

**AUDIT REPORT
JACKSON COUNTY
EMERGENCY MEDICAL SERVICE
FOR THE YEAR ENDED
JUNE 30, 2002**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

March 5, 2003

TO THE CITIZENS OF
JACKSON COUNTY EMERGENCY MEDICAL SERVICE

Transmitted herewith is the audit of Jackson County Emergency Medical Service, for the fiscal year ended June 30, 2002. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of Jackson County Emergency Medical Service.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our audit.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

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**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
BOARD MEMBERS
JUNE 30, 2002**

DIRECTOR

Tommy Chapman

VICE-CHAIRMAN

Marsha Kelly

SECRETARY

Jimmie Ewing

MEMBERS

Lynn Beach

Buddy Thompson

ADMINISTRATOR

David Stewart



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

TO THE BOARD OF DIRECTORS
OF THE JACKSON COUNTY EMERGENCY MEDICAL SERVICE

We have audited the accompanying financial statements of the Jackson County Emergency Medical Service, as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the Emergency Medical Service. 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 of material misstatement. An audit 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jackson County Emergency Medical Service, as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2003, on our consideration of Jackson County Emergency Medical Service's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

January 13, 2003

Financial Statements

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002**

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
			GENERAL	DEBT	
	GENERAL	DEBT SERVICE	LONG-TERM DEBT	FIXED ASSETS	
ASSETS					
Cash and investments	\$ 386,167	\$ 102,814	\$	\$	\$ 488,981
Ad valorem taxes receivable	2,088				2,088
Accounts receivable (net of allowance for doubtful accounts)	296,905				296,905
Amount available in debt service fund			102,814		102,814
Amount to be provided for capitalized lease obligations			357,968		357,968
Fixed assets:					
Land and buildings				705,014	705,014
Ambulance and equipment				379,990	379,990
Total assets	<u>\$ 685,160</u>	<u>\$ 102,814</u>	<u>\$ 460,782</u>	<u>\$ 1,085,004</u>	<u>\$ 2,333,760</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Warrants payable	\$ 26,324	\$	\$	\$	\$ 26,324
Accounts payable	5,980				5,980
Capitalized lease obligations payable			460,782		460,782
Total liabilities	<u>32,304</u>	<u>-</u>	<u>460,782</u>	<u>-</u>	<u>493,086</u>
Fund equity:					
Investments in general fixed assets				1,085,004	1,085,004
Fund balances:					
Reserved for debt service		102,814			102,814
Unreserved:					
Undesignated	652,856				652,856
Total fund equity	<u>652,856</u>	<u>102,814</u>	<u>-</u>	<u>1,085,004</u>	<u>1,840,674</u>
Total liabilities and fund equity	<u>\$ 685,160</u>	<u>\$ 102,814</u>	<u>\$ 460,782</u>	<u>\$ 1,085,004</u>	<u>\$ 2,333,760</u>

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

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	GOVERNMENTAL FUND TYPES		TOTAL MEMORANDUM ONLY
	GENERAL FUND	DEBT SERVICE	
Revenues:			
Ad valorem taxes	\$ 299,066	\$	\$ 299,066
Charges for services	768,818		768,818
Intergovernmental revenues			
Miscellaneous revenues		83,321	83,321
Total revenues	<u>1,067,884</u>	<u>83,321</u>	<u>1,151,205</u>
Expenditures:			
Current operating:			
Personal services	596,817		596,817
Maintenance and operations	246,562		246,562
Capital outlay	61,256		61,256
Debt service:			
Principal retirement		52,802	52,802
Interest and fiscal agent charges		27,112	27,112
Total expenditures	<u>904,635</u>	<u>79,914</u>	<u>984,549</u>
Excess revenue over expenditures	163,249	3,407	166,656
Beginning fund balances	<u>489,607</u>	<u>99,407</u>	<u>589,014</u>
Ending fund balances	<u>\$ 652,856</u>	<u>\$ 102,814</u>	<u>\$ 755,670</u>

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

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002**

	General Fund		
	Budget	Actual	Variance
Beginning fund balances, budgetary basis	\$ 284,374	\$ 218,451	\$ (65,923)
Revenues:			
Ad valorem taxes	271,323	298,784	27,461
Charges for services	574,896	768,784	193,888
Total revenues, budgetary basis	<u>846,219</u>	<u>1,067,568</u>	<u>221,349</u>
Expenditures:			
Personal services	643,616	614,902	28,714
Maintenance and operations	296,907	254,113	42,794
Capital outlay	193,315	63,133	130,182
Total expenditures, budgetary basis	<u>1,133,838</u>	<u>932,148</u>	<u>201,690</u>
Excess of revenues and beginning fund balances over (under) expenditures, budgetary basis	<u>\$ (3,245)</u>	353,863	<u>\$ 357,116</u>
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances			
Add: Ad valorem receivable		2,088	
Net accounts receivable		296,905	
Ending fund balance		<u>\$ 652,856</u>	

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

Notes to the Financial Statements

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

1. Summary of Significant Accounting Policies

The financial statements of the Jackson County Emergency Medical Service (EMS) are required to be presented in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. Reporting Entity

The EMS is a governmental entity organized under the laws of the State of Oklahoma, and is not subject to federal or state income taxes. The EMS was created to provide ambulance service to all of the citizens.

The accompanying financial statements include all EMS funds, functions, and activities over which the EMS Board exercises significant influence. Significant influence or accountability is based primarily on the oversight exercised by the EMS Board. The EMS has no component units.

B. Basis of Presentation - Fund Accounting

Governmental entities use funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregation of transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds are used to account for all or most of an EMS's general activities. The general fund is used to account for all activities of the EMS not accounted for in some other fund.

General Fund - The general fund accounts for all revenues and expenditures applicable to the general operations of the EMS.

Debt Service - The debt service fund is used to service the current portion of long-term debt.

Account Groups

Account groups are not funds. They do not reflect available financial sources. They are not involved with the measurement of results of operations.

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

Summary of Significant Accounting Policies (continued)

General Fixed Assets Account Group (GFAAG)

Generally accepted accounting principles (GAAP) require that those fixed assets of a government entity not reported in a proprietary fund or in a trust fund be reported in a general fixed assets account group (GFAAG). It does not have a balance sheet as such, nor does it report operations. Instead, the GFAAG serves as a list of the EMS's fixed assets and is designed to ensure accountability.

General Long-Term Debt Account Group (GLTDAG)

The general long-term debt account group (GLTDAG) is used to account for a government's unmatured long-term indebtedness that has not been identified as a specific fund liability of a proprietary or trust fund. In addition to general obligation debt instruments (e.g., bonds, notes, warrants), the GLTDAG is also used to report revenue bonds that will be repaid from general government resources, special assessment debt when the government is "obligated in some manner," special revenue bonds, and certain liabilities that are normally not expected to be liquidated with expendable available financial resources (e.g., capitalized lease-purchase obligations).

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

The modified accrual basis of accounting is used for governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be quantified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The EMS considers property taxes as available if collected within 60 days after year-end. Expenditures are recorded when incurred, and the related fund liability is expected to be paid from available spendable resources. Principal and interest on general long-term debt are recorded as fund expenditures when paid. Amounts accumulated in the debt service fund during the current period for principal and interest to be made early in the following year are recorded as expenditures of the current period.

Those revenues susceptible to accrual are property taxes and charges for services.

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

Summary of Significant Accounting Policies (continued)

D. Budgetary Policies and Procedures

The budget presented for the general fund includes the originally approved budgeted appropriations for expenditures as adjusted for supplemental appropriations and approved transfers between budget categories.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. At the end of the year, unencumbered appropriations are lapsed. There were no encumbered appropriations at June 30, 2002.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund presents comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances because of adopting certain aspects of the modified accrual basis of accounting and the adjusting of encumbrances to their related budget year.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with maturity date within three months of the date acquired by the EMS.

All funds were fully invested as of June 30, 2002. State statutes authorize the governmental entity to invest in obligations of the U.S. Treasury, certificates of deposit, or savings accounts of banks, savings and loans, and trust companies if secured by acceptable collateral where the collateral has been deposited with a trustee or custodian bank.

F. General Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance <u>July 1, 2001</u>	Restatement of Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2002</u>
Land	\$ 105,014	\$ -	\$ -	\$ -	\$ 105,014
Buildings	600,000	-	-	-	600,000
Ambulance	255,449	(12,820)	12,820	-	255,449
Machinery and equipment	<u>125,420</u>	<u>(18,337)</u>	<u>18,337</u>	<u>879</u>	<u>124,541</u>
Total general fixed assets	<u>\$1,085,883</u>	<u>\$ (31,157)</u>	<u>\$31,157</u>	<u>\$ 879</u>	<u>\$1,085,004</u>

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

Summary of Significant Accounting Policies (continued)

G. Risk Management

The EMS is exposed to various risks of loss related to: torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The EMS continues to carry commercial insurance for these types of risk. Settled claims resulting from these risks are subject to commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during the fiscal year 2002.

H. Compensated Absences

The EMS does not have a written personnel policy to enforce vacation leave for all employees. The EMS grants the following vacation time to its regular full-time employees: For 1 completed year of service, 40 hours of vacation, after 2 years of completed service, 80 hours of vacation, after 5 years of completed service, 120 hours of vacation. In management's opinion, any liability for accrued vacation leave would not be material to the financial statements.

I. Long-Term Obligations

The EMS reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

J. Memorandum Only – Total Columns

The total column on the Combined Balance Sheet is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Interfund transactions have not been eliminated.

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

On or before June 1 of each year, a budget for each fund, as required by the Board, shall be completed. The budget is approved by fund and object. The EMS Board may approve changes of appropriations within the fund by object. To increase or decrease the budget by fund requires approval by the Excise Board.

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

3. Detailed Notes on Account Balances

A. Deposits

At year-end, the carrying amount of the EMS's deposits was \$488,981 and the bank balance was \$446,167. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the EMS's agent in the EMS's name.

B. Receivables

The EMS receives ad valorem tax from the County's ad valorem tax collections.

The property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board.

Article X, § 9C of the Oklahoma Constitution authorized the formation of EMS districts and authorized a tax levy not to exceed three (3) mills for the purpose of providing funds to support, organize, operate, and maintain district EMS. County voters approved a three (3) mill levy to support the operations of the EMS. Property taxes are considered currently receivable if collected within 60 days.

The assessed property value as of January 1, 2001, was approximately \$99,485,152, net of homestead exemptions.

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. Unpaid real property taxes become a lien upon said property on October 1 of each year. Unpaid delinquent personal property taxes are published usually in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

Tax collections for the year ended June 30, 2002, were approximately 98 percent of the tax levy.

The EMS considers outstanding accounts receivable for ambulance charges to be charges incurred and charged prior to the end of the fiscal year. The allowance for doubtful accounts includes those charges considered uncollectible by the Board. Accounts receivable for the year ended June 30, 2002, were \$296,905, net of the allowance for doubtful accounts in the amount of \$106,509.

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

Detailed Notes on Account Balances (continued)

C. Capital Leases

The EMS acquires buildings and equipment through lease-purchase agreements. Interest on these lease-purchases cannot exceed 10%. The lease purchases are competitively bid by the EMS in order to obtain the best possible price and the most competitive interest rate. Oklahoma Statutes prohibit the EMS from entering into contracts of this nature longer than one year. For this reason, these lease-purchase agreements do not qualify for capitalization until the year the lease-purchase agreements are completed and title to the equipment is transferred to the EMS. However, it is the EMS's intent to exercise its right to purchase this property; accordingly, the lease-purchase agreements have been capitalized to conform with generally accepted accounting principles. The unpaid portions of these agreements have been reflected as capitalized lease obligations within the general long-term debt account group.

In August 1997, Jackson County Public Finance Authority entered into a lease purchase contract with the Jackson County Emergency Medical Service District for a new facility, including the land, for the administration, vehicle housing and maintenance, and other purposes of the District. The contract was in the amount of \$600,000 and was funded by the Emergency Service Facility Lease Revenue Note Series 1997.

The terms of the lease purchase contract are as follows:

	<u>Rate</u>	<u>Principal Payment</u>	<u>First Payment Date</u>	<u>Principal Balance June 30, 2002</u>
Jackson County EMS District	5.80	\$26,024	08-01-01	
	5.80	<u>26,778</u>	02-01-02	
		<u>\$52,802</u>		<u>\$427,677</u>

During the fiscal year ending June 30, 2002, \$27,112 in interest and \$52,802 principal was paid to the Authority in accordance with contract provisions. The EMS agreed to make monthly installments of \$6,659 for payment of outstanding balance.

Changes in Long-Term Debt

During the year ended June 30, 2002, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
Capital leases	\$ <u>539,885</u>	\$ <u>-</u>	\$ <u>79,103</u>	\$ <u>460,782</u>
Totals	\$ <u>539,885</u>	\$ <u>-</u>	\$ <u>79,103</u>	\$ <u>460,782</u>

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

Detailed Notes on Account Balances (continued)

D. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund equity represents tentative plans for future use of financial resources, which are available for appropriation. Specific reservations of the fund balance accounts are summarized below.

Reserved for Debt Service - The reserve for debt service was established to indicate that the fund equity or portion thereof is required by law to be used for the payment of any outstanding bonds, interest, or judgments against the EMS.

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

TO THE OFFICERS OF
JACKSON COUNTY EMERGENCY MEDICAL SERVICE

We have audited the financial statements of Jackson County Emergency Medical Service, as of and for the year ended June 30, 2002, and have issued our report thereon dated January 13, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether Jackson County Emergency Medical Service's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*. The reportable condition is described below.

Finding 2002-1 – Budget Compliance

Criteria: Title 19 O.S. 2001, § 1715, requires emergency medical services to sufficiently budget funds to cover expenditures.

Condition: The budget indicated that \$3,245 more expenditures were budgeted than the beginning budgetary balance plus estimated revenue.

Recommendation: We recommend the EMS budget sufficient funds to meet expenditures in accordance with Title 19 O.S. 2001, § 1715.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jackson County Emergency Medical Service's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve

matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described below.

Finding 2001-2 – Segregation of Duties

Criteria: Good internal controls dictate that the most effective controls lie in management's knowledge of EMS operations and a periodic review of operations.

Condition: The limited number of office personnel within the EMS prevents a proper segregation of accounting functions, which is necessary to assure adequate internal control structure.

Recommendation: We recommend management be aware of this condition and realize the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of EMS operations and a periodic review of operations.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2001-2 to be a material weakness.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,



JEFF A. McMAHAN
State Auditor and Inspector

January 13, 2003

Management Response



Emergency Medical Services District of Jackson County



1309 North Park Lane * Altus, Oklahoma 73521 * Business Phone: 580-477-4112

Monday, February 24, 2003

Office of the State Auditor and Inspector
100 State Capital
Oklahoma City, Oklahoma 73105

Dear Mr. Jeff A. McMahan,

This letter is in response to the conditions reported by the Office of the State Auditor and Inspector for the 2001-2002 fiscal year.

2001-2 Management is aware of the limited number of office personnel, therefore the administrator is actively involved in all facets of the daily operations of Jackson County EMS. The Board of Directors is informed of the business operations on a monthly basis. A periodic review is conducted and appropriate changes made when necessary.

2001-1 In review of this finding Jackson County EMS discovered that the approved amount by the excise board (\$9,367.03) from the 2000-2001 Estimate of Needs was not carried forward to the current schedule. (Revenue section 1112) Instead the estimated amount by the board was carried forward and recorded on the current budget (\$6,122.34). This accounts for the \$3,245.00 difference in budgeted expenditures over revenues.

We appreciate your time and help with matters concerning the operations of Jackson County EMS. The courtesy extended by the auditor's office was appreciated.

Sincerely,

Marsha Kelly
Chairperson, Board of Trustees
Jackson County EMS

MK/dmc