

**911 ASSOCIATION OF CENTRAL
OKLAHOMA GOVERNMENTS**

**Basic Financial Statements
For the Year Ended June 30, 2023
and Independent Auditor's Reports**

**911 Association of Central Oklahoma Governments
Table of Contents
For the Year Ended June 30, 2023**

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to Basic Financial Statements	14
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - Special Revenue Fund	20
Information on Budgetary Comparison Schedule	21
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	22

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
911 Association of Central Oklahoma Governments

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of 911 Association of Central Oklahoma Governments ("911 ACOG") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise 911 ACOG's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of 911 ACOG, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. 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 911 ACOG, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the 911 ACOG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 911 ACOG'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 the 911 ACOG's ability to continue as a going concern for a reasonable period of time.

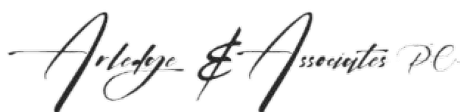
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024, on our consideration of 911 ACOG'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 solely 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 the effectiveness of 911 ACOG's 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 911 ACOG's internal control over financial reporting and compliance.



Edmond, Oklahoma
March 22, 2024



Management's Discussion and Analysis (Unaudited)

As management of the 911 Association of Central Oklahoma Governments (911 ACOG), we offer readers of 911 ACOG's financial statements this narrative overview and analysis of the financial activities of 911 ACOG for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at 911 ACOG's financial performance as a whole; readers are encouraged to consider information presented here as well as the financial statements and notes to enhance their understanding of 911 ACOG's financial performance.

Financial Highlights

Government-wide:

- The assets of 911 ACOG exceeded its liabilities at the close of the most recent fiscal year by \$24,946,258 (net position). Of this amount, \$22,662,215 (unrestricted net position) may be used to meet 911 ACOG's ongoing obligations to the member local governments and creditors.

Fund Level:

- At the close of the current fiscal year, 911 ACOG's governmental fund reported an ending fund balance of \$24,946,258, an increase of \$1,506,547 in comparison with the prior year. Approximately 90 percent of this amount, \$22,467,315 is available for spending at 911 ACOG's discretion (assigned fund balances) although the 911 ACOG Board of Directors has assigned it to the E911 emergency telephone number system.
- At the end of the fiscal year, the unrestricted fund balance, including all assigned balances, of the special revenue fund (911 ACOG's only fund) was \$22,662,215 or 665 percent of total special revenue fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to 911 ACOG's basic financial statements. 911 ACOG's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of 911 ACOG's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of 911 ACOG's assets, liabilities and deferred inflows/outflows of resources (if any), with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 911 ACOG is improving or deteriorating.

The *statement of activities* presents information showing how 911 ACOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some

items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements include functions of 911 ACOG that are principally supported by grants, contracts and 911 service fees (*governmental activities*). 911 ACOG has no functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*) and has no component units.

The government-wide financial statements can be found on pages 10 - 11 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. 911 ACOG, like other similar governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 911 ACOG only has a special revenue fund, which belongs to the category of governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

911 ACOG only maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance.

The basic governmental fund financial statements can be found on pages 12 - 14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 - 20 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Although not legally required to do so, 911 ACOG does adopt an annual budget for its fund. A budgetary comparison schedule has been provided to demonstrate compliance with this budget and is presented on page 21 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of 911 ACOG, assets exceeded liabilities by \$24,946,258 at June 30, 2023, as compared with assets exceeding liabilities by \$23,439,711 at June 30, 2022. A portion (9.2 percent) of 911 ACOG's net position reflects its investment in capital assets (equipment, vehicles, work-in-progress and intangible map database), less any related debt used to acquire those assets that is still outstanding. 911 ACOG uses these capital assets to operate and to provide services; consequently, these assets are *not* available for future spending. Although 911 ACOG's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position compared to the prior year.

911 Association of Central Oklahoma Governments Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	
Current and other assets	\$ 23,817,618	\$ 21,804,501	9.2%
Capital assets	2,284,043	2,226,527	2.6%
Total assets	26,101,661	24,031,028	8.6%
Long-term debt outstanding	-	-	N/A
Other liabilities	1,155,403	591,317	95.4%
Total liabilities	1,155,403	591,317	95.4%
Net position			
Net investment in capital assets	2,284,043	2,226,527	2.6%
Restricted	-	-	N/A
Unrestricted	22,662,215	21,213,184	6.8%
Total net position	\$ 24,946,258	\$ 23,439,711	6.4%

None of 911 ACOG's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$22,662,215) may be used to meet 911 ACOG's ongoing obligations.

At the end of the current fiscal year, 911 ACOG is able to report a positive balance in all categories of net position. The same situation held true for the prior fiscal year.

Governmental Activities

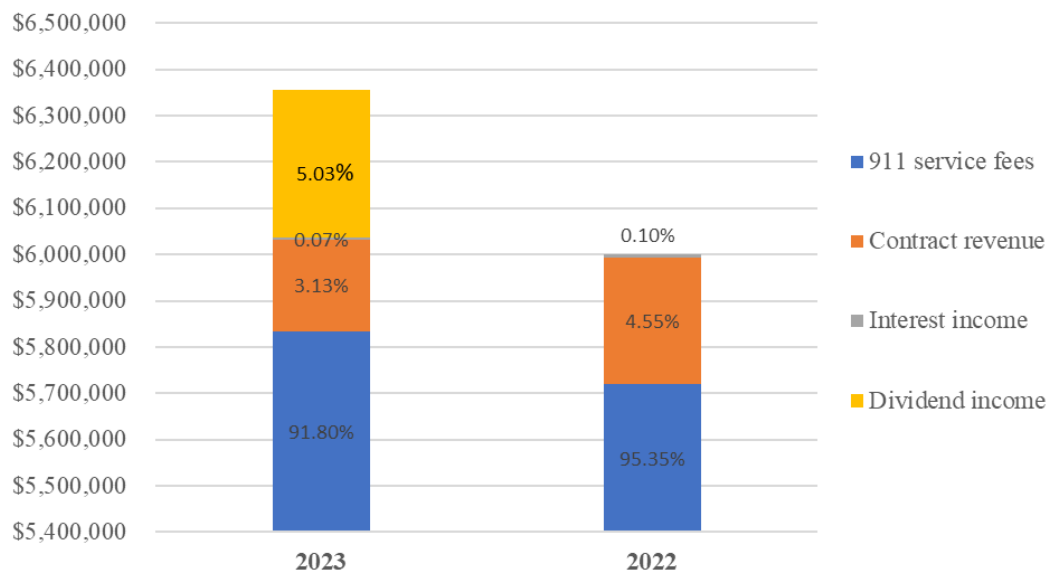
The following table reflects the condensed changes in net position from the prior year.

911 Association of Central Oklahoma Governments Changes in Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	
Revenues			
Program revenues			
911 service fees	\$ 5,833,843	\$ 5,720,164	2.0%
Contract revenue	199,011	273,090	-27.1%
Interest income	2,731	5,970	-54.3%
Dividend income	319,620	-	100.0%
Total revenues	6,355,205	5,999,224	5.9%
Expenses			
911 emergency telephone number system	4,848,658	4,458,574	8.7%
Total expenses	4,848,658	4,458,574	8.7%
Increase (decrease) in net position	\$ 1,506,547	\$ 1,540,650	-2.2%
Beginning net position	23,439,711	21,899,061	
Ending net position	\$ 24,946,258	\$ 23,439,711	6.4%

911 ACOG's total net assets, all from governmental activities, increased by \$1,506,547 during the current fiscal year. This increase is primarily due to increases in dividend income from investments in the current year.

911 ACOG REVENUES BY SOURCE



Financial Analysis of the Government's Funds

As noted earlier, 911 ACOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of 911 ACOG's special revenue *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing 911 ACOG's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, 911 ACOG's special revenue fund reported ending fund balances of \$22,662,215, a net increase of \$1,449,031 in comparison with the prior year. Approximately 99.1 percent (\$22,467,315) has been assigned for E911 emergency telephone number system expenditures. *Assignments* reflect the 911 ACOG Board of Directors' self-imposed limitations on the use of otherwise available current financial resources and are subject to change. The remainder of fund balance is not available for new spending because approximately .9 percent (\$194,900) is *unspendable* because it consists of prepaid items.

The increase in fund balance is primarily due to the delay in the NG911 implementation process.

The special revenue fund is the only fund used by 911 ACOG since its only function or program is the acquisition, implementation, and administration of the E911 emergency telephone number system. This is the reason why 911 ACOG has no *unassigned* fund balance.

Budgetary Highlights

Due to time constraints and the fact that 911 ACOG is not legally required to adopt a budget for its funds, there was no budget amendment for the fiscal year ended June 30, 2023. The differences between the budget and the actual amounts are primarily due to 911 ACOG maintaining a fiscally conservative budget. The differences can be summarized as follows:

- 911 service fees were \$177,319 more than budgeted. This is due to 911 ACOG continuing to budget extremely conservatively. When the fiscal year 2023 budget was prepared, the annualized amount of fiscal year 2022 service fee collections to date was budgeted as the revenue amount for fiscal year 2023.
- Due to being fiscally conservative in the process of the implementation of NG911, actual expenditures were less than budgeted for ACOG administration by \$77,217.
- As a result of delays in the NG911 implementation process, actual expenditures were \$899,126 less than budgeted for Capital Outlay.

Requests for Information

This financial report is designed to provide a general overview of 911 ACOG's finances for all those with an interest in 911 ACOG's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, 911 Association of Central Oklahoma Governments, 4205 N. Lincoln Boulevard, Oklahoma City, OK 73105. This report will also be available on the ACOG website, www.acogok.org.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 10,497,690
Receivables	606,961
Short-term investments	12,518,067
Prepaid items	194,900
Capital assets, net of accumulated depreciation	2,284,043
Total Assets	26,101,661
LIABILITIES	
Accounts payable	1,155,403
Total Liabilities	1,155,403
NET POSITION	
Net investment in capital assets	2,284,043
Unrestricted	22,662,215
Total Net Position	\$ 24,946,258

The notes to the financial statements are an integral part of this statement.

**911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Governmental Activities</u>
911 emergency telephone number system	\$ 4,848,658	\$ 6,355,205	1,506,547
		General revenues	-
		Changes in net position	1,506,547
		Net position-beginning	23,439,711
		Net position-ending	\$ 24,946,258

The notes to the financial statements are an integral part of this statement.

**9-1-1 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>Special Revenue Fund</u>
ASSETS	
Cash and cash equivalents	\$ 10,497,690
Receivables	606,961
Short-term investments	12,518,067
Prepaid items	194,900
Total assets	<u><u>23,817,618</u></u>
LIABILITIES	
Accounts payable	1,155,403
Total liabilities	<u>1,155,403</u>
FUND BALANCES	
Nonspendable:	
Prepaid items	194,900
Assigned to:	
911 emergency telephone number system	<u>22,467,315</u>
Total fund balances	<u>22,662,215</u>
Total liabilities and fund balances	<u><u>23,817,618</u></u>
Total fund balances	22,662,215
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>2,284,043</u>
Net position of governmental activities	<u><u>\$ 24,946,258</u></u>

The notes to the financial statements are an integral part of this statement.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Special Revenue Fund</u>
REVENUES	
911 service fees	\$ 5,833,843
Contract revenue	199,011
Interest income	2,731
Dividend income	319,620
Total Revenues	<u>6,355,205</u>
 EXPENDITURES	
Current:	
911 emergency telephone number system	
ACOG Administration	1,710,530
Consultants	420,357
Maintenance and operation fees - telephone companies	772,131
Repairs, maintenance and warranty	398,725
Insurance	15,467
Supplies	27,563
Vehicle operations	4,490
Legal	-
Capital Outlay	57,516
Total expenditures	<u>3,406,779</u>
 Excess (deficit) of revenues over expenditures before	
Payments to 911 ACOG member entities PSAPs	2,948,426
Payments to 911 ACOG member entities PSAPs	1,499,395
Net change in fund balance	<u>1,449,031</u>
 FUND BALANCE	
Fund balance-beginning:	<u>21,213,184</u>
Fund balance-ending	<u><u>\$ 22,662,215</u></u>

The notes to the financial statements are an integral part of this statement.

**911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balance - governmental funds	\$ 1,449,031
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount by which capital outlays (\$57,516) exceeded depreciation (\$0) in the current period.	<u>57,516</u>
Change in net position of governmental activities	<u><u>\$ 1,506,547</u></u>

The notes to the financial statements are an integral part of this statement.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

I. Summary of significant accounting policies

A. Reporting entity

The 911 Association of Central Oklahoma Governments (911 ACOG) is a public agency formed under the authority of Title 74, Oklahoma Statutes, permitting public agencies to enter into agreements with one another for joint or cooperative action. 911 ACOG was established in 1988 after voters approved the establishment of an enhanced 911 (E911) emergency telephone number system and was given the responsibility for the acquisition, implementation, and administration of the E911 emergency telephone number system.

The current membership of 911 ACOG is comprised of 38 Central Oklahoma cities, towns and counties. 911 ACOG is governed by a Board of Directors that consists of one elected official from each member government. Each entity receives a weighted vote on the Board based on population. The accompanying financial statements present 911 ACOG's operations. 911 ACOG has no blended or discretely presented component units.

B. Government-wide and fund financial statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. 911 service fees are recognized as revenue in the year for which they are due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

911 service fees, contract revenue and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by 911 ACOG.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 911 service fees are recognized as revenues in the year for which they are due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

**C. Measurement focus, basis of accounting, and financial statement presentation-
-Continued**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

911 service fees, contract revenue and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by 911 ACOG.

911 ACOG reports the following major governmental fund:

The *special revenue fund* is used to account for 911 ACOG operations. The major revenue source is a 911 service fee, collected by the telephone companies and prepaid wireless retailers serving the 911 ACOG member entities. The telephone companies remit the 911 service fees for wireline service directly to 911 ACOG. The Oklahoma Tax Commission now collects all 911 service fees for all other types of service and remits them to the applicable entities, including 911 ACOG. Other revenue sources include contract revenues, interest income and other miscellaneous sources.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, and 4) investment earnings. There are no general revenues since all revenues are attributable to 911 ACOG's single program.

D. Assets, liabilities, and net position/fund balance

1. Deposits and investments

911 ACOG's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

D. Assets, liabilities, and net position/fund balance -- Continued

3. Capital assets

Capital assets, which include computer equipment, software, vehicles, works-in-progress and an intangible map database, are reported in the statement of net assets. Capital assets are defined by 911 ACOG as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over estimated useful lives of 3 - 7 years. The intangible map database asset has an indefinite life and is not being amortized.

4. Long-term obligations

In the statement of net position, long-term capital leases and notes payable are reported as liabilities in the governmental activities statement of net assets.

In the fund financial statements, the special revenue governmental fund reports proceeds of capital leases and notes payable as other financing sources.

5. Net position flow assumptions

In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Although it has no formal policy, 911 ACOG would normally consider restricted - net position to have been depleted before unrestricted - net position is applied but reserves the right to selectively use unrestricted resources first to defer the use of restricted resources.

6. Fund balance flow assumptions

In order to calculate the amounts to report as restricted and assigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. 911 ACOG would normally consider restricted fund balance to have been depleted before using unassigned fund balance but reserves the right to selectively use unrestricted resources first to defer the use of restricted resources.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

D. Assets, liabilities, and net position/fund balance -- Continued

7. Fund balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The classifications used in the special revenue fund financial statements are as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form, such as prepaid items, or because the resources must be maintained intact pursuant to legal or contractual requirements.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- Assigned - includes fund balance amounts that are intended to be used by 911 ACOG for specific purposes that do not meet the criteria to be classified as restricted.

It is 911 ACOG's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

II. Detailed notes on all funds

A. Receivables

At year-end, 911 ACOG's carrying amount of deposits was \$10,497,690 and the bank balance was \$10,564,924. Of the bank balance, \$250,000 was fully covered by federal depository insurance. The remaining \$10,314,924 was more than fully collateralized by US Treasury Notes valued at their current market price of \$11,345,489, held at the Federal Reserve Bank of New York pledged to 911 ACOG.

911 ACOG had \$12,518,607 in cash equivalent investments at June 30, 2023.

B. Receivables

Receivables as of year-end for 911 ACOG are as follows:

911 Service Fees	\$	523,389
Contracts		25,159
Other		58,413
Total	<u>\$</u>	<u>606,961</u>

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

C. Capital assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Intangible map database	\$ 375,948	\$ -	\$ -	\$ 375,948
Works-in-progress	1,850,579	57,516	-	1,908,095
Total capital assets, not being depreciated	<u>2,226,527</u>	<u>57,516</u>	<u>-</u>	<u>2,284,043</u>
Other capital assets:				
Leased/financed equipment	3,041,227	-	-	3,041,227
Equipment	1,426,054	-	-	1,426,054
Vehicles	52,131	-	-	52,131
Total other capital assets	<u>4,519,412</u>	<u>-</u>	<u>-</u>	<u>4,519,412</u>
Less accumulated depreciation for:				
Leased/financed equipment	(3,041,227)	-	-	(3,041,227)
Equipment	(1,426,054)	-	-	(1,426,054)
Vehicles	(52,131)	-	-	(52,131)
Total accumulated depreciation	<u>(4,519,412)</u>	<u>-</u>	<u>-</u>	<u>(4,519,412)</u>
Other capital assets, net	<u>-</u>	<u>57,516</u>	<u>-</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 2,226,527</u>	<u>\$ 57,516</u>	<u>\$ -</u>	<u>\$ 2,284,043</u>

D. Long-term liabilities

During the year ended June 30, 2023, 911 ACOG had no long-term liabilities.

III. Other information

A. Risk management

911 ACOG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. 911 ACOG carries commercial insurance coverage to include general liability, property and casualty, and public officials' liability. There have been no significant reductions in insurance coverage. 911 ACOG does retain the first \$1,000 - \$5,000, depending on the policy, of each risk of loss in the form of deductibles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

B. Related party transactions

In 1988, 911 ACOG entered into an agreement with the Association of Central Oklahoma Governments (ACOG) for administration of the E911 emergency telephone number system. In this capacity, ACOG is responsible for the acquisition, implementation, and administration of the 911 system for the suburban communities, excluding the City of Oklahoma City (the “City”).

During the fiscal year ended June 30, 2023, 911 ACOG again entered into an agreement with the City of Oklahoma City to provide certain program services and develop certain work products of benefit to the City in the support of the City’s delivery of 911 services. These services are provided to the City of Oklahoma City through 911 ACOG’s agreement with ACOG.

911 ACOG reimburses ACOG for all costs incurred to fulfill all these responsibilities, which include but are not limited to, continued administration of the finances of the system; contract management and coordination with telephone service providers; establishment and maintenance of the E911 system database and associated geographical informational system (GIS); training of instructors and call-takers; providing a comprehensive public education program promoting the proper utilization of the system; maintenance of E911 system equipment, software and management information systems and providing professional services to the City of Oklahoma City. 911 ACOG recorded expenditures under this agreement for the year ended June 30, 2023, amounting to \$1,710,530 of which \$48,513 was for providing professional services to the City of Oklahoma City. 911 ACOG also reimbursed ACOG for \$216 of expenditures that were budgeted to be paid directly by 911 ACOG and are therefore reflected here in the applicable expenditure category for budget comparison purposes. Year-end accounts payable includes \$927,784 under this agreement of which \$25,167 is also receivable from the City of Oklahoma City for professional services rendered.

Several individuals serving as officers or directors of 911 ACOG also hold similar positions with ACOG.

C. Subsequent events

911 ACOG has evaluated the effects of all subsequent events from June 30, 2023, through March 22, 2024, the date the financial statements were available to be issued. No events required disclosure.

**911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Budget Positive (Negative)
REVENUES			
911 service fees	\$ 5,656,524	\$ 5,833,843	\$ 177,319
Contract revenue	222,852	199,011	(23,841)
Interest income	6,575	2,731	(3,844)
Dividend income	-	319,620	319,620
Total revenues	<u>5,885,951</u>	<u>6,355,205</u>	<u>469,254</u>
EXPENDITURES			
Current:			
E 911 emergency telephone number system			
ACOG Administration	1,844,307	1,710,530	133,777
Telephone companies operating & maintenance charges	824,831	772,131	52,700
Consultants	798,017	420,357	377,660
Maintenance, repairs and warranty	425,686	398,725	26,961
Legal services	60,000	-	60,000
Supplies	44,762	27,563	17,199
Insurance on equipment	29,393	15,467	13,926
Vehicle operations	2,900	4,490	(1,590)
Capital outlay	956,642	57,516	899,126
Total expenditures	<u>4,986,538</u>	<u>3,406,779</u>	<u>1,579,759</u>
Excess (deficit) of revenues over expenditures			
before payments to 911 ACOG member entities	899,413	2,948,426	2,049,013
Payments to 911 ACOG member entities PSAPs	1,427,860	1,499,395	71,535
Net change in fund balance	<u>(528,447)</u>	<u>1,449,031</u>	<u>1,977,478</u>
FUND BALANCE			
Fund balance-beginning:	19,373,931	21,213,184	1,839,253
Fund balance-ending	<u>\$ 18,845,484</u>	<u>\$ 22,662,215</u>	<u>\$ 3,816,731</u>

**911 ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS
INFORMATION ON BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2023**

Budgetary Information

Budgets for the special revenue fund are adopted on an available resources basis but are converted to a basis consistent with accounting principles generally accepted in the United States of America. 911 ACOG is not required to have an adopted statutorily defined budget and is unable to legally adopt a budget. Although it is more of a spending guideline, the 911 ACOG budget is a balanced budget. The 911 ACOG Board of Directors votes to adopt the budget approved by its Budget Committee for the ensuing fiscal year, subject to amendment or modification, during its June meeting. Formal budget amendments have not been done since 2010 but expenditures in excess of approved budget amounts must be approved by the 911 ACOG Board of Directors in advance of payment.



**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***

To the Board of Directors of the
911 Association of Central Oklahoma Governments

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 911 Association of Central Oklahoma Governments ("911 ACOG") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise 911 ACOG's basic financial statements, and have issued our report thereon dated March 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 911 ACOG'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 911 ACOG's internal control. Accordingly, we do not express an opinion on the effectiveness of 911 ACOG'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 911 ACOG'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 911 ACOG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 911 ACOG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Arledge & Associates PC

Edmond, Oklahoma
March 22, 2024

