

2020 Moulton Community Medical Clinic District Audit Committee Report

During a regular meeting of the Board of Directors of the Moulton Community Medical Clinic District (the "District"), held on November 9th 2020, President Ernest Novosad appointed the following individuals to conduct a peer audit of the financial statements of the organization for the year 2020:

Patrick Wenske (Chairperson), Kathy Fishbeck (Member), and Gregory Holub (Member)

The committee met at 6:00 PM February 25th, 2021 to conduct the audit. The committee adhered to the eight typical procedures.

- 1) Confirmation was requested and received for the balances of the checking, savings, and certificates of deposits from South Star Bank. All balances and reconciling items were verified to be true. Confirmation was also requested and received for balances of certificates of deposits from Cross Roads Bank. All balances and reconciling items were also verified to be true.
- 2) Board Minutes from several of the previous meetings were requested and provided. All minutes were found to be approved and were signed by the Secretary and Presiding officer.
- 3) The District's contracts were discussed. It was determined the District has contracts with CSW Services, Patricia Zamykal's Cleaning Service, and the doctor's Wagner for medical professional services. Timothy Koncaba provides landscaping services on an as-needed basis. Patricia Zamykal's Cleaning Service contract was requested and provided. The committee found the contract labor and expenses to be in line with normal operating procedures. It was found expenses vary each month for the amount of cleaning items purchased. It was noted that the doctor's Wagner contract is in safekeeping at South Star Bank in Moulton, TX. The viewed contracts were found to be in compliance.
- 4) Banking statements were requested and provided. Dual signature control was found on all randomly viewed canceled checks and savings withdrawals.
- 5) Account statements from South Star Bank was checked in detail for the months of October, November, and December of year 2020. All tax deposits and reconciliations were found to be accurate and appropriate. No discrepancies were found.
- 6) Paid invoices were requested for Timothy Koncaba landscaping services and the City of Moulton electric for the months of October, November, and December of year 2020. All matched exactly to the bank statements. No discrepancies were found.
- 7) 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 the Clinic and EMS Building coverage of damage to the facilities owned by the District, and the second is 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.
- 8) The 2020 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.

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 recording keeping in such an excellent manner to Carolyn Whitmire.

Audit Chairperson: Patrick Wenske Date: 5/24/2021
Patrick Wenske

Audit Member: Kathy Fishbeck Date: 5-24-2021
Kathy Fishbeck

Audit Member: Gregory Holub Date: 5/24/2021
Gregory Holub