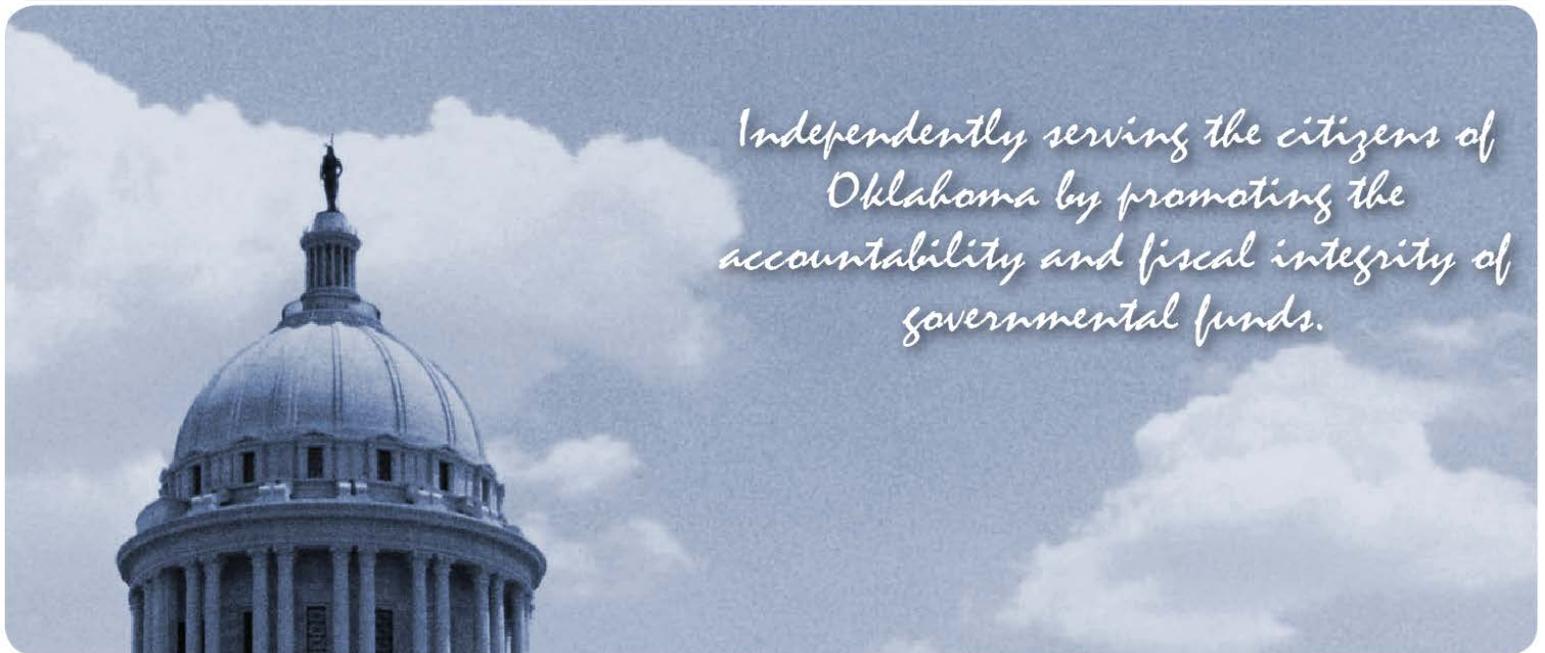


STATUTORY REPORT

# CLEORA EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2016



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**CLEORA EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 1706.1, has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

November 16, 2017

**TO THE BOARD OF DIRECTORS OF THE  
CLEORA EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Cleora Emergency Medical Service District for the fiscal year ended June 30, 2016.

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 "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

**CLEORA EMERGENCY MEDICAL SERVICE DISTRICT  
 STATUTORY REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2016**

	<b>FY 2016</b>
Prior Year Cash Balance, June 30, 2015	\$ 242,276
Less: * Cash and Investments transferred to CEMSDT	(242,276)
Beginning Cash Balance, July 1	-
Collections	
Ad Valorem Tax	123,407
Total Collections	123,407
Disbursements	
Contract Provider Fee	115,803
Total Disbursements	115,803
Ending Cash Balance, June 30	\$ 7,604

\*The District transferred the balance in the fund at June 30, 2015 to the Cleora Emergency Medical Service District Trust (CEMSDT) to provide a distinct division in responsibility between the District Board and CEMSA Board.

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



# Oklahoma State Auditor & Inspector

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Cleora Emergency Medical Service District  
P.O. Box 745  
Langley, Oklahoma 74350

## **TO THE BOARD OF DIRECTORS OF THE CLEORA 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 2016 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Cleora 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 Cleora 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 Cleora Emergency Medical Service District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is written in a cursive style with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

October 3, 2017

**CLEORA EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2016-4 – Inadequate Internal Controls Over the Collection and Disbursement Processes**

**Condition:** Upon inquiry of the Cleora Emergency Medical Service District (the District) Treasurer and observation of accounting records, the following internal control weaknesses were noted:

- The deposit of ad valorem taxes and reconciling of the monthly bank statement duties were performed by one individual.
- The District collects only ad valorem tax funds by remittance check from the Craig and Delaware County Treasurers; however, receipts were not written for these collections.
- The District issued one check during the fiscal year to the service provider for \$115,802.69 on June 1, 2016. This check #1026 was not approved in the Board minutes.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure independent verification by the District Board for collections received and bank statement reconciliations.

**Effect of Condition:** These conditions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

**Recommendation:** The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the Board provide evidence of a review of collections and approval of bank statement reconciliations.

**Management Response:**

**Chairman of the Board:** The Board proposes the following to strengthen and better document our compensating controls:

- At the quarterly meetings, the Treasurer will present all bank reconciliations since the previous meeting and have the Board approve them. We will also require one of the Board members to initial and date each reconciliation as evidence of the compensating control.
- The Board will implement a procedure whereby the Secretary (or other Board member) who receives and opens the ad valorem tax levy checks to initial and date each one to indicate the compensating control.
- The Board will ensure that the Board approve all checks greater than \$1,000 and document it in the minutes.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the District Board should use information received directly from the bank, to verify the accuracy of collections deposited and bank statement reconciliations.



**OFFICE OF THE STATE AUDITOR & INSPECTOR**  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896

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