



ALFALFA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2018

Cindy Byrd, CPA
State Auditor & Inspector

**ALFALFA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

August 27, 2019

**TO THE BOARD OF DIRECTORS OF THE
ALFALFA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Alfalfa County Emergency Medical Service District for the fiscal year ended June 30, 2018.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



**ALFALFA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2018

	<u>General</u>	<u>Sales Tax Revolving Fund</u>	<u>Total</u>
Beginning Cash Balance, July 1	\$ 1,114,949	\$ 16,928,337	\$ 18,043,286
Less: Prior Year Apportionment Error	-	3,953,899	-
Restated Beginning Cash Balance, July 1	<u>1,114,949</u>	<u>12,974,438</u>	<u>18,043,286</u>
 Collections			
Ad Valorem Tax	354,270	-	354,270
Sales Tax Revenue	-	712,922	712,922
Charges for Services	264,406	-	264,406
Miscellaneous	4,997	-	4,997
Sales Tax Reimbursement	<u>96,407</u>	<u>-</u>	<u>96,407</u>
Total Collections	<u>720,080</u>	<u>712,922</u>	<u>1,433,002</u>
 Disbursements			
Personal Services	606,605	-	606,605
Reimbursement for Salaries	-	96,407	96,407
Maintenance and Operations	7,325	-	7,325
Audit Expense	10,008	-	10,008
Other Sales Tax Disbursements	<u>-</u>	<u>322,340</u>	<u>322,340</u>
Total Disbursements	<u>623,938</u>	<u>418,747</u>	<u>1,042,685</u>
 Ending Cash Balance, June 30	<u>\$ 1,211,091</u>	<u>\$ 13,268,613</u>	<u>\$ 18,433,603</u>

Source: District Estimate of Needs (presented for informational purposes)

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Sales Tax

On November 8, 2016, the citizens of Alfalfa County approved a tax of 2% per dollar, with 52% of the total revenue for the purposes pertaining to the health and well-being of the people, including the personal services, maintenance and general operations of the Alfalfa County Emergency Services. The effective date of the sales tax was January 1, 2017 and expires December 31, 2020.

On November 28, 2016, the Alfalfa Board of County Commissioners passed a resolution dividing the 52% of the 2% sales tax per dollar collected for health: 55% to EMS and 45% divided equally among nine responder units.

On December 27, 2017, the Alfalfa Board of County Commissioners passed a resolution dividing the 52% of the 2% sales tax per dollar collected for health: 35% to EMS, 20% to Enhanced 911, and 45% divided equally among nine responder units.

For fiscal year 2018, the Alfalfa County Emergency Medical Service District was allocated \$712,922 in county sales tax and expended \$314,747 for the operation of the District. The funds were accounted for in the Alfalfa County Clerk's records entitled Sales Tax Revolving Fund. The disbursement of these funds is approved on Alfalfa County purchase orders by the Alfalfa County Board of Commissioners.

Alfalfa County Emergency Medical Service District
P.O. Box 36
Helena, Oklahoma 73741

**TO THE BOARD OF DIRECTORS OF THE
ALFALFA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT**

For the purpose of complying with 19 O.S. § 1706.1, we have performed the following procedures:

- Determined that receipts were properly deposited and accurately reported in the accounting records.
- Determined cash balances were accurately reported in the accounting records.
- Determined whether deposits and invested funds were secured by pledged collateral.
- Determined that disbursements were properly supported, were made for purposes outlined in 19 O.S. § 1710.1 and were accurately reported in the accounting records.
- Determined that all purchases requiring bids complied with 19 O.S. § 1723.
- Determined that payroll expenditures were accurately reported in the accounting records and supporting documentation of leave records was maintained.
- Determined that fixed assets records were properly maintained.
- Determined whether the District's collections, disbursements, and cash balances for FY 2018 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Alfalfa County Emergency Medical Service District.

Our emergency medical service district statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any basic financial statement of the Alfalfa County Emergency Medical Service District.

Based on our procedures performed, we have presented our findings in the accompanying schedule.



This report is intended for the information and use of the management of the Alfalfa County Emergency Medical Service District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

March 5, 2019

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2018-004 – Internal Controls Over the Disbursement Process (Repeat Finding)

Condition: Upon inquiry of the Alfalfa County Emergency Medical Service District (the District) staff, observation of the disbursement process, and the test of thirty (30) purchases, the following weaknesses were noted:

- In five (5) instances, purchases did not have evidence of a receiving signature or verification of the invoice.
- In two (2) instances, petty cash purchases were used for cash withdrawal and were not made in accordance with the District’s Petty Cash Policy.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure evidence of verification of receiving goods and/or services, disbursements are supported by adequate documentation and purchases are made in accordance with District policies.

Effect of Condition: These conditions could result in inaccurate records, incomplete information, or misappropriation of assets.

Recommendation: The Oklahoma State Auditor and Inspector’s office (OSAI) recommends the District design and implement a system of internal controls to ensure that all disbursements are supported by verification of receipt of goods and /or services and are made in accordance with the District’s policies.

Management Response:

Chairman of the Board: The District will verify signatures on receipting reports and that petty cash withdrawals are not permitted.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to help achieve the entity’s objectives regarding the reliability of financial reporting. Such effective internal controls would include ensuring all disbursements are reviewed and are made in accordance to District policies.

Finding 2018-005 – Internal Controls Over Fixed Assets Inventory (Repeat Finding)

Condition: The Alfalfa County Board of County Commissioners approves and provides the county sales tax funds for the purchase of fixed assets items for use by the District. The District maintains the fixed assets items and accounts for the safeguarding of those fixed assets. Based on inquiry of District staff, observation, and review of the District’s fixed assets inventory records, the following exceptions were noted:

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- One individual is responsible for maintaining fixed assets inventory records and marking the fixed assets with an inventory number.
- Periodic physical inspections of fixed assets inventory were not performed.
- Three (3) fixed assets did not have the correct inventory number attached to the equipment.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly accounted for, maintained, and updated regularly by the District.

Effect of Condition: These conditions could result in errors and improprieties, unrecorded transactions, misappropriation of assets, or loss of District equipment.

Recommendation: OSAI recommends periodic physical fixed assets inventory verification, by someone other than the individual in charge of fixed assets inventory records, be completed and documented on an annual basis.

Management Response:

Chairman of the Board: The District will improve internal controls over maintaining and updating fixed assets records including segregating the duties of accounting for fixed assets, verifying fixed assets, and labeling fixed assets correctly.

Criteria: An important aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation.

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