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State Auditor & Inspector

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

Financial statements
as of and for the twelve months ended
June 30, 2011 and June 30, 2010

David O. Tate
Certified Public Accountant
Mangum, Oklahoma

Altus-Jackson County E-911 Regional Trust Authority
Table of Contents
June 30, 2011 and June 30, 2010

Financial statements:

Independent Auditor's Report	3
Exhibit A-Statement of Net Assets	4
Exhibit B-Statement of Activities and Changes in Net Assets	5
Exhibit C-Statement of Cash Flows	6
Notes to the financial statements	7

Supplementary information:

Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with "Government Auditing Standards"	11
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Independent Auditor's Report

The Board of Trustees
Altus-Jackson County E-911 Regional Trust Authority

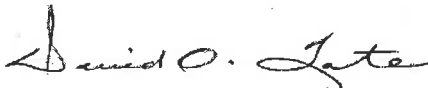
I have audited the accompanying financial statements of the Altus-Jackson County E-911 Regional Trust Authority as of June 30, 2011, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Altus-Jackson County E-911 Regional Trust Authority's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Altus-Jackson County E-911 Regional Trust Authority (a public trust) as of June 30, 2011 and the results of its operations, changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards", I have also issued a report dated December 21, 2010 on my consideration of the Altus-Jackson County E-911 Regional Trust Authority's (a public trust) internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of my audit.

Management has not presented the required supplementary information; management's discussion and analysis, which the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.



Certified Public Accountant
November 16, 2011

Altus-Jackson County E-911 Regional Trust Authority
Statement of Net Assets
June 30

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets:		
Cash and cash equivalents	82,628	85,218
Accounts receivable	18,514	19,669
Prepaid expenses	-	38,175
Total current assets	<u>101,142</u>	<u>143,062</u>
Property and equipment:		
Property and equipment (net of accumulated depreciation of \$222,834 as of June 30, 2010 and \$178,493 as of June 30, 2009)	<u>127,469</u>	<u>120,911</u>
Total property and equipment	<u>127,469</u>	<u>120,911</u>
Total assets	<u><u>228,611</u></u>	<u><u>263,973</u></u>
Liabilities and Net Assets:		
Current liabilities	<u>-</u>	<u>-</u>
Total current liabilities	<u>-</u>	<u>-</u>
Long-term liabilities	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Net assets:		
Invested in net assets, net of related debt	127,469	-
Unrestricted	<u>101,142</u>	<u>263,973</u>
Total net assets	<u>228,611</u>	<u>263,973</u>
Total liabilities and net assets	<u><u>228,611</u></u>	<u><u>263,973</u></u>

The accompanying notes to the financial statements are an integral part hereof.

Altus-Jackson County E-911 Regional Trust Authority
Statement of Activities and Changes in Net Assets
For the twelve months ended June 30

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Enhanced 911 assessments	221,017	243,695
Telephone line service	676	910
Total operating revenues	<u>221,693</u>	<u>244,605</u>
Operating expenses:		
Contracted services	140,374	140,374
Trunks and channels	1,236	1,236
Insurance	1,541	1,541
Mapping	458	2,044
Repairs and maintenance	3,389	285
Supplies	4,274	403
Office expenses	40	80
Legal and professional	2,720	-
Administration fees	6,000	6,000
Telephone	66,020	78,573
Depreciation expense	31,616	21,024
Total operating expenses	<u>257,668</u>	<u>251,560</u>
Net change in net assets from operations	<u>(35,976)</u>	<u>(6,955)</u>
Other revenues (expenses);		
Interest income	613	910
Total other revenues (expenses)	<u>613</u>	<u>910</u>
Change in net assets	(35,362)	(6,045)
Net assets at the beginning of the year	<u>263,973</u>	<u>270,018</u>
Net assets at the end of the year	<u><u>228,611</u></u>	<u><u>263,973</u></u>

The accompanying notes to the financial statements are an integral part hereof.

Altus-Jackson County E-911 Regional Trust Authority
Statement of Cash Flows
For the twelve months ended June 30

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Service fees	222,172	242,180
Telephone line service	676	910
Payments to vendors	<u>(226,052)</u>	<u>(220,356)</u>
Net cash provided (used) by operating activities	<u>(3,204)</u>	<u>22,734</u>
Cash flows from capital and related financing activities:		
Acquisition of equipment	<u>-</u>	<u>(3,506)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(3,506)</u>
Cash flows from investing activities:		
Interest income	<u>613</u>	<u>910</u>
Net cash provided (used) by investing activities	<u>613</u>	<u>910</u>
Net increase in cash and cash equivalents	(2,591)	20,138
Cash and cash equivalents at the beginning of the year	<u>85,218</u>	<u>65,080</u>
Cash and cash equivalents at the end of the year	<u><u>82,627</u></u>	<u><u>85,218</u></u>
Reconciliation of net change in net assets to net cash provided (used) by operating activities:		
Change in net assets from operations	(35,976)	(6,955)
Adjustments to reconcile net change in net assets to net cash provided (used) by operating activities:		
Depreciation	31,616	21,024
(Increase) decrease in:		
Accounts receivable	1,155	(1,515)
Increase (decrease) in:		
Prepaid expenses	<u>-</u>	<u>10,180</u>
Net cash provided (used) by operating activities	<u><u>(3,204)</u></u>	<u><u>22,734</u></u>

The accompanying notes to the financial statements are an integral part hereof.

Altus-Jackson County E-911 Regional Trust Authority
Notes to the Financial Statements
June 30, 2011 and June 30, 2010

Note 1-Summary of Significant Accounting Policies

The Reporting Entity-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.

Purpose-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.

Basis of Accounting-The Altus-Jackson County E-911 Regional Trust Authority reports net assets and activities using accounting principles generally accepted in the United States. The statement of net assets 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 Statements 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.

Classification of Expenditures-Accounting principles generally accepted in the United States of America requires the classification of expenditures by function or program and by character. Since the trust is a single purpose entity, expenditures are classified only by character since all expenditures are in connection with a single function.

Cash and Cash equivalents- For purposes of the statement of net assets and the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

Property and Equipment-Purchased property and equipment are valued at historical cost. Contributed property and equipment are recorded in the financial statements at the estimated fair market value at the date of the contribution.

Estimates-The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires the use of estimates. Actual results may differ from these estimated amounts.

Altus-Jackson County E-911 Regional Trust Authority
Notes to the Financial Statements
June 30, 2011 and June 30, 2010

Note 1-Summary of Significant Accounting Policies (continued)

Property and Equipment

Depreciation is charged against net assets in the trust's statement of activities and changes in net assets. Accumulated depreciation is presented in the trust's statement of net assets. Depreciation is computed using the straight-line method for financial reporting purposes based upon the following estimated useful lives:

<u>Description</u>	<u>Estimated useful life</u>
E-911 equipment	20 years
Radio equipment	10 years
Furniture and fixtures	5 years

Note 2-Stewardship, Compliance, and Accountability

By its nature as a local governmental unit, the trust is subject to various federal, state, and local laws and contractual regulations.

Note 3-Detail Notes-Transaction Classes/Accounts:

A-Cash and investments

Custodial credit risk-deposits

The table presented below is designed to disclose the level of custodial risk assumed by the trust based upon how its deposits were insured or secured with collateral at June 30, 2011. The comparison relates to the trust only. The categories of custodial credit risk are defined as follows:

Category 1- Insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Town (or public trust) or by its agent in its name.

Category 2- Uninsured but collateralized with securities held by the pledging of financial institution's trust department or agent in trust's name.

Category 3-Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agency but not in the trust's name; or properly collateralized with no written and approved collateral agreement.

Altus-Jackson County E-911 Regional Trust Authority
Notes to the Financial Statements
June 30, 2011 and June 30, 2010

Note 3-Detail Notes-Transaction Classes/Accounts (continued)

A-Cash and investments (continued)

Custodial credit risk-deposits (continued)

June 30, 2011	Total bank	Custodial risk category		
Type of deposits	balances	1	2	3
Insured deposits	78,769	78,769		
Uninsured deposits:				
Collateralized				
Uncollateralized				
Total deposits	78,769	78,769	-	-
Reconciliation to Statement of Net Assets:				
Cash and cash equivalents	78,769			
Total	78,769			
June 30, 2010	Total bank	Custodial risk category		
Type of deposits	balances	1	2	3
Insured deposits	85,238	85,238		
Uninsured deposits:				
Collateralized				
Uncollateralized				
Total deposits	85,238	85,238	-	-
Reconciliation to Statement of Net Assets:				
Cash and cash equivalents	82,628			
Total	82,628			

Altus-Jackson County E-911 Regional Trust Authority
Notes to the Financial Statements
June 30, 2011 and June 30, 2010

Note 3-Detail Notes-Transaction Classes/Accounts (continued)

B-Property and equipment

A summary of the property and equipment and the related accumulated depreciation follows:

June 30, 2011	Balance			Balance
Description	July 1, 2010	Additions	Retirements	June 30, 2011
E-911 equipment	181,434			181,434
Radio equipment	127,141	-		127,141
Furniture and fixtures	41,728			41,728
Total property and equipment	350,303	-	-	350,303
Accumulated depreciation	222,834	29,245		252,079
 Net property and equipment	 127,469	 (29,245)	 -	 98,224

June 30, 2010	Balance			Balance
Description	July 1, 2009	Additions	Retirements	June 30, 2010
E-911 equipment	181,434			181,434
Radio equipment	127,141	-		127,141
Furniture and fixtures	41,728			41,728
Total property and equipment	350,303	-	-	350,303
Accumulated depreciation	191,218	31,616		222,834
 Net property and equipment	 159,085	 (31,616)	 -	 127,469

For the twelve months ended June 30, 2011, depreciation expense of \$29,245 was charged against net assets and for the twelve months ended June 30, 2010, depreciation expense of \$31,616 was charged against net assets.

C-Net assets-At June 30, 2010, all net assets were considered unrestricted and at June 30, 2011, all net assets are considered unrestricted.

D-Accounts receivable-The amount reflected in the statement of net assets as accounts receivable is the estimated enhanced 911 assessments to be received from the telephone service providers within thirty (30) days of the end of the fiscal period.

David O. Tate

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112 North Oklahoma, Suite A
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with "Government Auditing Standards"

The Board of Trustees
Altus-Jackson County E-911 Regional Trust Authority

I have audited the financial statements of the Altus-Jackson County E-911 Regional Trust Authority (a public trust and a component unit of Jackson County, Oklahoma) as of and for the twelve months ended June 30, 2011, and have issued my report thereon dated December 21, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Management has not presented the required supplementary information; management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Altus-Jackson County E-911 Regional Trust Authority's internal control over financial reporting as a basis for determining my auditing procedures for the purpose of expressing my 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 over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Altus-Jackson County E-911 Regional Trust Authority's internal control over financial reporting.

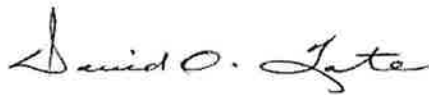
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct material misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the trust's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as described above.

Compliance

As part of obtaining reasonable assurance about whether the Altus-Jackson County E-911 Regional Trust Authority's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

This report is intended solely for the information and use of the management of the Altus-Jackson County E-911 Regional Trust Authority and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in cursive script that reads "David O. Lata".

Certified Public Accountant
November 16, 2011