

**Financial Statements and Reports of
Independent Certified Public Accountant
Cleora Emergency Medical
Services District Trust
Afton, Oklahoma
June 30, 2014**

**TURNER & ASSOCIATES, PLC
Certified Public Accountants
P.O. Box 378
Vinita, OK 74301
(918) 256-6788**

Cleora Emergency Medical Services District Trust
Board of Trustees
June 30, 2014

Gary Smiley	Chairman
Frank Colburn	Vice-Chairman
Lee Ehrhardt	Treasurer
Judy Florida	Trustee
Helen Thomas	Trustee
Matt Starcevich	Trustee
Jack Luginbuel	Trustee

Cleora Emergency Medical Services District Trust
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Cleora Emergency Medical Services District Trust
Afton, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Cleora Emergency Medical Services District Trust, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the special revenue fund activities of the Cleora Emergency Medical Services District Trust, as of June 30, 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The management's discussion and analysis on pages 4 through 8 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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.

TURNER & ASSOCIATES, PLLC

Vinita, Oklahoma
November 1, 2014



**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***

Board of Trustees
Cleora Emergency Medical Services District Trust
Claremore, Oklahoma

We have audited 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, the financial statements of the business-type activities of the Cleora Emergency Medical Services District Trust, County of Craig, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Cleora Emergency Medical Services District Trust's financial statements, and have issued our report thereon dated November 1, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cleora Emergency Medical Services District Trust'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 the Cleora Emergency Medical Services District Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of Cleora Emergency Medical Services District Trust's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting, describe in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cleora Emergency Medical Services District Trust's financial statements are free of 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 the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TURNER & ASSOCIATES, PLLC

Vinita, Oklahoma
November 1, 2014

Cleora Emergency Medical Services District Trust
Management Discussion & Analysis (Unaudited)
June 30, 2014

This section of the annual financial report for the Cleora Emergency Medical Services District Trust's (CEMSA) (the "Trust") presents analysis of the Trust's financial performance during the fiscal year ended June 30, 2014.

In November 2004, as authorized by Section 9c, Article 10 of the Oklahoma Constitution, the registered and qualified voters within the Cleora School District approved and authorized an annual recurring tax levy of three (3) mills on the dollar of the assessed valuation of all taxable property within the Cleora School District, which tax levy is for the purpose of providing funds for the formation, support, organization, operation and maintenance of an EMS District to be named and known as the Cleora Emergency Medical Service District.

In June 2005, a public trust, Cleora Emergency Medical Services District Trust, was created and established under the provisions of Title 60, Oklahoma Statutes 1981, Section 176 to 180.4 inclusive as amended and supplemented by the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. Seven district trustees were named and were signature to the Trust Indenture.

In May 2006, a contract was entered into by and between the Cleora Emergency Medical Service District (the "District") and CEMSA. Under Section 1 of this contract, "Use and Provision of Tax Levy Proceeds", the District agreed to remit, or cause to be remitted, any and all proceeds of the Tax Levy to the Trust. The Trust agreed to receive the proceeds of the Tax Levy and to utilize such revenues without limitation to service any indebtedness of the Trust created or incurred for the District and to carry out the operations of the Emergency Medical Service for the residents of the Cleora School District and surrounding areas.

The Trust has no employees. The Trust along with Craig County and the City of Vinita, negotiated a joint operating agreement with Mercy Regional EMS ("Provider") to provide ambulance services for the Trust, Craig County and the City of Vinita. The joint operating agreement expires June 30, 2015, but can be extended upon the agreement of the four parties. The Trust's portion of monthly operating costs is \$6,720.

**Cleora Emergency Medical Services District Trust
Management Discussion & Analysis (Unaudited)
June 30, 2014**

All legal documents from which the above information was obtained are on file with the County Clerk and Attorney General and are therefore, public records.

This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2014

- The Trust's Net Position increased by approximately \$4,900 or 2% from approximately \$309,500 to approximately \$314,400.
- Operating revenues increased approximately \$3,300 or 3% from the previous fiscal year.
- Property and equipment, net decreased approximately \$10,200 or 3%.
- Operating expenses remained flat at approximately \$100,400.
- Non-operating revenues (expense), net expenses increased approximately \$800 or 12% from approximately \$6,900 to approximately \$7,700.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Trust report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The Statement of Net Position include information on the Trust's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Trust creditors (liabilities). The Statement of Revenues, Expenses and Changes in Net Position identify the Trust's revenues and expenses for the fiscal year ended June 30, 2014. This statement provides information on the Trust's operations over the past fiscal year and can be used to determine whether the Trust has recovered all of its actual and projected costs. The third financial statement is the Statements of Cash Flows. This statement provides information on the Trust's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities. From the Statement of Cash Flows, the reader can obtain comparative information on the source and use of cash and the change in the cash and cash equivalents balance for each of the last fiscal year.

Cleora Emergency Medical Services District Trust
Management Discussion & Analysis (Unaudited)
June 30, 2014

FINANCIAL ANALYSIS OF THE TRUST

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide an indication of the Trust's financial condition and also indicate that the financial condition of the Trust improved during the last fiscal year. The Trust's Net Position reflect the difference between assets and liabilities. An increase in Net Position over time typically indicates an improvement in financial condition.

Table 1
Condensed Statements of Net Position

	June 30		Dollar	Percent
	2014	2013	Change	Change
Cash and Cash equivalents	\$ 261,056	\$ 254,713	\$ 6,343	2%
Note Receivable-Mercy	-	12,111	(12,111)	-100%
Property and equipment, net	296,736	306,917	(10,181)	-3%
Restricted Cash	6,503	5,470	1,033	19%
Total assets	<u>\$ 564,295</u>	<u>\$ 579,211</u>	<u>\$ (14,916)</u>	<u>-3%</u>
Current liabilities	\$ 17,257	\$ 6,913	\$ 10,344	150%
Long-term liabilities	232,597	262,759	\$ (30,162)	-11%
Total liabilities	<u>249,854</u>	<u>269,672</u>	<u>(19,818)</u>	<u>-7%</u>
Net Position	<u>314,441</u>	<u>309,539</u>	<u>4,902</u>	<u>2%</u>

June 30, 2014 compared to June 30, 2013

As the above table indicates, current assets increased by approximately \$6,300 as a result of an increase in cash. The increase in cash is primarily a result of the collection on the note receivable plus the positive results of operations for the year, offset partially by payments on the note payable. Property and equipment decreased \$10,200 due to the current year depreciation. Restricted assets increased approximately \$1,000 as the Trust deposited cash with its insurance company that can be used to pay its deductible, if necessary.

Current liabilities increased due to the re-financing of the long term note in July 2014 that classified a portion of the long-term debt as current under the terms of the note agreement.

Long-term debt decreased approximately \$30,200 related to the re-financing of the long-term debt and payments made during the fiscal year ended June 30, 2014.

Cleora Emergency Medical Services District Trust
Management Discussion & Analysis (Unaudited)
June 30, 2014

The Statements of Revenues, Expenses and Changes in Net Position identify the various revenue and expense items which affect the change in Net Position.

Table II
Condensed Statements of Revenues, Expenses and Changes in Net Assets

	June 30		Dollar	Percent
	2014	2013	Change	Change
Operating revenues	\$ 113,049	\$ 109,703	\$ 3,346	3%
Operating expenses	100,404	100,439	\$ (35)	0%
Operating income	12,645	9,264	3,381	36%
Non-operating income (expense),	(7,743)	(6,897)	(846)	-12%
Change in net position	<u>\$ 4,902</u>	<u>\$ 2,367</u>	<u>\$ 2,535</u>	<u>107%</u>

June 30, 2014 compared to June 30, 2013

As the information in Table II indicates, operating revenues increased approximately 3%. The increase in the seventh year tax levy is related to a continued increase in the tax base in the Cleora School District. The operating revenue of approximately \$113,000 represent the amount of taxes receivable by the Trust based on collections by the Counties.

The total of operating expenses remained consistent fiscal 2013 to fiscal 2014 at approximately \$100,400.

Non-operating revenues (expenses) went from a net expense of approximately \$6,900 to net expense of approximately \$7,700. The increase is primarily the result of an approximately \$5,800 decrease in interest expense under the new note payable offset by a \$3,000 decrease in donation income. In addition, the Trust paid approximately \$2,700 of loan costs associated with the July 2013 loan refinance.

**Cleora Emergency Medical Services District Trust
Management Discussion & Analysis (Unaudited)
June 30, 2010**

CAPITAL ASSETS

The Trust's has an investment in property and equipment, before depreciation, of approximately \$374,000. The investment consists primarily of land obtained through a donation in 2005, the construction of the ambulance facility of approximately \$315,000 and furniture and equipment of approximately \$2,000. A summary of property and equipment for the past fiscal year can be found at Note II to the financial statements.

LONG-TERM DEBT

As of June 30, 2014, the Trust had a long-term note payable with an outstanding balance of approximately \$246,900. The loan bears interest at 3.58% and requires payments in monthly installments of \$1,924.68 through July 2028, when unpaid principal and interest are due. The note is collateralized by the donated land and the ambulance facility.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

Under the operating contract entered into in October 2011, the Provider is responsible for all the day-to-day operating costs related to operating the ambulance. The Trust, along with Craig County and the City of Vinita, will be required to enter into an extension of the existing operating agreement with the Provider before June 30, 2015 or contract with a new provider at that time. Under the existing agreement, the Trust retains a portion of the ongoing tax levy income to cover its operating costs, service its debt obligations and to provide for the replacement of infrastructure as it became necessary, with monthly payments for the Provider's services of \$6,720.

The Trust, located in the Cleora School District, which incorporates a portion of Delaware and Craig Counties in Oklahoma, anticipates that the tax base will only increase in the future and will be sufficient for the Trust to meet its short-term and long-term obligations.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the Trust's citizens, investors and other interested parties an overview of the Trust's financial operations and financial condition. Should the reader have any questions regarding the information included in this report or wish to request additional financial information, please contact the Trust at 32922 Pebble Beach, Afton, OK 74331.

Cleora Emergency Medical Services District Trust
Statement of Net Position
June 30, 2014

Assets

Current Assets	
Cash	\$ 261,056.00
Noncurrent Assets	
Capital Assets:	
Capital Assets, not being depreciated	57,043.25
Capital Assets, net of accumulated depreciation	239,692.76
Total Capital Assets	296,736.01
Restricted Assets:	
Cash	6,502.64
Total noncurrent assets	303,238.65
Total Assets	564,294.65

Liabilities

Current Liabilities	
Accounts Payable	300.00
Accrued Expenses	2,028.92
Contingent Consideration	611.00
Note Payable-Current	14,317.20
Total current liabilities	17,257.12
Noncurrent Liabilities	
Note Payable	232,597.14
Total liabilities	249,854.26

Net Position

Net investment in capital assets	49,821.67
Restricted	6,502.64
Unrestricted	258,116.08
Total Net Position	\$ 314,440.39

The accompanying Notes to the Financial Statements are an integral part of this statement.

Cleora Emergency Medical Services District Trust
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

Operating Revenues

Tax Levy Income	\$ 113,048.54
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Operating Expenses

Auditing and Accounting	4,500.00
Advertising	258.30
Insurance	1,344.00
Operation and Maintenance	80,640.00
Legal	450.00
Maintenance and Repairs	2,882.35
Miscellaneous	105.00
Supplies	44.14
Depreciation	10,180.56
Total Operating Expenses	100,404.35

Operating Income

	12,644.19
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Non-Operating Revenues (Expenses)

Donations	3,993.16
Interest Income	243.97
Loan Costs Paid	(2,653.16)
Interest Expense	(9,326.59)
Total Non Operating Revenues (Expenses)	(7,742.62)

Change in Net Position	4,901.57
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Total net position, beginning	309,538.82
Total net position, ending	\$ 314,440.39

The accompanying Notes to the Financial Statements are an integral part of this statement.

Cleora Emergency Medical Services District Trust
Statement of Cash Flows
For the Year Ended June 30, 2014

Cash Flows from Operating Activities

Cash Inflows:

Tax Levy Income	\$ 113,048.54
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Cash Outflows:

Payments for Goods and Services	94,196.52
Net Cash Provided by Operating Activities	18,852.02

Cash Flows from Noncapital Financing Activities

Donations and Other Income	4,237.13
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Cash Flows from Capital and Related Financing Activities

Principal Paid on Capital Debt	(15,845.00)
Interest Paid on Capital Debt	(9,326.59)
Loan Costs Paid	(2,653.16)
Payments received on Note Receivable	12,111.43
Net Cash Used by Capital and Related Financing Activities	(15,713.32)

Net Cash Inflow from All Activities	7,375.83
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Cash, Cash Equivalents and Restricted Cash, Beginning of Year	260,182.81
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 267,558.64

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by Operating Activities:**

Operating Income	\$ 12,644.19
Depreciation	10,180.56
Increase (Decrease) in:	
Accounts Payable	(3,185.69)
Estimated Levy Payable	458.92
Accrued Interest	(1,245.96)
Net Cash Provided by Operations	\$ 18,852.02

The accompanying Notes to the Financial Statements are an integral part of this statement.

Cleora Emergency Medical Services District Trust
Notes to the Financial Statements
For the Year Ended June 30, 2014

The following notes to the financial statements are an integral part of Cleora Emergency Medical Services District Trust's financial statements.

I. Summary of Significant Accounting Policies

Cleora Emergency Medical Services District Trust, Afton, Oklahoma (the Trust) was created by a declaration of Trust dated December 13, 2004, for the purpose of assisting the Beneficiary, the State of Oklahoma, its Governmental Agencies, municipalities and private entities, agencies and citizens in making the most efficient use of all their economic resources and powers in accordance with the needs and benefit of the State of Oklahoma and the Beneficiary in order to lessen the burdens of the Government and to stimulate economic growth and development.

The accounting policies of the Trust conform to generally accepted accounting principles applicable to governmental units. The Trust complies with generally accepted accounting principles and applies all relevant Government Accounting Standards Board (GASB) pronouncements. In addition, the Trust applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Trust has elected not to follow FASB pronouncements issued since that date.

The Trust reports under the provisions of GASB Statement No. 34 *"Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments"*. Statement 34 establishes standards for external financial reporting for all state and local governmental entities which includes a management's discussion and analysis section, a statement of Net Position, a statement of activities and changes in Net Position and a statement of cash flows. It requires the classification of Net Position into three components—invested in capital assets, net of related debt; restricted; and unrestricted.

Under GASBS No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Cleora Emergency Medical Services District Trust is not legally required to adopt a budget for the general fund. Therefore, budget comparison information is not included in the financial statements.

A. Financial Reporting Entity

The Trust complies with GASB Statement No. 14, *"The Financial Reporting Entity."* This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Trust considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Trust's financial statements.

Cleora Emergency Medical Services District Trust
Notes to the Financial Statements
For the Year Ended June 30, 2014

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

The Trust's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

The proprietary funds utilize an "*economic resources*" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in Net Position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as Net Position.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Trust's enterprise fund is tax levy income. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Net Position and Revenues

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

2. Fair Value of Financial Instruments

The Trust's financial statements include cash and long term debt. The Trust's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying Statement of Net Position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments or the recent negotiated terms of the long-term debt.

Cleora Emergency Medical Services District Trust
Notes to the Financial Statements
For the Year Ended June 30, 2014

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Net Position and Revenues (continued)

3. Capital Assets

Capital assets include property, plant and equipment with an initial individual cost of more than \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are reported at estimated fair market value at the date of donation.

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

All reported capital assets are depreciated on the straight-line basis over the estimated useful lives ranging from five to fifty years.

4. Equity Classifications

Equity is classified as Net Position and displayed in three components:

- a. Invested in capital assets, net of related debt --- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted Net Position --- Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position --- All other Net Position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

5. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cleora Emergency Medical Services District Trust
Notes to the Financial Statements
For the Year Ended June 30, 2014

II. Detailed Notes Concerning the Funds

A. Cash

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Trust's deposits may not be returned to it. The Trust's cash deposits are maintained in financial institutions. As of June 30, 2014, \$11,056.00 of the Trust's deposits was exposed to custodial credit risk.

B. Restricted Assets

The Trust maintains a cash balance with its insurance provider that can be used to pay the Trust's deductible if necessary.

C. Changes in Capital Assets

Capital asset activity for the year was as follows:

	Balance 6/30/2013	Additions	Deletions	Balance 6/30/2014
Land	\$ 57,043.25	\$ -	\$ -	\$ 57,043.25
Buildings	314,961.67	-	-	314,961.67
Furniture & Fixtures	2,023.63	-	-	2,023.63
Total Depreciable Assets	316,985.30	-	-	316,985.30
Accumulated Depreciation	(67,111.98)	(10,180.56)	-	(77,292.54)
	249,873.32	(10,180.56)	-	239,692.76
Total Capital Assets	\$ 306,916.57	\$ (10,180.56)	\$ -	\$ 296,736.01

D. Accounts Receivable

Accounts receivable of the Cleora Emergency Medical Services District Trust consists of ad valorem tax that is expected to be collected within the months following year end. It is recorded net of allowance for uncollectible in the amount of \$1,239.80, for a net result of \$0.00.

Cleora Emergency Medical Services District Trust
Notes to the Financial Statements
For the Year Ended June 30, 2014

II. Detailed Notes Concerning the Funds (continued)

E. Long-Term Debt

On July 23, 2014, the Trust executed a Promissory Note with Oklahoma State Bank in the amount of \$267,756.79 (including loan costs) and paid off the existing loan that matured June 30, 2014. Interest on the new note is 3.58% per annum, with monthly payments of \$1,924.68, through July 23, 2028. The new note is collateralized by the Trust's land and the ambulance facility.

Year Ended June 30,	Principal	Interest	Total
2015	\$ 14,317.20	\$ 8,778.96	\$ 23,096.16
2016	15,013.95	8,082.21	23,096.16
2017	15,560.37	7,535.79	23,096.16
2018	16,126.64	6,969.52	23,096.16
2019	16,713.56	6,382.60	23,096.16
2020-2024	93,146.68	22,334.12	115,480.80
2025-2028	76,035.94	4,987.51	81,023.45
	<u>\$ 246,914.34</u>	<u>\$ 65,070.71</u>	<u>\$ 311,985.05</u>

F. Changes in Long-Term Debt

The following is a summary of the changes in general long-term debt for the fiscal year ended June 30, 2014:

	Balance June 30, 2013	Proceeds	Payments	Balance June 30, 2014	Due Within One Year
Notes Payable	<u>\$ 262,759.34</u>	<u>\$ -</u>	<u>\$ 15,845.00</u>	<u>\$ 246,914.34</u>	<u>\$ 14,317.20</u>

III. Other Information

A. Economic Dependence

During the fiscal year ended June 30, 2014, the Trust reported tax levy revenues of \$113,048.54 with the remainder of their revenue coming from fundraisers and donations. If the Trust did not receive these revenues, alternate sources of funding would need to be secured in order to continue to be of service to the community.

Cleora Emergency Medical Services District Trust
Notes to the Financial Statements
For the Year Ended June 30, 2014

III. Other Information (continued)

B. Subsequent Events

Management has evaluated subsequent events through November 1, 2014 which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.