



LAVERNE EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2018

Cindy Byrd, CPA
State Auditor & Inspector

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

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July 8, 2019

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

Transmitted herewith is the audit report of Laverne 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,



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2018

	<u>FY 2018</u>
Beginning Cash Balance, July 1	<u>\$ 375,373</u>
Collections	
Ad Valorem Tax	67,644
Charges for Services	43,358
Sales Tax Reimbursements	18,560
Miscellaneous	8,986
Total Collections	<u>138,548</u>
Disbursements	
Personal Services	141,891
Travel	479
Maintenance and Operations	44,190
Capital Outlay	1,156
Audit Expense	2,150
Total Disbursements	<u>189,866</u>
Ending Cash Balance, June 30	<u>\$ 324,055</u>

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

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Sales Tax of November 8, 2016

The voters of Harper County approved the continuation of a one percent (1%) sales tax on November 8, 2016. This sales tax was established to provide funds to the Harper County OSU Extension Office (9%); Harper County Free Fair (10%); Harper County Rural Fire Association (11%); Buffalo EMS (8%); Laverne EMS (8%); Laverne Senior Citizens (.5%); Buffalo Senior Citizens (.5%); Harper County Rural Development Council (2%); Laverne Delphian Municipal Library (.5%); Buffalo Public Library (.5%); Harper County Health Department (14%); Harper County General Fund (36%). The sales tax originally became effective July 1, 2012 and expired June 30, 2017. The continuation of the sales tax began July 1, 2017 and expires June 30, 2022.

The county sales tax funds are accounted for separately, in special revenue funds of the same name, as noted above.

For fiscal year 2018, the Laverne Emergency Medical Service District was allocated and reimbursed \$18,560.37 in county sales tax funds based on purchased orders submitted to the Harper County Board of Commissioners for their approval.

Laverne Emergency Medical Service District
P.O. Box 902
Laverne, Oklahoma 73848

**TO THE BOARD OF DIRECTORS OF THE
LAVERNE 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 Laverne 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 Laverne 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 Laverne 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 13, 2019

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2018-001 - Internal Controls Over the Accounting Process

Condition: Upon inquiry of the Laverne Emergency Medical Service District (the District) staff, observation of records, tests of the collection and deposit process, and reconciliation of the financial records to bank accounts, we noted the following weaknesses:

- Independent verification was not performed of the direct deposit notifications to the deposits on the bank statement to ensure the amounts were received.
- Although the Board discussed “write-offs” on two separate occasions during the year, the District Board tabled the discussion both times and did not approve proposed delinquent accounts to be written off as uncollectable.

Cause of Condition: Policies and procedures have not been designed and implemented to provide adequate documentation of direct payments and ensure write off amounts are reviewed and approved by the Board.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or the misappropriation of funds. Additionally, a single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions 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 following key accounting functions of the District’s office be adequately segregated:

- Verification of direct deposit notifications to the deposits on the bank statement.
- Review and approval of delinquent accounts to be written off as uncollectable.

Management Response:

Chairman of the Board: To correct the issue of independent verification not being performed of the direct deposit notifications to the deposits on the bank statements to ensure funds were received, the Board has discussed and approved a Board member to receive the printout of direct deposit notifications and verify each deposit has been deposited in the bank.

Regarding Board approval of patient accounts to be written off as uncollectable, we now have a new billing service and are assured that all attempts have been made in good faith to collect past due accounts. The Board will regularly look at patient accounts and approve the write off delinquent accounts in a timely manner.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the

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entity's objectives with the regard to reliability of financial reporting, including segregation of duties, independent verification and documentation of review and approval of District records.

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STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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