



# COAL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2018

**Cindy Byrd, CPA**  
State Auditor & Inspector

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

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Cindy Byrd, CPA | State Auditor & Inspector

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April 3, 2019

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

Transmitted herewith is the audit report of Coal County 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,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



**COAL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for 2018**

	<u>General</u>	<u>County Sales Tax</u>
Beginning Cash Balance, July 1	<u>\$ 61,700</u>	<u>\$ 26,507</u>
Collections		
Ad Valorem Tax	336,071	-
County Sales Tax	<u>-</u>	<u>95,528</u>
Total Collections	<u>336,071</u>	<u>95,528</u>
Disbursements		
Contracts for Services	346,000	79,000
Maintenance and Operations	555	4,253
Audit Expense	<u>3,451</u>	<u>-</u>
Total Disbursements	<u>350,006</u>	<u>83,253</u>
Ending Cash Balance, June 30	<u><u>\$ 47,765</u></u>	<u><u>\$ 38,782</u></u>

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

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**County Sales Tax of November 12, 2013**

On November 12, 2013, the voters of Coal County approved a permanent one percent (1%) sales tax, beginning February 14, 2015. Proceeds of the tax are designated as follows: County General Fund, 30%; County Sheriff and Security, 24%; OSU Extension and 4H offices, 6%; Capital Improvements on county buildings, 14%; Emergency Medical Services (Ambulance), 12%; County Senior Citizens Centers, 5%; Rural Fire Departments, 6%; and Solid Waste and Recycling programs, 3%.

County Sales tax collections appropriated for Emergency Medical Services (Ambulance) were accounted for in the EMS-3 Sales Tax Cash Fund and expended using Coal County purchase orders approved by the Coal County Board of County Commissioners.

The collections and disbursements as presented in the Presentation of Collections, Disbursements, and Cash Balances of District Funds for fiscal year 2018 reflect county sales tax collected and disbursed separately from the amounts reported on the District Estimate of Needs.

Coal County Emergency Medical Service District  
3 South Main  
Coalgate, Oklahoma 74538

**TO THE BOARD OF DIRECTORS OF THE  
COAL 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 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 Coal 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 Coal 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 Coal 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

November 15, 2018

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2018-001 – Internal Controls Over Ambulance Service Contract (Repeat Finding)**

**Condition:** Upon review of the contract for ambulance service between the Coal County Emergency Medical Service District (the District) and the City of Coalgate (the Provider), the following exception was noted:

- The Ambulance Service Provider contract was not complete regarding Exhibit A, the territory covered by the District, and Exhibit B, the compensation funding formula.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the District enters into an ambulance service contract with all terms, conditions and addendums presented and complied within their entirety.

**Effect of Condition:** This condition could result in noncompliance of the contract provisions for ambulance service, including compensation for services, and the execution of the contract between the District and the Provider of services.

**Recommendation:** The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the Board design and implement policies and procedures to ensure the ambulance service contract is completed in its entirety and that compliance with all terms and conditions of the contract are met.

**Management Response:**

**Chairman of the Board:** Exhibit A and Exhibit B have been updated from the current contract and the Board is working on a funding formula that simplifies the method of calculation.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls over safeguarding of assets constitute a process affected by an entity’s governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and/or misappropriation of funds. Key factors in this system would include that management ensure the provisions of the contract for ambulance service are met and the contract is completed in its entirety.

**Finding 2018-003 – Inadequate Internal Controls and Noncompliance Over Formation Documents or Bylaws**

**Condition:** District Bylaws could not be located by the District Board.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the District has documented its formation including Bylaws for the District.



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**Effect of Condition:** This condition resulted in noncompliance with the Oklahoma Constitution regarding the formation of an emergency medical service district.

**Recommendation:** OSAI recommends the Board design and implement policies and procedures to ensure Bylaws are formally written and approved designating the purpose and formation of the District to ensure compliance with Article 10 § 9C of the Oklahoma Constitution.

**Management Response:**

**Chairman of the Board:** After the exit conference was conducted, the Vice Chairman created the Bylaws for the District and the Board approved those Bylaws on of February 21, 2019.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls over safeguarding of assets constitute a process affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and/or misappropriation of funds. Key factors in this system would include management ensure the District prepare and approve Bylaws regarding the formation of the District Board and the authorized duties of the Board.

Further, Article 10 § 9C(a) states;

“(a) The board of county commissioners, or boards if more than one county is involved, may call a special election to determine whether or not an ambulance service district shall be formed. An election shall also be called by the board or boards involved upon petition signed by not less than ten percent (10%) of the registered voters of the area affected. Said area may embrace a county, a part thereof, or more than one county or parts thereof, and in the event the area covers only a part or parts of one or more counties, the area must follow school district boundary lines. All registered voters in such area shall be entitled to vote, as to whether or not such district shall be formed, and at the same time and in the same question authorize a tax levy not to exceed three (3) mills for the purpose of providing funds for the purpose of support, organization, operation and maintenance of district ambulance services, known as emergency medical service districts and hereinafter referred to as "districts." If the formation of the district and the mill levy is approved by a majority of the votes cast, a special annual recurring ad valorem tax levy of not more than three (3) mills on the dollar of the assessed valuation of all taxable property in the district shall be levied. The number of mills shall be set forth in the election proclamation, and may be increased in a later election, not to exceed a total levy of three (3) mills. This special levy shall be in addition to all other levies and when authorized shall be made each fiscal year thereafter.

Each district which is herein authorized, or established, shall have a board of trustees composed of not less than five members. Such trustees shall be chosen jointly by the board or boards of county commissioners, provided that such membership shall be composed of not less than one individual from each county or part thereof which is included in said district.

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Original members of the board of trustees shall hold office, as follows: At the first meeting of said board, board members shall draw lots to determine each trustee's original length of term in office. The number of lots to be provided shall be equal to the number of original members of the board, and lots shall be numbered sequentially from one through five, with lots in excess of the fifth lot being also numbered sequentially from one through five until all lots are numbered. Each original member or members added by an expansion area of the board shall hold office for the number of years indicated on his or her lot. Each year, as necessary, the board or boards of county commissioners shall appoint successors to such members of the board of trustees whose terms have expired, and such subsequent appointments shall be for terms of five (5) years.

Such board of trustees shall have the power and duty to promulgate and adopt such rules, procedures and contract provisions necessary to carry out the purposes and objectives of these provisions and shall individually post such bond as required by the county commissioners, which shall not be less than Ten Thousand Dollars (\$10,000.00).

The district board of trustees shall have the additional powers to hire manager and appropriate personnel, contract, organize, maintain or otherwise operate the emergency medical services within said district and such additional powers as may be authorized by the Legislature.”

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S·A·I  
STATE AUDITOR & INSPECTOR



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