



BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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August 15, 2022

**TO THE BOARD OF DIRECTORS OF THE
BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Blaine County 522 Emergency Medical Service District for the fiscal year ended June 30, 2021.

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

**BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT
 STATUTORY REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2021

	<u>General Fund</u>	<u>Sales Tax Revolving Fund</u>
Beginning Cash Balance, July 1	\$ 392,525	\$ 335,882
Collections		
Ad Valorem Tax	309,286	-
Sales Tax	-	43,043
Total Collections	<u>309,286</u>	<u>43,043</u>
Disbursements		
Contract Provider Services	195,000	-
Maintenance and Operations	3,724	8,273
Total Disbursements	<u>198,724</u>	<u>8,273</u>
Ending Cash Balance, June 30	<u>\$ 503,087</u>	<u>\$ 370,652</u>

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

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SALES TAX

On April 4, 2017, Blaine County voters approved a proposal authorizing levying a county sales tax of one-eighth percent (.125%) in addition to all other city, county, and state excise taxes presently being levied or assessed, upon the gross proceeds or gross receipts derived from all sales taxable under the Oklahoma sales tax code, to be administered by the board of county commissioners of Blaine County, Oklahoma, for the purpose of contracting with the 522 EMS Districts (Canton-Longdale, Geary, Okeene and Watonga) for such emergency medical services as may be deemed necessary by the Board of County Commissioners; such sales tax to commence July 1, 2017, and recurring continually thereafter for such purpose.

The sales tax is budgeted within the Blaine County “E4 Watonga EMS” account in the Blaine County Emergency Service Fund. The District Board submits a requisition to Blaine County Clerk. The requisition is approved for payment by the Blaine County Board of County Commissioners. The Blaine County Clerk issues the payment directly to the vendor for the approved purchase.

For the fiscal year ended June 30, 2021, the Blaine County 522 Emergency Medical Service District was allocated \$43,043 in sales tax appropriations and expended \$8,273 through the Blaine County Board of County Commissioners for the maintenance of dispatching software.



Blaine County 522 Emergency Medical Service District
521 E. 7th Street
Watonga, Oklahoma 73772

**TO THE BOARD OF DIRECTORS OF THE
BLAINE COUNTY 522 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 for the fiscal year ended June 30, 2021 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 fixed assets records were properly maintained.
- Determined compliance with contract service providers.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2021 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Blaine County 522 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 Blaine County 522 Emergency Medical Service District.

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

This report is intended for the information and use of the management of the Blaine County 522 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

June 22, 2022

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-004 – Lack of Internal Controls and Noncompliance Over Pledged Collateral

Condition: Upon inquiry of the Blaine County 522 Emergency Medical Service District’s (the District) Board Secretary and observation of documents regarding the pledged collateral process, the following exceptions were noted:

- The District did not ensure that funds were adequately secured.
- On June 30, 2021, deposits were not secured by adequate pledged collateral at a local bank in the amount of \$4,285.

Cause of Condition: Policies and procedures have not been properly designed and implemented to ensure that bank deposits are adequately secured with pledged collateral when deposits exceed the limit of FDIC coverage of \$250,000 at each financial institution.

Effect of Condition: This condition resulted in noncompliance with the state statute and unsecured District funds. Further, this condition could result in possible loss of funds.

Recommendation: The Oklahoma State Auditor and Inspector’s Office recommends the District design and completely implement policies and procedures to ensure the bank account balances are adequately secured at each financial institution in accordance with 62 O.S. § 517.4.A.

Management Response:

Board Response: The District will design and implement policies and procedures to ensure account balances are adequately secured at each financial institution. The Chairman has spoken to the Vice President of the bank, and she advised the Investment Portfolio Report of Pledged Securities will be provided monthly to the Board to document the deposits are adequately collateralized to cover the amount in excess of the FDIC insured limit of \$250,000. We will keep those reports filed with our monthly bank statements.

Auditor Response: To ensure bank deposits are adequately secured, the bank balances should be monitored daily by the District to provide assurance that the policies and procedures over adequate pledged collateral have been properly designed and implemented in accordance with state statute.

Criteria: The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

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The GAO Standards - Principle 16 – Performance Monitoring Activities: 16.05 states, in part:

Internal Control System Monitoring

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations and other routine actions.

The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements. Some entities may set objectives to a higher level of performance than established by laws and regulations. In setting those objectives, management is able to exercise discretion relative to the performance of the entity.

Title 62 O.S. § 517.4.A. states, “A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution. The amount of collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of the Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured.”

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STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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