

**AUDIT REPORT
PUSHMATAHA 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

April 3, 2003

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

Transmitted herewith is the audit of the Pushmataha County Emergency Medical Service for the fiscal year ended June 30, 2002. The audit was conducted in accordance with *Government Auditing Standards*.

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 the Pushmataha 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, appearing to read "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

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

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

CHAIRMAN/TREASURER

Bob Bouffleur

VICE-CHAIRMAN

Henry Meek

SECRETARY

Kelly Houston

MEMBERS

Steve Kirk

Shelly Morris



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
PUSHMATAHA COUNTY EMERGENCY MEDICAL SERVICE

We have audited the accompanying financial statements of the Pushmataha 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 Pushmataha 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 November 21, 2002, on our consideration of the Pushmataha 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. McMahar".

JEFF A. McMAHAN
State Auditor and Inspector

November 21, 2002

Financial Statements

**PUSHMATAHA COUNTY EMERGENCY MEDICAL SERVICE
BALANCE SHEET
JUNE 30, 2002**

	<u>Governmental Fund Type</u>
	General Fund
<u>ASSETS</u>	
Cash	\$ 53,699
Ad valorem taxes receivable	<u>2,498</u>
 Total assets	 <u>\$ 56,197</u>
 <u>FUND BALANCE</u>	
Fund balance:	
Unreserved:	
Undesignated	<u>\$ 56,197</u>
 Total fund balance	 <u>\$ 56,197</u>

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

**PUSHMATAHA COUNTY EMERGENCY MEDICAL SERVICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Governmental Fund Type
	General Fund
Revenues:	
Ad valorem taxes	\$ 91,202
Miscellaneous revenues	6,532
Total revenues	97,734
Expenditures:	
Current operating:	
Travel	1,155
Maintenance and operations	7,330
Provider contracts	82,700
Total expenditures	91,185
Excess of revenues over (under) expenditures	6,549
Beginning fund balance	49,648
Ending fund balance	\$ 56,197

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

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Beginning fund balances, budgetary basis	\$ 51,306	\$ 44,838	\$ (6,468)
Revenues:			
Ad valorem taxes	83,793	93,514	9,721
Miscellaneous revenues	737	6,532	5,795
Total revenues, budgetary basis	<u>84,530</u>	<u>100,046</u>	<u>15,516</u>
Expenditures:			
Current operating:			
Travel	5,000	1,155	3,845
Maintenance and operations	40,836	7,330	33,506
Provider contracts	90,000	82,700	7,300
Total expenditures, budgetary basis	<u>135,836</u>	<u>91,185</u>	<u>44,651</u>
Excess of revenues and beginning fund balances over (under) expenditures	<u>\$ -</u>	53,699	<u>\$ 53,699</u>
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balance			
Add: Ad valorem tax receivable		<u>2,498</u>	
Ending fund balance		<u>\$ 56,197</u>	

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

Notes to the Financial Statements

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

1. Summary of Significant Accounting Policies

The financial statements of the Pushmataha 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 (GASB) 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 does not have any component units.

B. Basis of Presentation – Fund Accounting

A governmental entity uses funds and account groups to report financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregation of transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Funds

A governmental fund is used to account for all of the EMS's general activities. The general fund is used to account for all activities of the EMS not accounted for in some other fund.

Account Groups

An account group is not a fund. It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations. Account groups are not presented because the EMS does not report fixed assets or long-term debt.

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. The general fund is accounted for using a current financial resources

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

Summary of Significant Accounting Policies (continued)

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 by all 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. Those revenues susceptible to accrual are property taxes.

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.

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 to actual, will differ from the data as presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance because of adopting certain aspects of the modified accrual basis of accounting and the adjusting of encumbrances to their related budget year.

E. Cash

Cash includes amounts in demand deposits with maturity date within three months of the date acquired by the EMS.

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. Risk Management

The Board does not believe that they are exposed to material risk since they contract with two providers who provide service. The EMS has neither employees nor fixed assets.

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

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.

3. Detailed Notes on Account Balances

A. Cash

At year-end, the carrying amount of the EMS's deposits was \$53,699 and the bank balance was \$57,499. Of the bank balance, all funds were covered by federal depository insurance.

B. Receivables

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 District, 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. The tax is collected by the County Treasurer and remitted to the EMS.

Article X, § 9C of the Oklahoma Constitution authorized the formation of EMS districts and authorized a tax levy not to exceed three mills for the purpose of providing funds to support, organize, operate, and maintain district ambulance services. County voters approved a three 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 \$29,532,248 after deducting homestead exemptions of approximately \$2,963,464.

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.

Current year tax collections for the year ended June 30, 2002, were approximately 95.56 percent of the tax levy.

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

4. Provider Contract

The EMS Board has contracted with the Pushmataha County Hospital and the Town of Clayton to provide emergency medical service and equipment in Pushmataha County. Titles to all assets have been transferred to the providers.

**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 BOARD OF DIRECTORS
OF THE PUSHMATAHA COUNTY EMERGENCY MEDICAL SERVICE

We have audited the financial statements of the Pushmataha County Emergency Medical Service, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 21, 2002. 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 Pushmataha 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

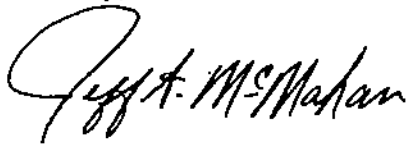
In planning and performing our audit, we considered Pushmataha County Emergency Medical Service's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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,

A handwritten signature in black ink that reads "Jeff A. McMahon". The signature is written in a cursive style with a large, looping initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

November 21, 2002