

**Financial Statements and Reports of
Independent Certified Public Accountant
Delaware County
E-911 Trust Authority
June 30, 2013**

TURNER & ASSOCIATES
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Delaware County E-911 Trust Authority
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Delaware County E-911 Trust Authority
Jay, Oklahoma

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware County E-911 Trust Authority, Delaware County, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware County E-911 Trust Authority, as of June 30, 2013, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the financial statements present only Delaware County E-911 Trust Authority and do not purport to, and do not, present fairly the financial position of Delaware County, Oklahoma, as of June 30, 2013, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

TURNER & Associates, PLLC

Vinita, OK
February 10, 2014



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

Board of Trustees
Delaware County E-911 Trust Authority
Jay, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the special revenue fund of the Delaware County E-911 Trust Authority, County of Delaware, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Delaware County E-911 Trust Authority's, financial statements, and have issued our report thereon dated February 10, 2014. The Delaware County E-911 Trust Authority did not present the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the basic financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Delaware County E-911 Trust Authority's, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Delaware County E-911 Trust Authority's, internal control. Accordingly, we do not express an opinion on the effectiveness of Delaware County E-911 Trust Authority's, internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delaware County E-911 Trust Authority, Delaware's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TURNER & Associates, PLLC

Vinita, Oklahoma
February 10, 2014

Delaware County E-911 Trust Authority
Statement of Net Position
June 30, 2013

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 40,248.85
Certificates of Deposit	227,640.20
Accounts Receivable - Tariff	33,471.89
Accounts Receivable - Interest	140.25
Prepaid Insurance	1,015.00
Total Current Assets	<u>302,516.19</u>

Capital Assets:

Property, Plant and Equipment, Net	<u>374,772.34</u>
Total Assets	<u><u>677,288.53</u></u>

LIABILITIES

Current Liabilities:

Accounts Payable	2,409.81
Payroll Taxes Payable	2,077.42
Employee Benefits Payable	1,175.60
Total Liabilities	<u><u>5,662.83</u></u>

NET POSITION

Net Investment in Capital Assets	374,772.34
Unassigned	296,853.36
Total Net Position	<u><u>\$ 671,625.70</u></u>

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

Delaware County E-911 Trust Authority
Statement of Activities
For the Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense)/ Revenue</u>
Primary government:				
Governmental activities:				
Public Safety	<u>\$ (366,244.17)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (366,244.17)</u>
General Revenues and Transfers:				
Tariff Fees				304,576.65
Investment Earnings				<u>1,121.70</u>
Total General Revenue and Transfers				<u>305,698.35</u>
Changes in Net Position				(60,545.82)
Net Position-Beginning				<u>732,171.52</u>
Net Position-Ending				<u>\$ 671,625.70</u>

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

**Delaware County E-911 Trust Authority
Balance Sheet – Special Revenue Fund
June 30, 2013**

ASSETS

Cash and Cash Equivalents	\$ 40,248.85
Investments	227,640.20
Accounts Receivable - Tariff	33,471.89
Accrued Interest Receivable	140.25
Prepaid Insurance	1,015.00
Total Assets	<u>\$ 302,516.19</u>

LIABILITIES & FUND EQUITY**Liabilities:**

Accounts Payable	\$ 2,409.81
Payroll Taxes Payable	2,077.42
Employee Benefits Payable	1,175.60
Total Liabilities	<u>5,662.83</u>

Fund Balance:

Nonspendable	1,015.00
Unassigned	295,838.36
Total Fund Balance	<u>296,853.36</u>

Total Liabilities and Fund Balance	<u>\$ 302,516.19</u>
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Reconciliation of Balance Sheet to Statement of Net Position:

Total Fund Balance - Governmental Funds	\$ 296,853.36
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$565,640.57 and the accumulated depreciation is \$190,868.23 for a net book value of \$374,772.34

	<u>374,772.34</u>
Net Position of Governmental Activities	<u><u>\$ 671,625.70</u></u>

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

Delaware County E-911 Trust Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Fund
For the Year Ended June 30, 2013

	Net (Expenses) Revenue
Revenues:	
Tariff Fees	\$ 304,576.65
Expenditures:	
Legal and Professional	36,924.70
Capital Expenditures	97,723.37
Employee Benefits	9,874.33
Insurance	9,627.94
Repairs & Maintenance	12,935.95
Payroll Taxes	5,046.04
Telephone	32,093.48
Payroll	59,844.64
Travel	1,106.61
Supplies	14,426.50
Fuel Expense	870.93
Postage	262.21
Office Expense	7,649.14
Telecom T-1 Lease Expense	105,016.49
Software Maintenance	9,110.93
Training	6,895.00
Miscellaneous Expense	4,075.69
Total Expenditures	413,483.95
Operating Revenue (Expense)	(108,907.30)
Non Operating Revenue (Expense)	
Lawsuit Settlement costs	(22,000.00)
Interest Income	1,121.70
	(20,878.30)
Net Change in Fund Balance	(129,785.60)
Fund Balance-Beginning	426,638.96
Fund Balance-Ending	\$ 296,853.36

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

Delaware County E-911 Trust Authority
Reconciliation of the Special Revenue Fund Statement of Revenues, Expenditures
and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2013

Net Change in Fund Balance - Total Governmental Funds	\$ (129,785.60)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital Outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays	97,723.37
Depreciation Expense	(28,483.59)
	(60,545.82)

Change in Net Position of Governmental Activities	\$ (60,545.82)
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013**

I. Summary of Significant Accounting Policies

The following notes to the financial statements are an integral part of the Authority's financial statements.

The Authority is a special revenue fund of the County of Delaware, Oklahoma and will be included in the County of Delaware's basic financial statements. Therefore, these financial statements present only the activities of the special revenue fund and are not intended to present the financial status of the County as a whole.

The Authority complies with Generally Accepted Accounting Principles (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this Note.

A. Measurement Focus, Basis of Accounting, and Basis of Presentation

Measurement focus is a term used to describe how transactions are recorded within the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

In the Statement of Net Position and Statement of Activities, governmental activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net assets. Governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013**

I. Summary of Significant Accounting Policies (continued)

A. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally or administratively restricted to expenditures for specified purposes. The operating fund of the Authority is a special revenue fund. It is used to account for all activities of the Delaware County E-911 Trust Authority.

Major and Non-Major Funds

Major: Special Revenue Fund: Delaware County E-911 Trust Authority

Non-Major: None

B. Assets, Liabilities and Equity

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand, savings accounts and certificates of deposit with an original maturity of three months or less.

Receivables

In the Statement of Net Position, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include tariff fee revenues and interest earned but not received as of the end of the year.

In the fund financial statements, material receivables in governmental funds include tariff fee revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Fixed Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are reported in the Statement of Net Assets or fund financial statements. Fixed assets include property, plant and equipment. The Board has approved a capitalization threshold of an initial individual cost of more than \$2,000 and an estimated useful life of more than one year.

Statement of Net Position

In the Statement of Net Position, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

**Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013**

I. Summary of Significant Accounting Policies (continued)

Statement of Net Position, (continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The Authority estimates useful lives of 5-20 years on equipment.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Equity Classifications

Statement of Net Position

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unassigned net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed on the use of resources for a specific purpose versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; or by law through constitutional provision or enabling legislation.

**Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013**

I. Summary of Significant Accounting Policies (continued)

Committed fund balance represents amounts that are usable only for specific purposes by formal action of the government's highest level of decision making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes by taking action similar to that which imposed the commitment. The District's Board of Education is the highest level of decision making authority of the District.

Assigned fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Trust body itself, or a subordinated high-level body or official who the Trust body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

C. Revenues, Expenditures and Expenses

Tariff Fees

Revenues from tariff fees include amounts due to the Authority from taxes collected by the local telephone companies.

Investment Earnings

Investment earnings include interest on certificates of deposit.

Expenditures/Expenses

In the Statement of Activities, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified by character. In the fund financial statements, governmental funds report expenditures of financial resources.

D. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013**

I. Summary of Significant Accounting Policies (continued)

E. Recent Accounting Pronouncements

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* (GASB 61). GASB 61 modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that were previously required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, GASB 61 clarifies the matter in which that determination should be made and the types of relationships that generally should be considered in making the determination.

GASB 61 amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantially the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

The Authority adopted GASB 61 on July 1, 2012, which did not have a significant impact on the Authority's financial statements.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63). The objective of GASB 63 is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The pronouncement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The provisions of this statement were effective for financial statements for periods beginning after December 15, 2011. The Authority adopted GASB 63 effective July 1, 2012. The adoption of the statement required the Authority to adopt the term "net position" as required. In addition, as required by GASB 63, the Authority determined as of June 30, 2013, there were no items of deferred inflows or outflows of resources, as presently defined, to be reported.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). The objective of GASB 65 is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets or liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this statement were effective for financial statements for periods beginning after December 15, 2012.

**Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013**

II. Stewardship, Compliance and Accountability

The Authority is subject to various federal, state and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

A. Fund Accounting Requirements

The Authority complies with all state and local laws and regulations requiring the use of separate funds. The Authority uses a special revenue fund as legally required by the terms of its trust indenture.

B. Deposit and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Authority must have a written collateral agreement approved by the board of directors or loan committee.

Investments of any Town or County (excluding Public Trusts) whose population exceeds 3,000 according to the latest census information are restricted by state law. Public trusts created under O.S. Title 60 are not subject to these investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2013, the Authority complied, in all material respects, with these investment restrictions.

C. Revenue Restrictions

The Authority's revenues are restricted solely for Delaware County E-911 purposes. For the year ended June 30, 2013, the Authority complied, in all material respects, with this revenue restriction.

D. Fund Equity Restrictions

Deficit Prohibition

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. The Authority complied with this statute in all material respects for the year ended June 30, 2013.

Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013

III. Detailed Notes Concerning the Funds

A. Deposits and Investments

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. As of June 30, 2013, none of the Authority's deposits were exposed to custodial credit risk.

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Changes in Capital Assets

Capital asset activity for the year was as follows:

	Balance June 30, 2012	Additions	Disposals	Balance June 30, 2013
Governmental Activities:				
Depreciable assets:				
Equipment	\$ 467,917.20	\$ 97,723.37	\$ -	\$ 565,640.57
Accumulated Depreciation:				
Equipment	(162,384.64)	(28,483.59)	-	(190,868.23)
Net Capital Assets	\$ <u>305,532.56</u>	\$ <u>69,239.78</u>	\$ <u>-</u>	\$ <u>374,772.34</u>

IV. Other Information

A. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The Authority purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past four fiscal years.

Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013

IV. Other Information (continued)

B. Defined Benefit Pension Plan

The Delaware County E-911 Authority is a participating employer in the Oklahoma Public Employees Retirement System (OPERS). The plan is funded by State and employee contributions and earnings from investments and is a cost-sharing multiple-employer defined benefit plan. Benefits are established and changed under the authority of the Oklahoma Legislature.

All regular, full-time employees beginning their sixth month of employment are required to contribute to the retirement system.

Pension provisions include death and disability benefits. The retirement system provides various options that the member may choose for their designated beneficiary including a one-time lump sum payment, or the surviving spouse may receive death benefits for life. Disability benefits are also provided to the disabled employee.

The Authority is required to contribute 13.5% of each participating employee's salary. The participant is required to contribute 3.5% from eligible compensation. Contribution requirements are established and may be changed by the Oklahoma Legislature. The Authority's contributions to the plan for the years ended June 30, 2013, 2012, and 2011 are summarized as follows:

Year Ending June 30,	
2013	\$ 9,874.33
2012	\$10,614.32
2011	\$11,693.40

The Oklahoma Public Employees Retirement System issues a publicly available financial report that may be obtained by writing to P.O. Box 53007, Oklahoma City, OK 73152-2381 or calling 1-800-733-9008.

C. Commitments and Contingencies

As of February 2010, the Authority was being represented for two pending litigations. On April 11, 2013 both cases were settled for \$22,000.

D. Subsequent Events

Management has evaluated subsequent events through February 10, 2014, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

Delaware County E-911 Trust Authority
Notes to the Financial Statements
For the Year Ended June 30, 2013

IV. Other Information (continued)

E. Correction of an Error

The beginning fund balance was understated the prior year by \$55.00 due to old checks not having been written off. To correct this error, the beginning fund balance of \$732,116.52, as originally reported, has been increased to \$732,171.52

REQUIRED SUPPLEMENTARY INFORMATION

Delaware County E-911 Trust Authority
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Budget Variance	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Land Lines	\$ 142,800.00	\$ 142,800.00	\$ 143,288.89	\$ -	\$ 488.89
Cell Phones	120,000.00	120,000.00	126,020.46	-	6,020.46
OTC Prepaid	24,000.00	24,000.00	28,182.62	-	4,182.62
Other	648.00	648.00	7,084.68	-	6,436.68
Interest Income - CD	1,204.00	1,204.00	982.29	-	(221.71)
Interest Income - Operating	648.00	648.00	139.41	-	(508.59)
Total Revenues Collected	<u>289,300.00</u>	<u>289,300.00</u>	<u>305,698.35</u>	<u>-</u>	<u>16,398.35</u>
Expenses:					
Accounting	3,600.00	3,600.00	6,700.00	-	3,100.00
Auto Exp	1,452.00	1,452.00	856.97	-	(595.03)
Attorney Fees	19,200.00	19,200.00	30,224.70	-	11,024.70
Capital Outlay	565,640.57	565,640.57	97,723.37	-	(467,917.20)
Fuel Expense	1,200.00	1,200.00	870.93	-	(329.07)
Insurance-Group	-	-	2,807.94	-	2,807.94
Liability Insurance	4,851.00	4,851.00	4,851.00	-	-
Workers Comp Insurance	1,969.00	1,969.00	1,969.00	-	-
License & Fees	1,080.00	1,080.00	2,943.00	-	1,863.00
Postage	168.00	168.00	262.21	-	94.21
Office Expense	2,170.16	2,170.16	7,649.14	-	5,478.98
Retirement Matching	9,900.00	9,900.00	9,874.33	-	(25.67)
Repairs & Maintenance	5,592.00	5,592.00	12,935.95	-	7,343.95
Rent	68.00	68.00	92.00	-	24.00
Software Maintenance	900.00	900.00	9,110.93	-	8,210.93
Supplies	2,760.00	2,760.00	14,426.50	-	11,666.50
Taxes - Payroll	4,344.00	4,344.00	5,046.04	-	702.04
Telephone	28,632.00	28,632.00	32,093.48	-	3,461.48
Travel	3,611.26	3,611.26	1,106.61	-	(2,504.65)
Payroll	60,000.00	60,000.00	59,844.64	-	(155.36)
Miscellaneous	-	-	183.72	-	183.72
Training	-	-	6,895.00	-	6,895.00
Lawsuit Settlement Costs	-	-	22,000.00	-	22,000.00
Telecom T-1 Lease Expense	-	-	105,016.49	-	105,016.49
Total Expenditures Paid	<u>717,137.99</u>	<u>717,137.99</u>	<u>435,483.95</u>	<u>-</u>	<u>(281,654.04)</u>
Excess (Deficit) of Revenues Collected Over (Under) Expenditures Paid	426,638.96	426,638.96	(129,785.60)	-	296,853.36
Cash Fund Balance Beginning of Year	<u>(426,638.96)</u>	<u>(426,638.96)</u>	<u>426,638.96</u>	<u>-</u>	<u>-</u>
Cash Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,853.36</u>	<u>\$ -</u>	<u>\$ 296,853.36</u>