

**INDEPENDENT  
ACCOUNTANT'S AUDIT REPORT**

**ALTUS JACKSON COUNTY E-911  
REGIONAL TRUST AUTHORITY**

**JUNE 30, 2019**

BY



**Altus Jackson County E-911 Regional Trust Authority**  
**Year Ended**  
**June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Altus Jackson County E-911 Regional Trust Authority  
509 S. Main Street  
Altus, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Altus Jackson County E-911 Regional Trust Authority (a public trust), which comprise the statement of financial position as of June 30, 2019, and the related statements of receipts, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

### **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 an opinion 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, 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of Altus Jackson County E-911 Regional Trust Authority as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2019, on our consideration of Altus Jackson County E-911 Regional Trust Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Furrh & Associates, PC*

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

December 29, 2019

**Altus Jackson County E-911 Regional Trust Authority**  
**Statement of Financial Position**  
**Year Ended June 30, 2019**

**Assets**

Current Assets		
Cash in Banks	\$ 151,209	
Accounts Receivable	3,402	
Total Current Assets		\$ 154,611
Fixed Assets		
Property & Equipment	427,975	
Accumulated Depreciation	(139,147)	
Total Fixed Assets		288,828
Total Assets		\$ 443,439

**Liabilities**

Current Liabilities		
Accrued Interest	\$ 7,893	
Notes Payable - Current Portion	38,916	
Total Current Liabilities		\$ 46,809
Long Term Liabilities		
Notes Payment - Motorola	219,669	
Total Long Term Liabilities		219,669
Total Liabilities		266,478

**Net Position**

Invested in Property, net of related debt	22,350	
Unrestricted Net Assets	154,611	
Total Net Position		176,961
Total Liabilities and Net Position		\$ 443,439

Please see accompanying notes to the financial statements.

# Altus Jackson County E-911 Regional Trust Authority

## Statement of Receipts, Expenses, and Changes in Net Position For Year Ended June 30, 2019

### Operating Revenue

Enhanced 911 Assessments \$ 250,496

Total Operating Revenue \$ 250,496

### Operating Expenditures

Contracted Services 142,654

Telephone Expenses 29,753

Depreciation 22,394

Administrative Fees 11,725

Dues and Subscriptions 3,516

Audit Expenses 2,300

Mapping and Addressing 995

911 Trunks/Channels 412

Repairs 357

Total Operating Expenditures 214,106

Total Gross Profit 36,390

### Non-Operating Income / (Expenditures)

Interest Income 418

Interest Expense (7,893)

Total Non-Operating Income / (Expenditures) (7,475)

Changes in Net Position 28,915

Net Position, June 30, 2018 148,045

Net Position, June 30, 2019 \$ 176,960

Please see accompanying notes to the financial statements.

**Altus Jackson County E-911 Regional Trust Authority**  
**Statement of Cash Flows**  
**Year Ended June 30, 2019**

**Cash Flow from Operating Activities**

Cash Received from Tax Revenue	\$	251,092	
Cash Paid to Vendors		<u>(191,711)</u>	
Net Cash Provided by Operating Activities	\$		59,381

**Cash Flow from Investing Activities**

Interest from Investments		<u>418</u>	
Net Cash Provided by Investing Activities			418

**Cash Flow from Financing Activities**

Principal Paid on Notes		<u>(49,441)</u>	
Net Cash Used by Financing Activities			<u>(49,441)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 10,358

Cash and Cash Equivalents, Beginning of Period 140,851

Cash and Cash Equivalents, End of Period \$ 151,209

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Net Operating Revenue	\$	36,390	
Add Depreciation		22,394	
(Increase) Decrease in Current Assets:			
Decrease in Accounts Receivable		<u>597</u>	
Net Cash Provided by Operating Activities	\$		<u>59,381</u>

Please see accompanying notes to the financial statements.

**Altus Jackson County E-911 Regional Trust Authority**  
**Notes to Financial Statements**  
**Year Ended June 30, 2019**

**Note 1 - Organization and Brief History**

The Altus Jackson County E-911 Regional Trust Authority is a public trust organized and operated under the provisions of Title 60, Oklahoma Statutes. The trust was organized on November 1, 1996. Jackson County, Oklahoma is the beneficiary of the trust. The governing body consists of members of the governing body of Jackson County, Oklahoma and the City of Altus, Oklahoma.

The Altus Jackson County E-911 Regional Trust Authority is organized to provide enhanced emergency 911 services and encourage cooperation of all emergency services, including but not limited to police, fire, and ambulance services in the City of Altus, Oklahoma and Jackson County, Oklahoma.

**Note 2 - Accounting Policies**

**Basis of Accounting**

The Altus Jackson County E-911 Regional Trust Authority reports net position and activities using accounting principles generally accepted in the United States. The statement of net position and the statement of activities use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are reported in accordance with Statement 33, 24, 34 and 36 of the Governmental Accounting Standards Board. Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In these financial statements for a proprietary fund, Financial Accounting Standards Board (FASB) and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the accrual basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**Statement of Cash Flow**

For the purpose of the statement of cash flows, the Trust Authority considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Restricted and Unrestricted Revenues**

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of the revenue source or purpose.



**Altus Jackson County E-911 Regional Trust Authority**  
**Notes to Financial Statements**  
**Year Ended June 30, 2019**

Use of Estimates

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

**Note 3 - Cash and Cash Equivalents**

The Trust Authority's bank accounts as of June 30, 2019 are as follows:

Mid First Bank	\$	24,026
Red River Federal Credit Union		127,183
Total		\$ 151,209

The Trust Authority's cash, deposits, and investments are classified in the following categories:

- A. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- B. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- C. Uncollateralized.

	A	B	C	Total
Cash	\$ 151,209	\$ 0	\$ 0	\$ 151,209

**Note 4 - Accounts Receivable**

Accounts receivable at June 30, 2019 are comprised of the following:

E911 Assessments	\$	3,402
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All accounts are considered collectible. Therefore, no allowance for doubtful accounts has been made.

**Altus Jackson County E-911 Regional Trust Authority**  
**Notes to Financial Statements**  
**Year Ended June 30, 2019**

**Note 5 – Fixed Assets**

Property and equipment in excess of \$500 and any repairs or maintenance that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or if donated at the approximate fair market value as of the date of the donation.

Depreciation is computed using the straight-line method based on the following estimated useful lives:

E-911 Equipment	20 years
Radio Equipment	10 years
Furniture & Fixtures	5 years

	Balance 6/30/18	Additions	Disposals	Balance 6/30/19
<u>Assets</u>				
Phone System	\$ 308,026	\$ 0	\$ 0	\$ 308,026
Intangibles	84,985	0	0	84,985
Fixtures and Equipment	34,964	0	0	34,964
Total	\$ 427,975	\$ 0	\$ 0	\$ 427,975
<u>Accumulated Depreciation</u>				
Phone System	\$ 11,551	\$ 15,401	\$ 0	\$ 26,952
Intangibles	84,985	0	0	84,985
Fixtures and Equipment	20,217	6,993	0	27,210
Total	\$ 116,753	\$ 22,394	\$ 0	\$ 139,147
Net Fixed Assets	\$ 311,222			\$ 288,828

**Note 6 – Notes Payable**

The Trust Authority entered into a long term lease for new telephone equipment for \$308,026 on September 30, 2017. The terms of the lease are an annual payment of \$49,441 for 7 years at 4.07%.

**Altus Jackson County E-911 Regional Trust Authority**  
**Notes to Financial Statements**  
**Year Ended June 30, 2019**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ended June 30, 2020	\$ 38,916	\$ 10,525	\$ 49,441
Year Ended June 30, 2021	40,500	8,941	49,441
Year Ended June 30, 2022	42,149	7,292	49,441
Year Ended June 30, 2023	43,864	5,577	49,441
Year Ended June 30, 2024	45,649	3,792	49,441
Year Ended June 30, 2025	47,507	1,934	49,441
Total	<u>\$ 258,585</u>	<u>\$ 38,061</u>	<u>\$ 296,646</u>

**Note 7 – Subsequent Events**

Management has evaluated subsequent events through December 29, 2019, the date which the financial statements were available to be issued.



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

Board of Directors  
Altus Jackson County E-911 Regional Trust Authority  
509 S. Main Street  
Altus, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Altus Jackson County E-911 Regional Trust Authority (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Altus Jackson County E-911 Regional 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Altus Jackson County E-911 Regional Trust Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Furrh & Associates, PC*

**FURRH & ASSOCIATES, PC**

Lawton, Oklahoma  
December 29, 2019