

**INDEPENDENT
ACCOUNTANT'S AUDIT REPORT**

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

JUNE 30, 2021

BY



**Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Year Ended June 30, 2021**

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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, 2021, 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, 2021, 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 October 5, 2021, 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

October 5, 2021

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Statement of Financial Position
Year Ended June 30, 2021

Assets

Current Assets

Cash in Banks	\$ 144,816	
Accounts Receivable	10,195	
Prepaid Expenses	<u>3,641</u>	
Total Current Assets		\$ 158,652

Fixed Assets

Property & Equipment	449,817	
Accumulated Depreciation	<u>(177,976)</u>	
Total Fixed Assets		<u>271,841</u>

Total Assets		<u><u>\$ 430,493</u></u>
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Liabilities

Current Liabilities

Accounts Payable	\$ 4,053	
Accrued Interest	5,454	
Notes Payable - Current Portion	<u>42,149</u>	
Total Current Liabilities		\$ 51,656

Long Term Liabilities

Notes Payment - Motorola	<u>137,020</u>	
Total Long Term Liabilities		<u>137,020</u>

Total Liabilities		188,676
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Net Position

Invested in Property, net of related debt	92,672	
Unrestricted Net Position	<u>149,145</u>	
Total Net Position		<u>241,817</u>

Total Liabilities and Net Position		<u><u>\$ 430,493</u></u>
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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, 2021

Operating Revenue

Enhanced 911 Assessments	\$ 255,154	
Sales Tax Revenue	<u>9,877</u>	
Total Operating Revenue		\$ 265,031

Operating Expenditures

Contracted Services	143,974	
Telephone Expenses	48,052	
Depreciation	16,435	
Administrative Fees	7,387	
Maintenance	3,704	
911 Trunks/Channels	3,274	
Audit Expenses	3,200	
Dispatch Radio Equipment	1,758	
Mapping and Addressing	<u>995</u>	
Total Operating Expenditures		<u>228,779</u>

Total Gross Profit 36,252

Non-Operating Income / (Expenditures)

Interest Income	132	
Interest Expense	<u>(7,689)</u>	
Total Non-Operating Income / (Expenditures)		<u>(7,557)</u>

Changes in Net Position 28,695

Net Position, June 30, 2020 213,122

Net Position, June 30, 2021 \$ 241,817

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, 2021

Cash Flow from Operating Activities

Cash Received from Operating Revenue	\$ 269,656	
Cash Paid to Vendors	<u>(211,931)</u>	
Net Cash Provided by Operating Activities		\$ 57,725

Cash Flow from Investing Activities

Acquisition of Equipment	(21,842)	
Interest Received from Investments	<u>132</u>	
Net Cash Provided by Investing Activities		(21,710)

Cash Flow from Financing Activities

Principal Paid on Note Payable	(40,500)	
Interest Expense	<u>(8,941)</u>	
Net Cash Used by Financing Activities		<u>(49,441)</u>

Net Increase (Decrease) in Cash and Cash Equivalents (13,426)

Cash and Cash Equivalents, Beginning of Period 158,242

Cash and Cash Equivalents, End of Period \$ 144,816

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Net Operating Revenue	\$ 36,252
Add Depreciation	16,435
(Increase) Decrease in Current Assets:	
Decrease in Accounts Receivable	4,625
Increase in Prepaid Expenses	(3,640)
Increase (Decrease) in Current Liabilities:	
Increase in Accounts Payable	<u>4,053</u>

Net Cash Provided by Operating Activities \$ 57,725

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, 2021

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, 2021

- 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, 2021 are as follows:

Cash in Bank - held at the County	\$ 21,625
Mid First Bank	24,104
Red River Federal Credit Union	99,087
Total	<u>\$ 144,816</u>

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.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Total</u>
Cash	<u>\$ 144,816</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 144,816</u>

Note 4 – Accounts Receivable

Accounts receivable at June 30, 2021 are comprised of the following:

E911 Assessments	<u>\$ 10,195</u>
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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
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2021

Note 5 – Prepaid Expenses

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

Prepaid Maintenance	\$ 1,883
Prepaid Dispatch Radio Equipment	1,758
Total	<u>\$ 3,641</u>

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 6/30/2020	Additions	Disposals	Balance 6/30/2021
<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	0	21,842	0	21,842
Total	<u>\$ 427,975</u>	<u>\$ 21,842</u>	<u>\$ 0</u>	<u>\$ 449,817</u>
<u>Accumulated Depreciation</u>				
Phone System	\$ 42,353	\$ 15,401	\$ 0	\$ 57,754
Intangibles	84,985	0	0	84,985
Fixtures and Equipment	34,203	761	0	34,964
Recording System	0	273	0	273
Total	<u>\$ 161,541</u>	<u>\$ 16,435</u>	<u>\$ 0</u>	<u>\$ 177,976</u>
Net Fixed Assets	<u>\$ 266,434</u>			<u>\$ 271,841</u>

Altus Jackson County E-911 Regional Trust Authority
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2021

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, 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>\$ 179,169</u>	<u>\$ 18,595</u>	<u>\$ 197,764</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 October 5, 2021, 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, 2021, 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 October 5, 2021.

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

October 5, 2021