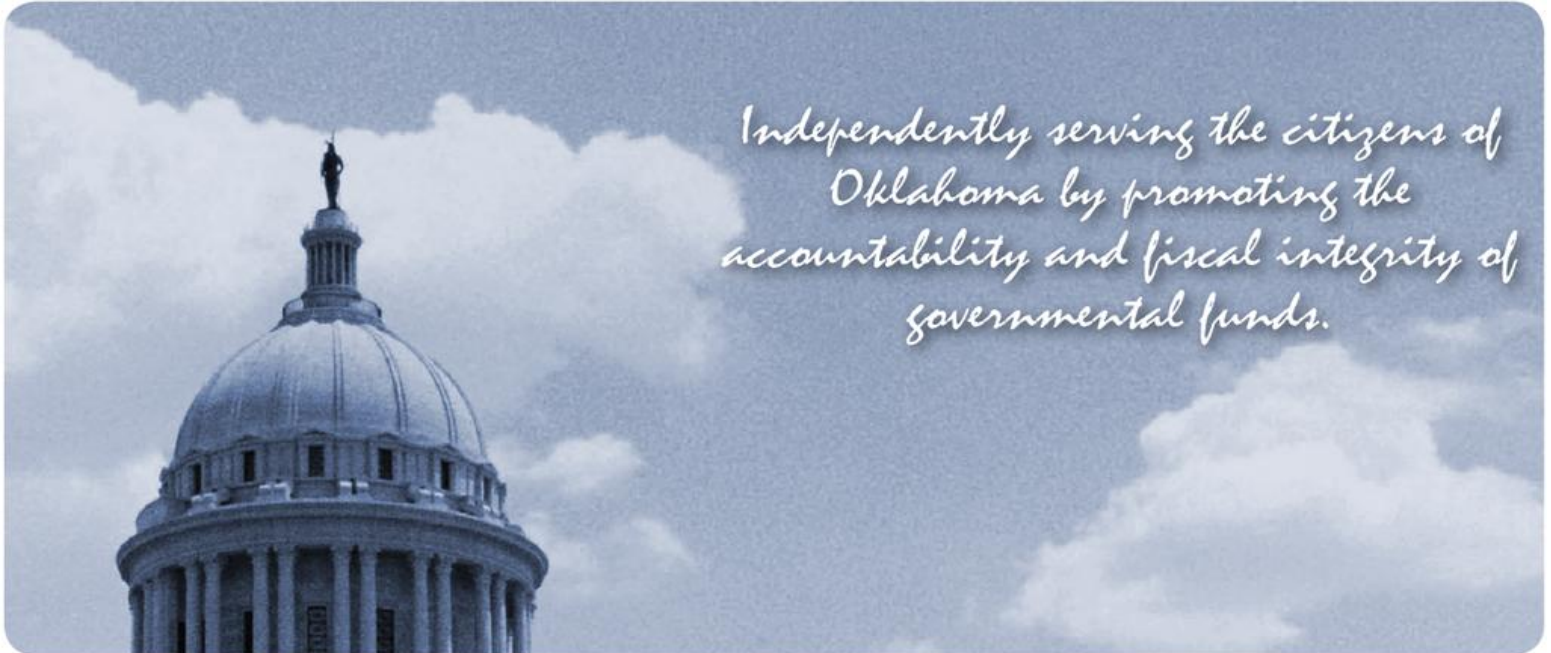


STATUTORY REPORT

COTTON COUNTY 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

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

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) 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

May 1, 2017

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

Transmitted herewith is the audit report of Cotton County 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 written in a cursive, flowing style.

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

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

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

	<u>FY 2016</u>
Beginning Cash Balance, July 1	\$ 126,111
Collections	
Ad Valorem Tax	117,248
Charges for Services	-
Miscellaneous	<u>246</u>
Total Collections	<u>117,494</u>
Disbursements	
Contract Services	104,000
Maintenance and Operations	4,000
Audit Expense	<u>1,540</u>
Total Disbursements	<u>109,540</u>
Ending Cash Balance, June 30	<u>\$ 134,065</u>

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



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Cotton County Emergency Medical Service District
310 North Broadway Street
Walters, Oklahoma 73572

TO THE BOARD OF DIRECTORS OF THE COTTON 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 2016 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Cotton 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 Cotton 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 Cotton County 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

April 10, 2017

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

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-1 - Inadequate Internal Controls and Noncompliance Over the Audit Expense Budget Account

Condition: The Cotton County Emergency Medical Service District (the District) did not appropriate the statutorily prescribed amount to their audit expense budget account. The balance from the prior year's audit expense budget accounts was not carried forward into the current year budget for the audit expense budget account. The amount budgeted was \$4,933.00; however, the amount calculated and carried forward should have been \$6,609.82. This miscalculation resulted in the audit expense budget account being underfunded in the amount of \$1,676.82.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the audit expense budget account is accurately budgeted in accordance with statutory requirements.

Effect of Condition: This condition resulted in noncompliance with the state statute and the audit expense budget account being underfunded for the fiscal year.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District implement a system of internal controls to provide reasonable assurance that one-tenth mill upon the net total assessed valuation be set aside in the audit expense budget account and that any unused portion be carried forward into the next year's audit expense budget account in accordance with 19 O.S. § 1706.1.

Management Response:

Chairman: The District will discuss this issue with the budget maker to ensure that only the mandatory one-tenth mill is budgeted in the audit account. Also, the District will obtain written documentation before the balance is lapsed.

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. A component objective of an effective internal control system is to provide accurate and reliable information through proper review and approval.

Further, according to 19 O.S. § 1706.1, the District must appropriate the net proceeds of the one-tenth mill annual ad valorem levy upon the net total assessed valuation of the District for audit expenses.

Finding 2016-2 - Inadequate Internal Controls Over the Disbursement Process (Repeat Finding)

Condition: The test of nineteen (19) disbursements for the District, reflected four (4) instances in which purchase orders did not have evidence of a receiving signature or verification of the accuracy of the invoice.

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

Cause of Condition: Policies and procedures have not been designed and implemented to check completeness, authorization, and provide adequate documentation to support disbursements with regard to evidence of verifying that good and/or services were received.

Effect of Condition: This condition could result in inaccurate records, incomplete information, and/or misappropriation of assets.

Recommendation: OSAI recommends that appropriate documentation of receipt of good and/or services be maintained with purchase orders to provide evidence that goods and/or services were received.

Management Response:

Chairman: The District will properly document receipt of all goods and services and retain documentation with purchase orders.

Criteria: Internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursements and/or transactions.

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. An example of proper internal controls is documented evidence of receipt of goods and/or services in the form of a receiving report or initialing and date the invoice.



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