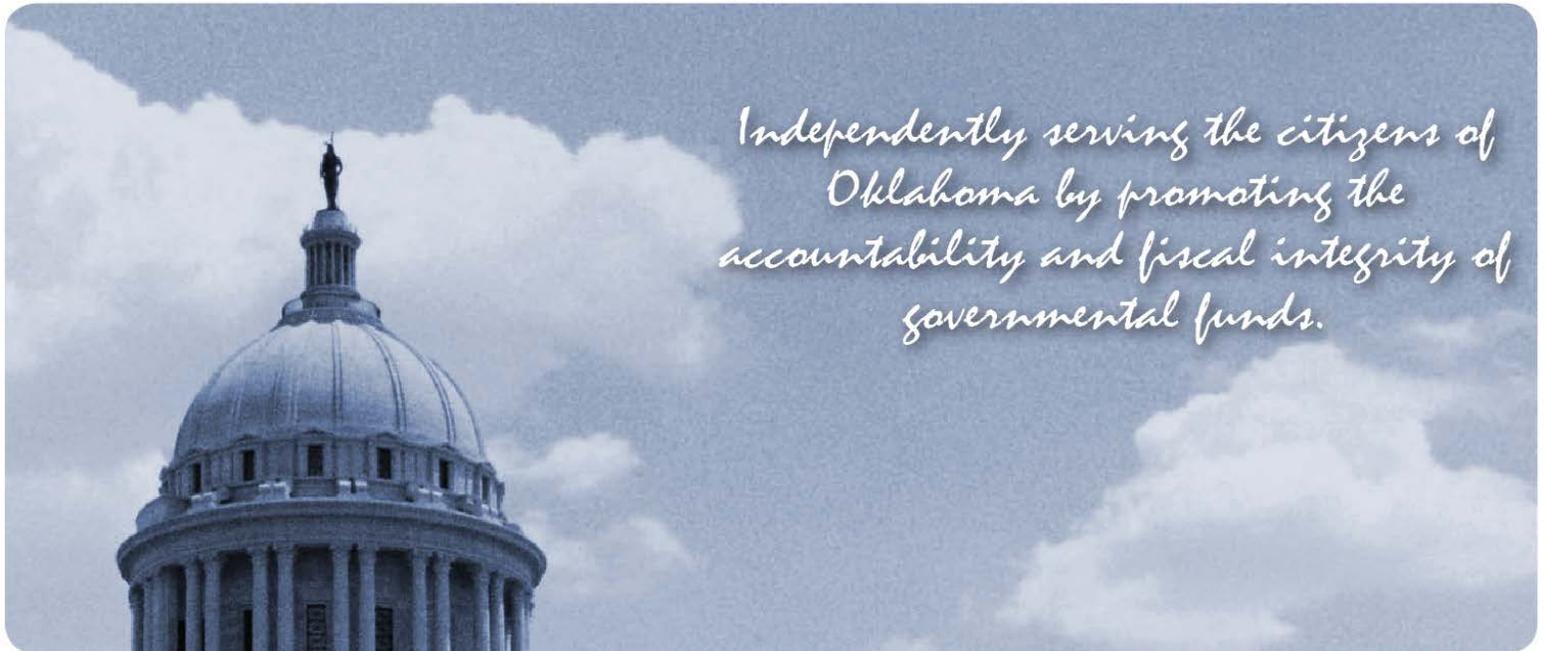


STATUTORY REPORT

KINGFISHER EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2017



*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

**KINGFISHER EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 30, 2018

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

Transmitted herewith is the audit report of Kingfisher Emergency Medical Service District for the fiscal year ended June 30, 2017.

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 style.

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

**KINGFISHER EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017

	<u>FY 2017</u>
Beginning Cash Balance, July 1	\$ 101,342
Collections	
Ad Valorem Tax	420,248
Miscellaneous	<u>1,628</u>
Total Collections	<u>421,876</u>
Disbursements	
Contract for Services	417,345
Maintenance and Operations	10,146
Audit Expense	<u>6,303</u>
Total Disbursements	<u>433,794</u>
Ending Cash Balance, June 30	<u>\$ 89,424</u>

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



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Kingfisher Emergency Medical Service District
P. O. Box 837
Kingfisher, Oklahoma 73750

TO THE BOARD OF DIRECTORS OF THE KINGFISHER 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 2017 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Kingfisher 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 Kingfisher 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 Kingfisher 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 11, 2018

**KINGFISHER EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-1-Inadequate Internal Controls and Noncompliance Over the Provider Contract (Repeat Finding)

Condition: Upon discussion with Board members of the Kingfisher Emergency Medical Service District (the District), and observation of records, we noted the following exception:

- The District pays the City of Kingfisher on a quarterly basis to provide and operate the District's ambulance service; however, the District did not have a current contract with the provider during most of FY 2017. The previous contract expired on June 30, 2010 and the current contract was signed on April 10, 2017.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure a current contract is signed by the District Board and the contracting entity to provide emergency medical service for the citizens of Kingfisher County. Further, the District is not in compliance with the Oklahoma Constitution and state statute.

Effect of Condition: This condition resulted noncompliance with the Oklahoma Constitution and state statute.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends that policies and procedures be designed and implemented to ensure that contractual obligations are renewed on a fiscal year basis to ensure compliance with Article 10 § 9C and 19 O.S. § 1710.1(B).

Management Response:

Board Chairman: The Board has obtained a current contract with the provider and will continue to obtain a current contract for each fiscal year.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. A component objective of an effective internal control system is to provide accurate and reliable information in the form of a current contractual agreement with the service provider.

Article 10 § 9C of the Oklahoma Constitution states:

An Emergency Medical Service District can be voted on and, established " ... for the purpose of providing funds for the purpose of support, organization, operation and maintenance of district ambulance services, known as emergency medical service district... "

Title 19 O.S. § 1710.1(B) states, "Emergency medical service districts formed pursuant to said Section 9C of Article X of the Oklahoma Constitution may own and operate the ambulance service or may provide ambulance service through contracts with one or more ambulance service providers."

**KINGFISHER EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Finding 2017-2 - Inadequate Internal Controls Over the Financial Statement Presentation

Condition: Upon discussion with Board members and observation of accounting records, we noted the following exceptions regarding the District's financial statements:

- Accrual basis amounts were reported rather than the recommended cash basis accounting methods for revenue amounts. Ad valorem tax payments to the District were reported in the quarterly financial statements to the Board, prior to the funds being deposited.
- Financial statements prepared for quarterly Board meetings were not presented for the end of the three-month period, or the end of the fiscal year, but were presented as of the date of the Board meeting.
- There was no evidence that financial statements were reviewed for accuracy and completeness.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the amounts reported in the financial statements are accurate and reliable.

Effect of Condition: These conditions resulted in inaccurate reporting of the financial statements.

Recommendation: OSAI recommends that policies and procedures be designed and implemented so that financial statements are reviewed and verified by someone other than the preparer. Further, OSAI recommends that financial statements be formatted to report ad valorem tax revenue when it is deposited on a cash basis and presented on a quarterly basis ending on the date of the fiscal year end.

Management Response:

Board Chairman: Financial statement information will be prepared based on ad valorem tax payments deposited on the cash basis at the end of each quarter and at June 30 of each fiscal year. The Board will review and approve financial statements. The Treasurer will sign and date as evidence of preparer and the Chairman will sign and date as evidence of review. The signed financial reports will be included in the approved Board minutes.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. A component objective of an effective internal control system is to provide accurate and reliable information through proper review and approval of financial statements including reporting ad valorem tax payments deposited and presenting financial information preparing them on the cash basis, at as of the date of the end of the fiscal year.



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