

## **Moulton Community Medical Clinic District Audit Committee Report**

During the regular meeting of the Board of Directors of the Moulton Community Medical Clinic District (the "District"), held on November 19, 2019, President Ernest Novosad appointed the following individuals to conduct a peer audit of the financial statements of the organization for the year 2019:

Bobby Simper, Kathy Fishbeck, and Gladys Seifert

President Ernest Novosad appointed Bobby Simper to be the chairman of the committee. The committee met at 5:15 PM on January 30, 2020 to conduct the audit.

Confirmation was requested and received for the balances of the checking, savings, and certificates of deposit from SouthStar Bank of Moulton. All balances were verified with reconciling items verified. Dual control is being adhered to in the issuance of checks and savings withdrawals. The certificate of deposit balance from Crossroads Bank was requested and the confirmation was verified to the financial statements.

*All income is deposited into the savings account at SouthStar Bank. Sources of income are property taxes, tobacco settlement proceeds, grants and contributions. The Lavaca County Collection Agency electronically deposits property taxes into the savings account via ACH Deposit. The tobacco settlement is also deposited electronically into the savings account via ACH Deposit. Several of the tax deposits were reviewed and traced back to the Savings account statement to verify the deposit amounts. No exceptions were noted.*

The account statements from the banks were audited in detail for the months of October, November, and December 2019. A sample of deposits and invoices paid were reviewed for accuracy and appropriateness. No accounting discrepancies were found.

Verification of the minutes approved at the meetings of the District were signed by both President Ernest Novosad and Administrative Secretary Carolyn Whitmire.

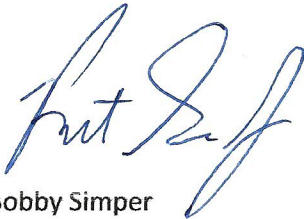
The District's contracts were discussed. It was determined the District has contracts with CSW Services, Patricia Zamykal's Cleaning Service, and the Wagner's for medical professional services. Timothy Koncaba provides landscaping services but is on a month to month service plan. After reviewing expenses, it was determined all were in compliance with the agreements the Board of Directors approved. It was noted that the Wagner's contract is in safekeeping in the safety deposit box located at SouthStar Bank in Moulton, Texas.

All insurance policies were reviewed for appropriateness, and to determine if the Board of Directors had approved the insurance coverage. Two policies are in effect, one for hazard insurance on the Clinic and EMS Building facilities owned by the District, and the second for general liability of directors and officers of the District. Both policies are appropriate for the District and were authorized by the Board of Directors.

The 2019 budget was compared to actual expenditures to identify major variances. All aspects of the budget appeared to be appropriate, and the District ran below budget on expenses for the year, which contributed to the District increasing its fund balance year-over-year.

The Audit Committee determined the process and procedures followed in conducting the Districts' business, and maintaining the records to be in good order. The organization kept by CSW Services in maintaining the records of the District is set up to easily conduct an audit. The Audit Committee expresses their appreciation for conducting the District's business and record keeping in such an excellent manner to Carolyn Whitmire, and thanks her for her cooperation during the audit.

Signed and Approved this date: February 24, 2020



Bobby Simper



Kathy Fishbeck



Gladys Seifert