

CHOCTAW COUNTY EMS

JULY 1, 2003 THROUGH JUNE 30, 2004

EMS
AUDIT



Jeff A. McMahan

Oklahoma State Auditor
& Inspector

**CHOCTAW COUNTY AMBULANCE AUTHORITY
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

This publication is printed and issued by the State Auditor and Inspector as authorized by Article 10, § 9C (i) of the Oklahoma Constitution. Pursuant to 74 O.S. § 3105.B, twenty-five (25) copies have been prepared and distributed at a cost of \$48.95. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

March 6, 2008

TO THE BOARD OF TRUSTEES OF THE
CHOCTAW COUNTY AMBULANCE AUTHORITY

Transmitted herewith is the audit of the Choctaw County Ambulance Authority's financial statement for the fiscal year ended June 30, 2004. 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 Choctaw County Ambulance Authority.

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 serving the public interest by providing independent oversight and by issuing 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, reading "Michelle R. Day", is positioned above the typed name and title.

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

CHOCTAW COUNTY AMBULANCE AUTHORITY
JUNE 30, 2004

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**CHOCTAW COUNTY AMBULANCE AUTHORITY
BOARD OF TRUSTEES
JUNE 30, 2004**

CHAIRMAN

Lloyd Parsons

MEMBERS

Mary Loar
Ruth Jones
Jim Clark
Bob Edge

ADMINISTRATOR

Joyce Armes

INTRODUCTION

Article 10, § 9C of the Oklahoma Constitution authorized the formation of emergency medical service districts and authorized a tax levy not to exceed 3 mills for the purpose of providing funds to support, organize, operate, and maintain district ambulance services. District voters approved the formation of the district and 3 mills levy to support the operation of the district. The Choctaw County Ambulance Authority is comprised of Choctaw County and was created to provide ambulance service to all citizens.

Emergency medical service districts are governed by a board of trustees. The board of trustees (the board) has the power to hire a manager and other personnel, contract, organize, maintain, or otherwise operate the emergency medical service district. The trustees must act as a board when entering into contracts or other agreements affecting the district's welfare. Thus, actions taken by the board are voted on and approved by a majority of the trustees. The board of trustees' business meetings are open to the public. The board shall have the capacity to sue and be sued but shall enjoy immunity from civil suits for actions or omissions arising from the operation of the district. Such districts have the authority to charge fees for services, and accept gifts, funds, or grants.

The Oklahoma Constitution also provides that the emergency medical service district shall be audited by the State Auditor and Inspector.

FINANCIAL SECTION



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

TO THE BOARD OF TRUSTEES OF THE
CHOCTAW COUNTY AMBULANCE AUTHORITY

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances—General Fund of Choctaw County Ambulance Authority, as of and for the year ended June 30, 2004, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of the Choctaw County Ambulance Authority. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

As described in Note 1, the accompanying basic financial statement was prepared using accounting practices prescribed or permitted by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Choctaw County Ambulance Authority as of June 30, 2004, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in cash balances of the Choctaw County Ambulance Authority, for the year ended June 30, 2004, on the basis of accounting described in Note. 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2008, on our consideration of Choctaw County Ambulance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the Statement of Receipts, Disbursements, and Changes in Cash Balances—General Fund of Choctaw County Ambulance Authority, taken as a whole. The accompanying Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statement. The Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—General Fund has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

A handwritten signature in black ink, reading "Michelle R. Day". The signature is fluid and cursive, with the first name "Michelle" being the most prominent part.

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

February 12, 2008

Basic Financial Statement

**CHOCTAW COUNTY AMBULANCE AUTHORITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	General Fund
Beginning Cash Balance	\$ 726,704
Receipts:	
Ad Valorem Taxes	128,133
Charges for Services	535,477
Sales Tax	172,556
Miscellaneous	7,023
Total Receipts	<u>843,189</u>
Disbursements:	
Personal Services	77,162
Travel	1,866
Maintenance and Operations	134,668
Capital Outlay	69,757
Provider Contract	421,060
Audit	4,000
Total Disbursements	<u>708,513</u>
Ending Cash Balance	<u>\$ 861,380</u>

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

**CHOCTAW COUNTY AMBULANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

1. Summary of Significant Accounting Policies

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of Choctaw County Ambulance Authority (the Authority). The financial activity presented is established under statutory authority, and its operation is under the control of the Authority Board of Trustees. The more significant accounting policies and practices are described below.

A. Reporting Entity

The Authority is a special unit of government and does not possess political or governmental powers other than those necessary to carry out the specific purposes for which it was created. The Authority is not subject to federal or state income taxes.

The accompanying basic financial statement includes all Authority functions and activities over which the Authority Board exercises significant influence. Significant influence or accountability is based primarily on the oversight exercised by the Authority Board. The Authority is not a component unit of another government and does not have any component units.

B. Fund Accounting

The Authority uses only a general fund to account for its cash balances.

C. Basis of Accounting

The basic financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

D. Cash and Investments

State statutes require financial institutions with which the Authority maintains funds to deposit collateral securities to secure the Authority's deposits. The amount of collateral securities to be pledged is established by the Authority Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

State statutes authorize the Authority 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.

**CHOCTAW COUNTY AMBULANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

E. Risk Management

The Authority 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 Authority continues to carry commercial insurance for these types of risk. The Authority carries workers' compensation, health, and accidental insurance on its employees. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during the 2004 fiscal year.

F. Compensated Absences

Each full-time employee shall accrue one day of sick leave each month. Each employee will be allowed to carry over sick leave each year up to a maximum of 12 days from the previous year. Maximum sick leave carried over shall be 24 days in one year. Should the need arise; one employee may donate sick days to another employee at his or her discretion. In the event of a catastrophic illness, an employee may have one additional sick day for each year of employment.

Each full-time employee shall receive two weeks paid vacation time after one year of employment. Employees may carry vacation over up to 20 days in one year. Employees may voluntarily give vacation days to another employee, should the need arise.

2. Stewardship Policies

On or before June 1 of each year, a budget for each fund, as required by the Board, is completed. The budget is approved by fund and object. The Authority 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 Fund Balances

A. Ad Valorem Tax

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 Authority.

The assessed property value as of January 2003 was approximately \$40,887,204 after deducting homestead exemptions.

CHOCTAW COUNTY AMBULANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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 delinquent personal property taxes are published usually in May. If the taxes are not paid within 30 days from publication, they are placed on the personal tax lien docket.

Current year tax collections for the year ended June 30, 2004, were approximately 92.27 percent of the tax levy.

B. Fixed Assets Ledger

A ledger in which to record the details relating to the fixed assets of the Authority is maintained as required by 19 O.S. § 1718. The fixed assets of the Authority are not included in the Statement of Receipts, Disbursements, and Changes in Cash Balances—General Fund because the statement presents only cash resources of the Authority. Capital acquisition and construction are reflected as capital outlay disbursements in the General Fund. Also, this cash basis presentation does not reflect any depreciation of assets.

The following is a summary of changes in the fixed assets ledger of the Authority during the fiscal year ended:

	<u>Balance</u> <u>07-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-04</u>
Land, buildings, and office	\$ 98,712	\$	\$	\$ 98,712
Equipment	24,052	1,941		25,993
Emergency vehicles	230,736	58,500		289,236
Emergency equipment	48,339	9,316		57,655
	<u>\$ 401,839</u>	<u>\$ 69,757</u>	<u>\$ -</u>	<u>\$ 471,596</u>

4. Pension Plan

Plan Description. The Authority contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

**CHOCTAW COUNTY AMBULANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates. Authority employees are required to contribute between 3.5% and 8.5% of earned compensation. The Authority contributes between 5.0% and 10.0% of earned compensation. The Authority's contributions to the Plan for the years ending June 30, 2004, 2003, and 2002, were \$5,638, \$5,275, and \$4,867, respectively, equal to the required contributions for each year.

5. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the Authority is not available nor can it be reasonably estimated.

6. Sales Tax

The voters of Choctaw County approved a one percent sales tax effective June 1, 2000. This sales tax will expire June 1, 2005. Eighteen percent of the sales tax was established to provide revenue for the County Ambulance Authority.

SUPPLEMENTARY INFORMATION

CHOCTAW COUNTY AMBULANCE AUTHORITY
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND
CHANGES IN CASH BALANCES—
BUDGET AND ACTUAL—BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 725,849	\$ 725,849	\$ 726,704	\$ 855
Beginning Cash Balances, Budgetary Basis	725,849	725,849	726,704	855
Receipts:				
Ad Valorem Taxes	111,511	111,511	128,133	16,622
Charges for Services			535,477	535,477
Sales Tax			172,556	172,556
Miscellaneous Revenues			7,023	7,023
Total Receipts, Budgetary Basis	111,511	111,511	843,189	731,678
Expenditures:				
Personal Services	503,030	503,030	77,162	425,868
Travel			1,866	(1,866)
Maintenance and Operations	173,130	173,130	134,668	38,462
Capital Outlay	161,200	161,200	69,757	91,443
Contract Services			421,060	(421,060)
Audit Budget Account			4,000	(4,000)
Total Expenditures, Budgetary Basis	837,360	837,360	708,513	128,847
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	861,380	\$ 861,380
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances Ending Cash Balance			\$ 861,380	

See independent auditor's report.

The accompanying notes to the supplementary information are an integral part of this schedule.

**CHOCTAW COUNTY AMBULANCE AUTHORITY
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Oklahoma Statutes require the Authority to prepare a formal budget for the general fund and other funds as the Board of Trustees may require. The budget presented for the general fund includes the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

The Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—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 Receipts, Disbursements, and Changes in Cash Balances because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

INTERNAL CONTROL AND COMPLIANCE SECTION



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

**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 TRUSTEES OF THE
CHOCTAW COUNTY AMBULANCE AUTHORITY

We have audited the Statement of Receipts, Disbursements, and Changes in Cash Balances—General Fund of Choctaw County Ambulance Authority, as of and for the year ended June 30, 2004, which comprises the Choctaw County Ambulance Authority's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated February 12, 2008. The report on the Statement of Receipts, Disbursements, and Changes in Cash Balances was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Choctaw County Ambulance Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide an opinion 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 Authority's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement. The reportable condition is described in the accompanying schedule of findings and responses as item 2004-1.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statement 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 the reportable condition described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Choctaw County Ambulance Authority's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as items 2004-2 and 2004-3.

This report is intended solely for the information and use of the Board of Trustees, Excise Board, and Legislative Officials and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S., section 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in black ink, reading "Michelle R. Day". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

February 12, 2008

**CHOCTAW COUNTY AMBULANCE AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Findings related to the 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

Finding 2004-1- Segregation of Duties (Repeat Finding)

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping, and reconciliation is an important element of effective internal control over government assets and resources.

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

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of assets.

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 desired from a control point of view. The most effective controls lie in management's knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Management does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2004-2 – Estimate of Needs (Repeat Finding)

Criteria: According to 19 O.S. § 1706.1, the district must appropriate the net proceeds of the one-tenth mill annual ad valorem levy upon the net total assessed valuation of the district for audit expenses.

Condition: The Authority did not appropriate the mandatory one-tenth mill to the audit budget account.

Effect: This condition would result in the Authority being in violation of laws, regulations or legislative intent.

Recommendation: We recommend that the Authority properly complete the Estimate of Needs and include the mandatory audit budget account.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Procedures will be implemented to appropriate funds for the audit budget account.

**CHOCTAW COUNTY AMBULANCE AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Finding 2004-3 – Appropriations

Criteria: Title 19 O.S. § 1719 states in part, "Expenditures shall be departmentalized by appropriate functions and activities within each fund and shall be classified within the following categories:

1. Salaries and wages, which may include expenses for salaries, wages, per diem allowances and other forms of compensation;
2. Employee benefits paid to any member or employee of the board for services rendered or for employment. Employee benefits may include employer contributions to a retirement system, insurance, vacation allowances, sick leave, terminal pay or similar benefits;
3. Operating expenses, which may include materials and supplies, articles and commodities which are consumed or materially altered when used, such as office supplies, operating supplies and repair and maintenance supplies, and all items of expense to any persons, firm or corporation rendering a service in connection with repair, sale or trade of such articles or commodities, such as services or charges for communications, transportation, advertising, printing or binding, insurance, public utility services, repairs and maintenance, rentals, miscellaneous items and all items of operating expense to any person, firm or corporation rendering such services;
4. Other services and charges, which may include all current expenses other than those listed in paragraphs 1, 2, 3, 5 or 6 of this section;
5. Capital outlays, which may include outlays which result in acquisition of or additions to fixed assets purchased by the authority, including land, buildings, improvements other than buildings, and all construction, reconstruction, appurtenances or improvements to real property accomplished according to the conditions of a contract, machinery and equipment, furniture and autos and trucks; and
6. Debt service, which may include outlays in the form of debt principal payments, periodic interest payments, paying agent's fees, or related service charges for benefits received in part in prior fiscal periods as well as in current and future fiscal periods."

Additionally, Title 19 O.S. § 1717 states in part, "No expenditures may be authorized or made by any employee or member of the board which exceeds any fund balance for any fund of the budget as adopted or amended or which exceeds the appropriation for any fund of the budget as adopted or amended."

Also, part C of Title 19 O.S. § 1721 provides for situations when appropriations need to be revised and states, "A budget amendment as provided in this section authorizing supplemental appropriations or a decrease or change in appropriation or funds shall be adopted at a meeting of the board and filed with the district, the county excise board of each county in which the district is located and the State Auditor and Inspector."

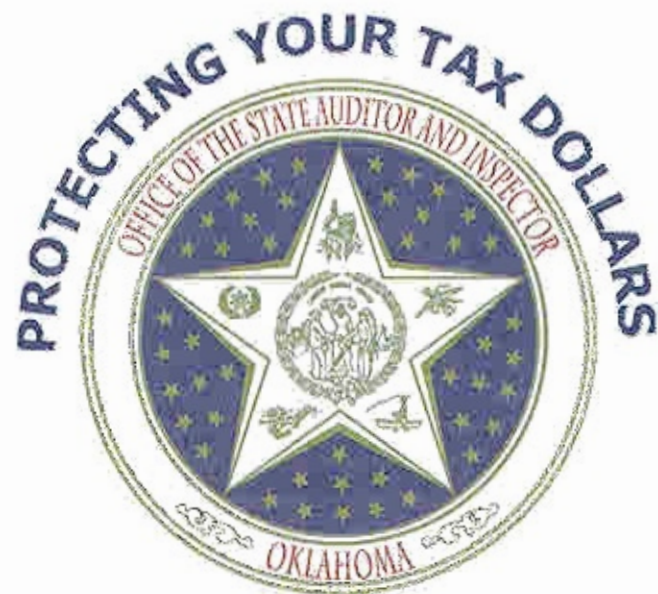
**CHOCTAW COUNTY AMBULANCE AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Condition: The Authority did not properly departmentalize expenditures by appropriate functions and activities. Additionally, the Authority exceeded their approved appropriations for Travel by \$1,866, Contract Services by \$421,060, and the Audit Budget account by \$4,000.

Effect: This could result in unappropriated expenditures.

Recommendation: We recommend that the Authority closely monitor their expenditures in relation to appropriated amounts and that the Board of Trustees not approve expenditures in excess of the budgeted appropriations for a particular function or activity.

Views of responsible officials and planned corrective actions: Management concurs with the State Auditor's findings and will implement procedures to correct this issue.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR
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