relating to the City employees who perform functions on behalf of the Authority. In addition to salary costs, the Authority is contractually responsible for the cost of benefits for the City employees who work with the Authority. For the years ended June 30, 2022 and 2021, the Authority paid the City \$67,868 and \$63,353 for pension, \$12,715 and \$14,675 for retiree medical, and \$7,896 and \$6,296 for workers' compensation costs, respectively, and are included in Salary and wages reimbursement on the Statements of Revenue, Expenses, and Changes in Net Position.

##### (b) Basis of Presentation

The Authority's financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

The financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when incurred.

Operating revenue are those revenues that are generated from the Authority's primary operations. All other revenue is reported as non-operating revenues. Operating expenses are those expenses that are essential to the Authority's primary operations. All other expenses are reported as non-operating expenses.

##### (c) Fair Value Measurements

The Authority uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for the Authority's various



## NORTH NET TRAINING AUTHORITY

### Notes to Basic Financial Statements

June 30, 2022 and 2021

financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The Authority groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

#### **(d) Investments**

The Authority participates in the investment pool managed by the City, which is an external investment pool and is not registered with the Securities and Exchange Commission. The Authority's investment in the pool is carried at fair value based on the value of each participating unit and are accordingly not leveled in the fair value hierarchy.

#### **(e) Capital Assets**

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are valued at fair value on the date which they were contributed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the useful life are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building, structures, and improvements	5–85 years
Machinery and equipment	5–10 years

#### **(f) Net Position**

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

*Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2022 and 2021, the Authority had \$1,864,167 and \$1,547,084 in net investment in capital assets.

## NORTH NET TRAINING AUTHORITY

### Notes to Basic Financial Statements

June 30, 2022 and 2021

*Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. At June 30, 2022 and 2021, there was no restricted net position for the Authority. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first, and then unrestricted resources when they are needed.

*Unrestricted* – This component of net position is the amount the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. At June 30, 2022 and 2021, the Authority had \$1,359,717 and \$1,323,779 in unrestricted net position.

#### **(g) Use of Estimates**

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

#### **(2) New Accounting Pronouncement**

On July 1, 2021, the Authority adopted the following new accounting pronouncements issued by the GASB: Statement No. 87, *Leases*. The Statement establishes accounting and financial reporting standards focuses on certain lease liabilities that currently are not reported. Comparability of financial statements among governments will be enhanced by requiring leases and lessors to report leases under a single model. Decision-usefulness will also be enhanced by requiring notes to financial statements related to the timing, significance, and purpose of leasing arrangements. The requirements of this Statement are effective for reporting periods with the fiscal year that ends June 30, 2022.

The requirements of GASB 87 had no material effect on amounts reported in the Authority's financial statements.

#### **(3) Investments**

The Authority's investment policy allows all funds to be invested with the City. As of June 30, 2022 and 2021, the Authority had \$1,268,153 and \$1,379,125 invested in the City's pooled investment fund, respectively. The City's investment policy limits the permitted investments in the investment pool to the following: obligations of the U.S. government, federal agencies, and government-sponsored enterprises; medium-term corporate notes; certificates of deposit; bankers' acceptances; commercial paper; supranational; LAIF; repurchase agreements; reverse repurchase agreements; and money market mutual funds. The City's treasurer investment portfolio rating at June 30, 2022 and 2021 was AAf/S1. At June 30, 2022 and 2021, the treasurer's investment portfolio has a weighted average maturity of 1.41 and 1.40 years, respectively.

**NORTH NET TRAINING AUTHORITY**

Notes to Basic Financial Statements

June 30, 2022 and 2021

**(4) Accounts Receivable**

Accounts receivable at June 30, 2022 and 2021 consisted of the following:

	<b>2022</b>	<b>2021</b>
City of Anaheim – contribution for equipment purchase	\$ 180,202	—
Training fees	2,600	4,175
Rental	1,365	6,600
Total	\$ 184,167	10,775

**(5) Unearned Revenues**

Unearned revenues represent amounts collected for fire training fees that were registered for classes to be held during the next fiscal year. These amounts were \$53,885 and \$44,070 for the fiscal year ended June 30, 2022 and 2021, respectively.

**(6) Member Agency Contributions**

The Authority collects fair share contributions from its member agencies. The members' "Fair Share Percentage" will be determined every calendar year on January 1. The percentage is calculated by dividing the total number of sworn firefighter positions of all members by the number of sworn firefighter positions of each member as same existed on January 1 of each calendar year. Once determined for any fiscal year, the member fair share percentage shall remain unchanged. Each member's Fair Share Percentage shall be multiplied by the adopted budget amount for the upcoming Fiscal Year to determine the Fair Share Contribution amount. The City bills member agencies on a quarterly basis beginning July 1 of each year. The percentages and amounts of the member agency contributions consisted of the following for the fiscal years ended June 30, 2022 and 2021:

	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>
Fair share contributions:				
City of Anaheim	\$ 468,397	64.51 %	\$ 468,397	64.51 %
City of Orange	257,687	35.49	257,687	35.49
Total fair share contributions	\$ 726,084	100.00 %	\$ 726,084	100.00 %

**(7) Fire Training Fees**

The Authority collects fire training fees from non-subscribing agencies for training services provided. Fire training fees were \$224,570 and \$291,206 for the fiscal years ended June 30, 2022 and 2021, respectively.

**(8) Rental Income**

The Authority earned rental income from facility rental. Rental income was \$31,515 and \$21,705 for the fiscal years ended June 30, 2022 and 2021, respectively.

## NORTH NET TRAINING AUTHORITY

### Notes to Basic Financial Statements

June 30, 2022 and 2021

#### (9) Fire Assistance Reimbursements

The Authority provided strike team fire assistance to the State of California's Office of Emergency Services (Cal OES). The reimbursable labor and other costs were zero and \$123,916 for the fiscal years ended June 30, 2022 and 2021, respectively.

#### (10) Grants and Contributions

For the year ended June 30, 2022, the Authority received grants and contributions totaled \$430,099 of which \$130,000 was provided by the California Fire Training Fund, \$180,202 by the City of Anaheim, \$69,897 by the City of Orange, and \$50,000 by Kore Nutrition. These grants and contributions will partially provide funds toward the acquisition of two Multi-Story Training Props.

#### (11) Capital Assets

Capital asset activities for the year ended June 30, 2022 were as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions/ retirements</u>	<u>Ending balance</u>
Nondepreciable assets:				
Land	\$ 237,322	—	—	237,322
Construction work in progress	304,510	451,866	(292,933)	463,443
Total	<u>541,832</u>	<u>451,866</u>	<u>(292,933)</u>	<u>700,765</u>
Depreciable assets:				
Building, structures, and improvements	2,365,299	292,933	—	2,658,232
Machinery and equipment	200,547	—	—	200,547
Total	<u>2,565,846</u>	<u>292,933</u>	<u>—</u>	<u>2,858,779</u>
Accumulated depreciation:				
Building, structures, and improvements	(1,309,968)	(129,196)	—	(1,439,164)
Machinery and equipment	(134,020)	(12,342)	—	(146,362)
Total	<u>(1,443,988)</u>	<u>(141,538)</u>	<u>—</u>	<u>(1,585,526)</u>
Total depreciable assets, net	<u>1,121,858</u>	<u>151,395</u>	<u>—</u>	<u>1,273,253</u>
Total capital assets, net	<u>\$ 1,663,690</u>	<u>603,261</u>	<u>(292,933)</u>	<u>1,974,018</u>

**NORTH NET TRAINING AUTHORITY**

Notes to Basic Financial Statements

June 30, 2022 and 2021

Capital asset activities for the year ended June 30, 2021 were as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions/ retirements</u>	<u>Ending balance</u>
Nondepreciable assets:				
Land	\$ 191,623	45,699	—	237,322
Construction work in progress	230,424	311,240	(237,154)	304,510
Total	<u>422,047</u>	<u>356,939</u>	<u>(237,154)</u>	<u>541,832</u>
Depreciable assets:				
Building, structures, and improvements	2,118,262	9,883	237,154	2,365,299
Machinery and equipment	192,582	7,965	—	200,547
Total	<u>2,310,844</u>	<u>17,848</u>	<u>237,154</u>	<u>2,565,846</u>
Accumulated depreciation:				
Building, structures, and improvements	(1,197,115)	(112,853)	—	(1,309,968)
Machinery and equipment	(122,067)	(11,953)	—	(134,020)
Total	<u>(1,319,182)</u>	<u>(124,806)</u>	<u>—</u>	<u>(1,443,988)</u>
Total depreciable assets, net	<u>991,662</u>	<u>(106,958)</u>	<u>237,154</u>	<u>1,121,858</u>
Total capital assets, net	\$ <u>1,413,709</u>	<u>249,981</u>	<u>—</u>	<u>1,663,690</u>

**(12) Long-Term Liability**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	<u>Beginning balance</u>	<u>Additions/ proceeds</u>	<u>Reductions/ payments</u>	<u>Ending balance</u>	<u>Due within one year</u>
Loan payable	\$ 116,606	—	(6,756)	109,850	6,824
Total	\$ <u>116,606</u>	<u>—</u>	<u>(6,756)</u>	<u>109,850</u>	<u>6,824</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	<u>Beginning balance</u>	<u>Additions/ proceeds</u>	<u>Reductions/ payments</u>	<u>Ending balance</u>	<u>Due within one year</u>
Loan payable	\$ 123,295	—	(6,689)	116,606	6,756
Total	\$ <u>123,295</u>	<u>—</u>	<u>(6,689)</u>	<u>116,606</u>	<u>6,756</u>

**NORTH NET TRAINING AUTHORITY**

Notes to Basic Financial Statements

June 30, 2022 and 2021

On December 19, 2016, the Authority entered into an Energy Conservation Assistance Act Loan Agreement with the California Energy Commission for a loan amount of \$136,000 to partially provide resources for the replacement of the Air Handling Unit and installation of direct digital control system to the HVAC system (Project) at the North Net Training facility. On February 22, 2018, the Authority received loan proceeds of \$136,000. The loan is payable from the estimated annual energy cost saving of \$8,000. The loan bears interest at the rate of 1% per annum, principal and interest payments of \$3,953 are due semiannually beginning on or before December 22 of the fiscal year following the year in which the Project is completed and continuing until said principal and interest shall be paid in full. Debt service requirements to maturity are as follows:

<u>Fiscal years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,824	1,081	7,905
2024	6,889	1,016	7,905
2025	6,961	944	7,905
2026	7,031	874	7,905
2027	7,101	804	7,905
2028–2032	36,585	2,940	39,525
2033–2037	38,459	1,066	39,525
	<u>\$ 109,850</u>	<u>8,725</u>	<u>118,575</u>

**(13) Administration of the JPA**

Administrative services required for the operation of the Training Center, management, and administration of the personnel are administered by the City. For fiscal years ended June 30, 2022 and 2021, the administration fee (amounts other than payments for pension and worker’s compensation costs discussed in note 1 of this report) paid to the City was \$43,565 and \$43,565, respectively, per the JPA Agreement. Administrative fee paid to the City was amended from twelve percent (12%) to six percent (6%) of the member’s fair share percentage effective beginning on July 1, 2019.

**(14) Risk Management**

The Authority is self-insured for general liability claims. Additionally, the Authority also purchased a General Liability Insurance Policy which is in effect for both fiscal year 2022 and 2021. The amount of claims paid out is distributed among each member for reimbursement. In the event an unfunded liability arises, the contribution of each member shall be in an amount equal to the total unfunded liability multiplied by that member’s percentage of budget. At June 30, 2022 and 2021, the Authority did not have any claims outstanding nor did the Authority pay any claims during the years then ended.

**(15) Commitments and Contingencies**

**(a) Lawsuits**

In the ordinary course of business, the Authority is subject to various claims, investigations, proceedings, tax assessments, and legal actions from time to time arising out of the conduct of the Authority’s business. Management believes that, based on current knowledge, the outcome of any such pending matters will not have a material adverse effect on the Authority’s financial position.

**NORTH NET TRAINING AUTHORITY**

Notes to Basic Financial Statements

June 30, 2022 and 2021

**(b) Commitments**

At June 30, 2022, the Authority's commitment totaled \$380,099 representing the remaining commitment to Advanced Fire Control, Container Solution for the fabrication of two Custom Multi-Story Live Fire Training Props purchased in July 2021.

The Authority does not have any other major contractual commitments or contingencies as of June 30, 2022 and 2021.