

Emergency Medical Services Authority

Report to the Board of Trustees

September 18, 2012



September 18, 2012

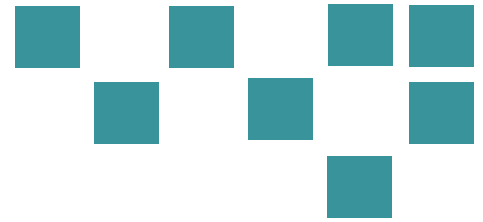
Board of Trustees
Emergency Medical Services Authority
1417 North Lansing Avenue
Tulsa, Oklahoma 74106-5906

Attention: Lilian Perryman, Chairman

We are pleased to present this report related to our audit of the financial statements and compliance of Emergency Medical Services Authority (the Authority) for the year ended June 30, 2012. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial and compliance reporting process.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Emergency Medical Services Authority.

McGladrey LLP



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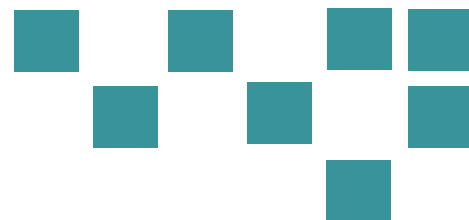
Exhibit A - Significant Written Communications between Management and Our Firm

Arrangement Letter

Representation Letter

Written Communications on Accounting, Auditing, or Operational Matters (Control Deficiency Letter)

Required Communications



Auditing guidance requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications:

Area	Comments
Auditor's Responsibility Under Professional Standards	Our responsibility under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, and provisions of OMB Circular A-133 and OMB's Compliance Supplement, has been described to you in our arrangement letter dated February 20, 2012, and is included within Exhibit A.
Accounting Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies impacting the current year financial statements, nor have there been any changes in existing significant accounting policies during the current year. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Alternative Treatments Discussed with Management We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.
Management's Judgments and Accounting Estimates	Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates."
Audit Adjustments	Audit adjustments recorded by the Authority are attached with the representation letter included within Exhibit A.
Uncorrected Misstatements	Uncorrected misstatements are summarized in the attached "Summary of Uncorrected Misstatements."

Area	Comments
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Accounting Pronouncements	Please refer to representation letter in Exhibit A for new accounting pronouncements that have been recently issued that may affect the Authority's financial reporting in future periods.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	We have separately issued a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements and major programs performed in accordance with <i>Government Auditing Standards</i> and OMB Circular A-133. This communication is included within the Authority's June 30, 2012 Compliance Report.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Authority are attached as Exhibit A.

Emergency Medical Services Authority

Summary of Accounting Estimates

Year Ended June 30, 2012

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Authority's June 30, 2012 financial statements:

Area	Accounting Policy	Estimation Process	Comments
Depreciable Useful Life of Capital Assets	The depreciable useful life of capital assets is set at the estimated useful life of the related asset.	The determination is made at the time the asset is placed into service and involves various judgments and assumptions based on prior experience.	We believe the estimates used by management of the Authority are reasonable.
Allowance for Doubtful Accounts	The allowance for doubtful accounts is based on management's estimate of collectability of identified receivables, as well as aging of customer accounts.	The allowance is adjusted as information and specific accounts become available. The Authority also compares current allowance amounts to prior-year collection or write-off experience.	We tested the underlying information supporting this allowance, including the most recent aging reports and collection experience. We concluded that management's estimate is reasonable.
Allowance for Contractual Adjustments	The allowance for contractual adjustments is based on third-party payor contracts, analysis of historical trends and other factors.	The contractual allowances are adjusted as information about third-party payor contracts becomes available, as changes in contracts occur and as payment items are known.	We tested the underlying information supporting this allowance, including the most recent accounts receivable reports by payor and write-off experience. We concluded that management's allowance methodology and estimates are reasonable.

Emergency Medical Services Authority

Summary of Uncorrected Misstatements

Year Ended June 30, 2012

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the statements of financial position, results of operations and cash flows and to the related financial statement disclosures. Following is a summary of those differences:

Description:	Debit (Credit) to Correct the Misstatements				
	Assets	Liabilities	Net Assets	Revenue	Expense
Carryover impact from previous years, OPEB liability	\$ -	\$ (278,000)	\$ 278,000	\$ -	\$ -
Current misstatement, known error, to accrue for current year change in OPEB liability	-	(42,000)	-	-	42,000
Subtotal	<u>\$ -</u>	<u>\$ (320,000)</u>	<u>278,000</u>	<u>\$ -</u>	<u>\$ 42,000</u>
Effect of current year passed adjustments on net assets			42,000		
Total			<u>\$ 320,000</u>		

Exhibit A – Significant Written Communications between Management and Our Firm

February 20, 2012

To the Board of Trustees
Emergency Medical Services Authority
1417 North Lansing Avenue
Tulsa, Oklahoma 74106-5906

Attention: Kent Torrence, Chief Financial Officer

This letter is to explain our understanding of the arrangements for the services we are to perform for Emergency Medical Services Authority (EMSA), a joint venture of the City of Tulsa, Oklahoma and City of Oklahoma City, Oklahoma for the year ending June 30, 2012. We ask that you either confirm or amend this understanding.

Audit Services

We will perform an audit of EMSA's basic financial statements as of and for the year ended June 30, 2012. We understand that the financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America. The objective of an audit of financial statements is to express an opinion on those statements.

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Board of Trustees are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

We will also perform the audit of EMSA as of June 30, 2012, so as to satisfy the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular No. A-133.

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and "Government Auditing Standards" issued by the Comptroller General of the United States; and the provisions of the Single Audit Act, OMB Circular A-133, and OMB's Compliance Supplement. Those standards, circulars, supplements, or guides require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Accordingly, a material misstatement, may remain undetected. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

An audit of financial statements includes obtaining an understanding of EMSA and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate to management and the Board of Trustees any significant deficiencies or material weaknesses that we become aware of during the course of the audit.

We will also communicate to the Board of Trustees (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (b) any illegal acts, violations of provisions of contracts or grant agreements, and abuse that come to our attention (unless they are clearly inconsequential), (c) should any arise, any disagreements with management and other serious difficulties encountered in performing the audit, and (d) various matters related to the EMSA's accounting policies and financial statements.

In addition to our reports on EMSA's financial statements, we will also issue the following reports or types of reports:

- A report on the fairness of the presentation of EMSA's schedule of expenditures of federal awards for the year ending June 30, 2012.
- Reports on internal control related to the financial statements and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.
- Reports on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program.
- A schedule of findings and questioned costs.

The federal financial assistance programs that you have told us that EMSA participates in and that are to be included as part of the single audit are listed in the prior year schedule of expenditures of federal awards.

Our reports on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circulars identified above. Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts; and any state or federal grant, entitlement of loan program questioned costs of which we become aware, consistent with requirements of the standards and circulars identified above.

Emergency Medical Services Authority's Responsibilities

Management is responsible for the financial statements, including the selection and application of accounting policies, adjusting the financial statements to correct material misstatements, and for making all financial records and related information available to us. Management is responsible for providing us with a written management representation letter confirming certain representations made during the course of our audit of the financial statements and affirming to us that it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and to the opinion units of the financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge.

Management is responsible for identifying and ensuring that EMSA complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting EMSA involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting EMSA received in communications from employees, former employees, analysts, regulators, or others.

Management is also responsible for (a) making us aware of significant vendor relationships where the vendor is responsible for program compliance, (b) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and (c) report distribution including submitting the reporting packages.

The Board of Trustees is responsible for informing us of its views about the risks of fraud within EMSA, and its knowledge of any fraud or suspected fraud affecting EMSA.

EMSA agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, EMSA agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering. We may conclude that we are not otherwise associated with the proposed offering and that our association with the proposed offering is not necessary, providing EMSA agrees to clearly indicate that we are not associated with the contents of the official statement. EMSA agrees that the following disclosure will be prominently displayed in the official statement:

McGladrey & Pullen, LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. McGladrey & Pullen, LLP, also has not performed any procedures relating to this official statement.

Our association with an official statement is a matter for which separate arrangements will be necessary. EMSA agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when EMSA seeks such consent, we will be under no obligation to grant such consent or approval.

Because McGladrey & Pullen, LLP will rely on EMSA and its management and Board of Trustees to discharge the forgoing responsibilities, EMSA holds harmless and releases McGladrey & Pullen, LLP, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of EMSA's management that has caused, in any respect, McGladrey & Pullen, LLP's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Emergency Medical Services Authority's Records and Assistance

If circumstances arise relating to the condition of your records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which in our professional judgment prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in EMSA's books and records. EMSA will determine that all such data, if necessary, will be so reflected. Accordingly, EMSA will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by EMSA personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with you. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Fees, Costs, and Access to Audit Documentation

Our fees for the audit and accounting services described above are based upon the time required by the individuals assigned to the engagement, plus direct expenses. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. Our fees for the services described in this letter will not exceed \$34,000 for the financial statement audit, and \$6,900 per major program tested under the Single Audit Act. This fee estimate will be subject to adjustments based on unanticipated changes in the scope of our work and/or the incomplete or untimely receipt by us of the information on the client participation list. All other provisions of this letter will survive any fee adjustment.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client. Accordingly, EMSA agrees it will compensate McGladrey & Pullen, LLP for any additional costs incurred as a result of EMSA's employment of a partner or professional employee of McGladrey & Pullen, LLP.

In the event we are requested or authorized by EMSA or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for EMSA, EMSA will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of McGladrey & Pullen, LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request; and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of McGladrey & Pullen, LLP audit personnel and at a location designated by our Firm.

We will propose adjusting journal entries and draft the financial statements.

The two overarching principles of the independence standards of the "Government Auditing Standards" issued by the Comptroller General of the United States provide that management is responsible for the substantive outcomes of the works, and therefore, has a responsibility and is able to make any informed judgment on the results of the services described above. Accordingly, EMSA agrees to the following:

- Kent Torrence, Chief Financial Officer will be accountable and responsible for overseeing the proposal of adjusting journal entries and draft financial statements.
- EMSA will establish and monitor the performance of the proposed adjusting journal entries and draft financial statements to ensure that they meet management's objectives.
- EMSA will make any decisions that involve management functions related to the proposed adjusting journal entries and draft financial statements and accepts full responsibility for such decisions.
- EMSA will evaluate the adequacy of services performed and any findings that result.

Claim Resolution

EMSA and McGladrey & Pullen, LLP agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by McGladrey & Pullen, LLP or the date of this arrangement letter if no report has been issued. EMSA waives any claim for punitive damages. McGladrey & Pullen, LLP's liability for all claims, damages, and costs of EMSA arising from this engagement is limited to the amount of fees paid by EMSA to McGladrey & Pullen, LLP for the services rendered under this arrangement letter.

This letter constitutes the complete and exclusive statement of agreement between McGladrey & Pullen, LLP and EMSA, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

In accordance with *Government Auditing Standards*, a copy of our most recent peer review report is enclosed, for your information.


If this letter defines the arrangements as EMSA understands them, please sign and date the enclosed copy and return it to us.

McGladrey & Pullen, LLP



Kevin Smith, Partner

Confirmed on behalf of Emergency Medical Services Authority:



Kent Torrence
February 27, 2012

System Review Report

To the Partners of
McGladrey & Pullen, LLP
and the National Peer Review Committee
of the American Institute of Certified
Public Accountants Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of McGladrey & Pullen, LLP (the firm) applicable to non-SEC issuers in effect for the year ended April 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of McGladrey & Pullen, LLP applicable to non-SEC issuers in effect for the year ended April 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McGladrey & Pullen, LLP has received a peer review rating of *pass*.

BKD, LLP

December 2, 2010



September 18, 2012

McGladrey LLP
4801 Main Street
Suite 400
Kansas City, Missouri 64112

In connection with your audits of the basic financial statements of the Emergency Medical Services Authority (the Authority) as of and for the years ended June 30, 2012 and 2011, we confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in financial position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

We confirm to the best of our knowledge and belief, as of September 18, 2012 the following representations made to you during your audits:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We are a joint venture having as participants the following listed organizations, each of which retains an ongoing financial interest or an ongoing financial responsibility, as these terms are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards:
 - a. City of Tulsa, Oklahoma
 - b. City of Oklahoma City, Oklahoma
3. We have identified for you all of our funds and identifiable business-type activities.
4. We have properly classified all funds and activities.
5. We are responsible for compliance with laws and regulations applicable to the Authority including adopting, approving and amending budgets.
6. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.
7. We have made available to you:
 - a. All financial records and related data of all funds and activities, including those of all special funds, programs, departments, projects, activities, etc., in existence at any time during the period covered by your audit.
 - b. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.

EMERGENCY MEDICAL SERVICES AUTHORITY

TULSA: 1417 North Lansing Avenue • Tulsa, Oklahoma 74106-5906 • PHONE: 918.596.3135 • FAX: 918.596.3177
OKLAHOMA CITY: 1111 Classen Drive • Oklahoma City, Oklahoma 73103-2616 • PHONE: 405.297.7100 • FAX: 405.297.7199

- c. All communications from grantors, lenders, other funding sources, or regulatory agencies concerning noncompliance with:
 - i. Statutory, regulatory or contractual provisions or requirements.
 - ii. Financial reporting practices that could have a material effect on the financial statements.
8. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
9. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, analysts, regulators or others.
11. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize and report financial data.
12. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
13. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
14. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Related-party transactions, including those with joint ventures in which the Authority has an interest as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.
 - b. Line of credit or similar arrangements.
 - c. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - d. All leases and material amounts of rental obligations under long-term leases.
 - e. All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the AICPA's Statement of Position No. 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.

- f. Risk financing activities.
 - g. Deposits category of custodial credit risk.
 - h. Restrictions on cash balances for grant advances.
 - i. Pension obligations.
 - j. Net asset classifications.
15. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
- a. To reduce receivables to their estimated net collectable amounts.
 - b. For estimated adjustments to revenue, such as for denied claims or other estimated retroactive adjustments by third-party payors.
 - c. For obligations related to third-party payor contracts and contractual settlements.
16. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification and/or GASB Statement No. 10.
 - d. Guarantees, whether written or oral, under which the Authority is contingently liable.
 - e. Arrangements with financial institutions involving compensating balances.
 - f. Agreements to repurchase assets previously sold.
 - g. Security agreements in effect under the Uniform Commercial Code.
 - h. There are no investments other than certificates of deposit.
 - i. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - j. Liabilities which are subordinated in any way to any other actual or possible liabilities.
 - k. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.

- l. Debt issue provisions.
 - m. Authorized but unissued bonds and/or notes.
 - n. Derivative financial instruments.
 - o. Special and extraordinary items.
 - p. Arbitrage rebate liabilities.
 - q. Impairment of capital assets.
 - r. Obsolete, damaged or excess inventories.
 - s. Investments, intangibles and other assets which have permanently declined in value.
 - t. Uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2012, and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2012.
 - u. Postretirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2012.
 - v. Material losses to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - w. Material losses to be sustained as a result of purchase commitments.
 - x. Environmental cleanup obligations.
17. The following GASB Pronouncements which have been issued, but which we have not yet adopted and are not disclosed in the financials since the new standards are not expected to significantly impact the Authority's financial statements:
- a. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the Authority beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.

- b. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, issued July 2011, will be effective for the Authority beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
 - c. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued April 2012, will be effective for the Authority beginning with its year ending June 30, 2014. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.
- 18. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with the Contingencies Topic of the FASB Accounting Standards Codification and/or GASB Statement No. 10.
 - 19. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
 - 20. We have satisfactory title to all owned assets.
 - 21. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 - 22. Net asset components (invested in capital assets and unrestricted) are properly classified and, when applicable, approved.
 - 23. Expenses or expenditures have been appropriately classified.
 - 24. Revenues are appropriately classified.
 - 25. Capital assets are properly capitalized, reported and depreciated.
 - 26. We believe the implementation of GASB Statement Nos. 57 and 64 is appropriate and had no effect on the financial statements of the Authority.

27. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
28. With respect to the management discussion and analysis presented as required by Governmental Accounting Standards Board (GASB) to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no significant assumptions or interpretations regarding the measurement or presentation of such information.
29. In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm:
- a. We are responsible for:
 - i. Compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the Authority.
 - ii. Establishing and maintaining effective internal control over financial reporting.
 - b. We have identified and disclosed to you:
 - i. All laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
 - ii. There are no violations (and possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.

- c. We are not aware of any fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that has been reported.
 - d. We have a process to track the status of audit findings and recommendations.
 - e. We have identified for you previous audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective action taken to address significant findings and recommendations.
 - f. We have reviewed, approved, and take full responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.
 - g. We have reviewed, approved, and take full responsibility for all accrual adjustments, and an acknowledgement of the auditor's role in the preparation of the adjustments.
30. In connection with your audit of federal awards conducted in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, we confirm:
- a. We are responsible for complying, and we have complied, with the requirements of OMB Circular A-133.
 - b. We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs.
 - c. We are responsible for establishing and maintaining, and we have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on our federal programs.
 - d. We have prepared the schedule of expenditures of federal awards in accordance with Circular A-133 and have included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.
 - e. We have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
 - f. We have made available all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
 - g. There is no amount questioned or known noncompliance with the direct and material compliance requirements of federal awards.
 - h. We believe that we have complied with the direct and material compliance requirements.
 - i. We have made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.



- j. We have provided you our interpretations of any compliance requirements that are subject to varying interpretations.
 - k. We are not aware of any communication from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of your report.
 - l. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of your report.
 - m. We are responsible for taking corrective action on audit findings of the compliance audit.
 - n. We have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - o. We are not aware of any known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by your report.
 - p. We are not aware of any changes in internal control over compliance or other factors that might significantly affect internal control subsequent to the date as of which compliance is audited.
 - q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
 - r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
 - s. We have charged costs to federal awards in accordance with applicable cost principles.
 - t. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings to include all findings required to be included in Circular A-133.
 - u. We have accurately completed appropriate sections of the data collection form. We further acknowledge our responsibility for the complete, accurate and timely filing of the data collection form with the Federal Audit Clearinghouse.
31. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through September 18, 2012, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the balance sheet date and through September 18, 2012 that would require recognition or disclosure in the financial statements. We further represent that as of September 18, 2012, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.
32. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



As of and for the year ended June 30, 2012, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Description:	Debit (Credit) to Correct the Misstatements				
	Assets	Liabilities	Net Assets	Revenue	Expense
Carryover impact from previous years:					
OPEB liability	\$ -	\$ (278,000)	\$ 278,000	\$ -	\$ -
Current misstatement, known error:					
to accrue for current year change in OPEB liability	-	(42,000)	-	-	42,000
Subtotal:	\$ -	\$ (320,000)	278,000	\$ -	\$ 42,000
Effect of current year passed adjustments on net assets			42,000		
Total			\$ 320,000		

Emergency Medical Services Authority

H. Stephen Williamson
 H. Stephen Williamson
 President and Chief Executive Officer

Kent S. Torrence
 Kent S. Torrence
 Chief Financial Officer



Emergency Medical Services Authority

Appendix A

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
PBC AJE#3	06/30/2012	Other Miscellaneous Receivables	120-01-0 ENT01	1505			2,174,592.00	
PBC AJE#3	06/30/2012	Miscellaneous Revenue - Tulsa Utility Fee	450-03-0 ENT01	1505		2,174,592.00		
To adjust year end receivable related to Tulsa Utility Fee revenue								
PBC AJE#4	06/30/2012	Miscellaneous Revenue - Tulsa Utility Fee	450-03-0 ENT01	1505		290,399.32		
PBC AJE#4	06/30/2012	Other fees - Tulsa Utility fee	720-06-1 ENT01	1505			54,449.07	
PBC AJE#4	06/30/2012	First Responder fee	720-07-1 ENT01	1505			235,950.25	
To adjust expenditures to agree with actual for the First Responder's Fee								
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		59,102.00		
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		6,132.00		
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		31,731.00		
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		8,245.00		
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		24,879.00		
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		96,415.00		
PBC AJE #1	06/30/2012	Receivable - Grant Invoices Paid	120-03-0 ENT01	PBC		45,729.00		
PBC AJE #1	06/30/2012	Accrued Liabilities	210-01-0 ENT01	PBC			129,990.00	
PBC AJE #1	06/30/2012	Accrued Liabilities	210-01-0 ENT01	PBC			96,415.00	
PBC AJE #1	06/30/2012	Accrued Liabilities	210-01-0 ENT01	PBC			45,628.00	
To accrue Grant disbursements paid in July for June expenses								
						2,737,024.32	2,737,024.32	
Net Income (Loss)			(10,780,498.00)					





The Board of Trustees
Emergency Medical Services Authority
Tulsa, Oklahoma

In connection with our audit of the financial statements of the Emergency Medical Services Authority (the Authority) as of and for the year ended June 30, 2012, we identified deficiencies in internal control over financial reporting (control deficiencies).

A control deficiency 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 deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

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 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.

Following is a description of an identified control deficiency that we determined did not constitute a significant deficiency or material weakness:

Segregation of duties: Individuals within the accounting department have incompatible duties in financial statement reporting transaction cycles. Duties in these transactions cycles are not adequately segregated to safeguard the Authority's assets. The Accounting Manager has the ability to initiate a purchase order, approve an invoice for payment, make entries to the general ledger and generate payment. Also, the Western Division Director, Supervisor, Customer Service personnel, and Accounts Receivable clerks have access to payments, can authorize and record discounts and adjustments, can make changes to patient's billing file information, reconcile contractual adjustments to supporting remittance and can suppress statements from being issued to patients. The key compensating controls include management's monthly review of the financial statements as presented to the Board, independent reconciliations of cash, and the CFO's review and manual signature on checks. However, to improve the key compensating controls, we further recommend the Authority separate these responsibilities to reduce the risk of improper financial statement transactions.

This communication is intended solely for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

A handwritten signature in black ink that reads "McGladrey LLP". The signature is written in a cursive, flowing style.

Kansas City, Missouri
September 18, 2012