

**INDEPENDENT
ACCOUNTANT'S AUDIT REPORT**

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

JUNE 30, 2022

BY



**Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Year Ended June 30, 2022**

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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

Opinion

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, 2022, 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.

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, 2022, 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Altus Jackson County E-911 Regional Trust Authority, Altus, Oklahoma 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 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.

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 Altus Jackson County E-911 Regional Trust Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Altus Jackson County E-911 Regional Trust Authority, Altus, Oklahoma'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 Altus Jackson County E-911 Regional Trust Authority, Altus, Oklahoma'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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to

be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

November 17, 2022

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Statement of Financial Position
Year Ended June 30, 2022

Assets

Current Assets		
Cash in Banks	\$ 137,808	
Accounts Receivable	4,682	
Prepaid Expenses	1,764	
Total Current Assets		\$ 144,254
Fixed Assets		
Property & Equipment	449,817	
Accumulated Depreciation	(194,469)	
Total Fixed Assets		255,348
Total Assets		\$ 399,602

Liabilities

Current Liabilities		
Accounts Payable	\$ 5,591	
Accrued Interest	4,171	
Notes Payable - Current Portion	43,864	
Total Current Liabilities		\$ 53,626
Long Term Liabilities		
Notes Payment - Motorola	93,156	
Total Long Term Liabilities		93,156
Total Liabilities		146,782

Net Position

Invested in Property, net of related debt	118,328	
Unrestricted Net Position	134,492	
Total Net Position		252,820
Total Liabilities and Net Position		\$ 399,602

Please see accompanying notes to the financial statements.

Altus Jackson County E-911 Regional Trust Authority

Altus, Oklahoma

Statement of Receipts, Expenses, and Changes in Net Position

For Year Ended June 30, 2022

Operating Revenue

Enhanced 911 Assessments	\$	254,111	
Sales Tax Revenue		<u>10,855</u>	
Total Operating Revenue	\$		264,966

Operating Expenditures

Contracted Services		143,974	
Telephone Expenses		71,468	
Depreciation		16,493	
Administrative Fees		7,262	
Maintenance		3,640	
Audit Expenses		4,213	
Mapping and Addressing		<u>995</u>	
Total Operating Expenditures			<u>248,045</u>

Total Gross Profit 16,921

Non-Operating Income / (Expenditures)

Interest Income		92	
Interest Expense		<u>(6,009)</u>	
Total Non-Operating Income / (Expenditures)			<u>(5,917)</u>

Changes in Net Position 11,004

Net Position, June 30, 2021 241,816

Net Position, June 30, 2022 \$ 252,820

Please see accompanying notes to the financial statements.

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Statement of Cash Flows
Year Ended June 30, 2022

Cash Flow from Operating Activities

Cash Received from Operating Revenue	\$ 270,479	
Cash Paid to Vendors	(228,138)	
Net Cash Provided by Operating Activities		\$ 42,341

Cash Flow from Investing Activities

Interest Received from Investments	92	
Net Cash Provided by Investing Activities		92

Cash Flow from Financing Activities

Principal Paid on Note Payable	(42,149)	
Interest Expense	(7,293)	
Net Cash Used by Financing Activities		(49,442)

Net Increase (Decrease) in Cash and Cash Equivalents (7,009)

Cash and Cash Equivalents, Beginning of Period 144,817

Cash and Cash Equivalents, End of Period \$ 137,808

Reconciliation of Operating Income to Net Cash Provided by
Operating Activities

Net Operating Revenue	\$ 16,921	
Add Depreciation	16,493	
(Increase) Decrease in Current Assets:		
Decrease in Accounts Receivable	5,513	
Decrease in Prepaid Expenses	1,876	
Increase (Decrease) in Current Liabilities:		
Increase in Accounts Payable	1,538	

Net Cash Provided by Operating Activities \$ 42,341

Please see accompanying notes to the financial statements.

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

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-exchanges 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.

Net Position – Net Position is divided into 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 attributed to the acquisition, construction, or improvements of those assets.

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

- 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) *Unrestricted Net Position* - All other net assets that do not meet the definition of “restricted” or “net investments in capital assets.”

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, 2022 are as follows:

Cash in Bank - held at the County	\$	32,480
Mid First Bank		24,116
Red River Federal Credit Union		81,212
Total	\$	137,808

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	\$ 137,808	\$ 0	\$ 0	\$ 137,808

Note 4 – Accounts Receivable

Accounts receivable at June 30, 2022 are comprised of the following:

E911 Assessments	\$	4,682
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Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

All accounts are considered collectible. Therefore, no allowance for doubtful accounts has been made.

Note 5 – Prepaid Expenses

Prepaid expenses include the unamortized portion of the annual expenses for the following:

Prepaid Maintenance	\$ 1,764
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Note 6 – 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 6/30/2021	Additions	Disposals	Balance 6/30/2022
<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
Recording System	21,842	0	0	21,842
Total	\$ 449,817	\$ 0	\$ 0	\$ 449,817
<u>Accumulated Depreciation</u>				
Phone System	\$ 57,754	\$ 15,401	\$ 0	\$ 73,155
Intangibles	84,985	0	0	84,985
Fixtures and Equipment	34,964	0	0	34,964
Recording System	273	1,092	0	1,365
Total	\$ 177,976	\$ 16,493	\$ 0	\$ 194,469
Net Fixed Assets	\$ 271,841			\$ 255,348

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

Note 7 – 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 call for an annual payment of \$49,441 for 7 years at 4.07%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 137,020</u>	<u>\$ 11,303</u>	<u>\$ 148,323</u>

Note 8 – Related Party Transactions

The City of Altus, Oklahoma, provides financial support to the Trust Authority by providing personnel to operate the emergency 911 service as well as by furnishing the office and building operating expenses, including utilities, and building and contents insurance, for the operation of the E911 center. The Authority is dependent upon this related party support as part of its operational costs.

Note 9 – Subsequent Events

Management has evaluated subsequent events through November 17, 2022, the date which the financial statements were available to be issued.



**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, 2022, 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 November 17, 2022.

Report on 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.

Report on 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
November 17, 2022