



TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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March 11, 2024

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

Transmitted herewith is the audit report of Tillman County Emergency Medical Service District for the fiscal year ended June 30, 2022.

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

**TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2022

	General Fund
Beginning Cash Balance, July 1	\$ 337,114
Collections	
Ad Valorem Tax	104,397
Charges for Services	482,220
State Grants	258,179
American Rescue Act (APRA)	13,217
Provider Relief Funds - Phase 4 - CARES Act	1,123
Miscellaneous	2,066
Total Collections	861,202
Disbursements	
Personal Services	290,310
Contract Service - Grandfield	15,114
Maintenance and Operations	167,381
Capital Outlay	269,123
Total Disbursements	741,928
Ending Cash Balance, June 30	\$ 456,388

Presented for informational purposes.

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Coronavirus Aid, Relief, and Economic Security (CARES) Act

Provider Relief Funds - Phase 4 - CARES Act – money distributed to healthcare providers who bill Medicare fee-for-service for healthcare related expenses and lost revenues due to the coronavirus (COVID19) pandemic. Funds were distributed by the Department of Health and Human Services (HHS) through the Health Resources and Service Administration (HRSA). The District received \$1,123 for fiscal year.

American Rescue Plan Act (ARPA)

American Rescue Act (ARPA) – money distributed to healthcare providers located in rural areas who bill Medicare fee-for-service to help address the disproportionate impact that the coronavirus (COVID-19) pandemic had on rural communities and rural health care providers. Funds were distributed by the Department of Health Resources and Services Administration (HRSA). The District received \$13,217 for fiscal year.



Tillman County Emergency Medical Service District
300 E. Lucille Avenue
Frederick, Oklahoma 73542

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

For the purpose of complying with 19 O.S. § 1706.1, we have performed the following procedures:

- Determined charges for services were billed and collected in accordance with District Policies.
- Determined collections 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, 2022 were secured by pledged collateral.
- Determined disbursements were properly supported, were made for purposes outlined in 19 O.S. § 1710.1, and were accurately reported in the accounting records.
- Determined all purchases requiring bids complied with 19 O.S. § 1723 and 61 O.S. §101-139.
- Determined payroll expenditures were accurately reported in the accounting records and supporting documentation of leave records was maintained.
- Determined 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, 2022 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Tillman 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 Tillman 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 Tillman 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

February 6, 2024

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-001 – Lack of Internal Controls Over the District Financial Statements

Condition: Upon inquiry of the Tillman County Emergency Medical Service District (the District) staff bookkeeper and a review of financial records, the following weakness was noted:

- The District’s financial statement for the 2022 fiscal year and the estimate of needs (EON) did not include a grant award totaling \$196,371 and the corresponding expenses.

Cause of Condition: Policies and procedures have not been designed and implemented to review the EON and financial records for accuracy and reconciliation to the bank balances prior to its approval by the Board.

Effect of Condition: This condition resulted in misstated financial reports, and could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends that the District implement a system of internal controls to provide reasonable assurance that collections, disbursements, and cash balances are accurately presented on the District’s EON, recorded accurately in the financial records and reconciled to bank balances.

Management Response:

Chairman of the Board: The District will ensure inclusion of all revenue and expenses are included in the financial statements and estimate of needs per OSAI recommendation.

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 quasi-governmental entities.

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

Accurate and timely recording of Transactions

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.”

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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.

Finding 2022-002 – Lack of Internal Controls and Noncompliance Over the Competitive Bidding Process

Condition: Upon inquiry of the District employees, and observation of Board meeting minutes, purchase orders, supporting documentation, and the test of the competitive bidding process, the following exception was noted:

- The District obtained a quote for the purchase of one (1) ambulance, instead of obtaining sealed bids.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that disbursements for equipment are competitively bid in compliance with the state statutes.

Effect of Condition: This condition resulted in noncompliance with the state statutes regarding solicitation and acceptance of bids and could result in inaccurate records, incomplete information, or misappropriation of assets.

Recommendation: OSAI recommends the District design and implement policies and procedures to ensure the District follows the competitive bidding requirements for the purchase of vehicles and equipment in accordance with 19 O.S. § 1723.

Management Response:

Chairman of the Board: The District will request sealed bids on capital equipment purchase per OSAI recommendation.

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

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.

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The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Title 19 O.S. § 1723 states, “Purchases by any board of trustees of any emergency medical service district shall be made in accordance with the bidding requirements as provided in Sections 1501 and 1505 of this title.”

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STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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