



LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

April 28, 2021

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

Transmitted herewith is the audit report of Love County Emergency Medical Service District for the fiscal year ended June 30, 2019.

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



**LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2019

	<u>General</u>	<u>Sales Tax Revolving Fund</u>	<u>Total</u>
Beginning Cash Balance, July 1	\$ 5,038	\$ 171,369	\$ 176,407
Collections			
Ad Valorem Tax	329,606	-	329,606
Sales Tax Revenue	-	81,962	81,962
Miscellaneous	30	-	30
Total Collections	<u>329,636</u>	<u>81,962</u>	<u>411,598</u>
Disbursements			
Contract Payments	309,541	-	309,541
Revaluation	-	3,997	3,997
Maintenance and Operations	-	134	134
Capital Outlay	-	171,326	171,326
Total Disbursements	<u>309,541</u>	<u>175,457</u>	<u>484,998</u>
Ending Cash Balance, June 30	<u>\$ 25,133</u>	<u>\$ 77,874</u>	<u>\$ 103,007</u>

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

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SALES TAX

Sales Tax of July 11, 2017

The voters of Love County approved a continuation of a one percent (1%) sales tax on July 11, 2017 for the duration of five years commencing April 1, 2018 and ending April 1, 2023. The sales tax was established to provide revenue for the following: 50% for maintenance and operation of county-owned property and operating expenses; 10% for county fire protection; 5% for ambulance service; 5% for county senior citizens centers; 5% for County OSU Extension Office; 5% for the County Assessor; 5% for the County Clerk; 5% for the County Treasurer; 5% for the County Sheriff; and 5% for the County Court Clerk. These funds are accounted for in the Sales Tax Revolving Fund.

Love County Emergency Medical Service District
301 Wanda Street
Marietta, Oklahoma 73448

**TO THE BOARD OF DIRECTORS OF THE
LOVE 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 for the fiscal year ended June 30, 2019 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 compliance with contract service providers.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2019 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Love 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 Love 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 Love County 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 11, 2020

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-0001 - Internal Controls Over the Accounting Process (Repeat Finding)

Condition: Upon inquiry of Love County Emergency Medical Service District (the District) staff and observation of the accounting process, the following weaknesses were noted:

- The District Treasurer maintained blank checks, issued payments to vendors, was an authorized check signor, received the bank statements, prepared the bank reconciliations, and posted transactions to the general ledger/check ledger.

Cause of Condition: Policies and procedures have not been designed and implemented to segregate the duties of the accounting process.

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

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District Board be aware of these conditions and realize that a concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in the District Board's oversight of office operations and a periodic review of operations. OSAI recommends the District Board provide segregation of duties so that no one can perform all accounting functions. If segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include someone other than the District Treasurer receive and review the banks statements prior to the District Treasurer performing the bank reconciliation.

Board Response:

Service Provider: The Board has approved the following plan of correction:

1. Duties of picking up and depositing the warrant will be assumed by another Board Member.
2. All financial transactions will be performed during the quarterly meeting and reflected in the minutes. This will include requisitions for county expenditures.
3. The CPA reviews all bank statements, as well as any other financial documents, on a monthly basis. These documents are presented to the Board at each quarterly meeting.

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 quasigovernmental entities.

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The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Segregation of duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Appropriate documentation of transactions and internal control

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

The GAO Standards - Principle 16 – Perform 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.

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