



# JACKSON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2020

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

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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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](http://www.sai.ok.gov)

August 24, 2021

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

Transmitted herewith is the audit report of Jackson County Emergency Medical Service District for the fiscal year ended June 30, 2020.

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



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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2020**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Beginning Cash Balance, July 1	\$ 366,687	\$ 45,841	\$ 412,528
Collections			
Ad Valorem Tax	463,299	-	463,299
Charges for Services	1,361,094	-	1,361,094
City Sales Tax for KCD3-Note 1	90,686	-	90,686
Interest	2,789	-	2,789
Cares Act-Provider Relief Funds Phase 1	50,991	-	50,991
Miscellaneous	126,381	-	126,381
Total Collections	<u>2,095,240</u>	<u>-</u>	<u>2,095,240</u>
Disbursements			
Personal Services	1,741,228	-	1,741,228
Maintenance and Operations	325,558	30,922	356,480
Capital Outlay	101,182	-	101,182
JCPFA Lease Payments - Note 2	29,912	-	29,912
Audit Expense	14,797	-	14,797
Total Disbursements	<u>2,212,677</u>	<u>30,922</u>	<u>2,243,599</u>
Ending Cash Balance, June 30	<u>\$ 249,250</u>	<u>\$ 14,919</u>	<u>\$ 264,169</u>

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

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**Note 1 - City Sales Tax Kiowa County District 3 Emergency Ambulance Association (KCD3)**

The city sales tax received from the towns of Roosevelt (.33 of 1% sales tax), Mountain Park (.30 of 1% of sales tax), and Snyder (.25 of 1% sales tax) to be used to fund the ambulance service for the geographical area of the Kiowa County District 3 Commissioner as per the contract between Jackson County Emergency Medical Service and Kiowa County District 3 Emergency Ambulance Association (KCD3).

**Note 2 - Proceeds from Jackson County Public Finance Authority (JCPFA)**

The Jackson County Emergency Medical Service District entered into an agreement, Series 2017A Note with the Jackson County Public Finance Authority (JCPFA) on January 9, 2017 in the amount of \$260,000.00. The District has received \$250,000.00 of the proceeds.

District Board Minutes of the meeting held on December 20, 2016 stated,

“Payments are due monthly (by the 10<sup>th</sup> of the month) to the *fiscal agent* bank in the amount of \$2,492.62.” The total cost of the Note is \$299,114.05, including interest and fees of \$39,114.05.”

According to the District Board Minutes, the District deeded the Jackson County Emergency Medical Service District Ambulance building and property to the JCPFA as collateral for the Series 2017A Note. In return, the District has signed a Lease Agreement with JCPFA to lease the building and property from the JCPFA until the note is paid over a ten (10) year period. The District paid \$2,492.62 in monthly lease payments from the maintenance and operations category of the General Fund for a total expense of \$29,911.44 for the fiscal year.

The District has established a Capital Projects Fund to account for the financial activity associated with proceeds of the Note and the related capital outlay expenditures.

**Note 3 - Coronavirus Aid, Relief, and Economic Security (CARES) Act**

Provider Relief Funds Phase 1 – CARES Act money distributed to healthcare providers who bill Medicare fee-for-service to provide financial relief during the coronavirus (COVID-19) pandemic. Funds were distributed by the Department of Health and Human Services (HHS) through the Health Resources and Service Administration. For the fiscal year ended June 30, 2020, the District received \$50,991.

Jackson County Emergency Medical Service District  
1309 N Park Lane  
Altus, Oklahoma 73521

**TO THE BOARD OF DIRECTORS OF THE  
JACKSON 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 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, 2020 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 and 61 O.S. §101-139.
- 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, 2020 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Jackson 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 Jackson 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 Jackson 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 22, 2021

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2020-002 – Lack of Internal Controls and Noncompliance Over Competitive Bidding**

**Condition:** Upon inquiry of the District, observation, and review of documents regarding the competitive bidding process for the District, it was determined the District approved the purchase for five cots at a total cost of \$83,883.53. The following exceptions were noted in the competitive bidding process:

- The District Board did not obtain and open sealed bids in a public meeting; rather documentation reflected quotes for five cots were received.
- Additionally, proof of publication for the solicitation of bids for hydraulic cots for the ambulances could not be provided by the District to determine public notice was properly documented.

**Cause of Condition:** The District did not follow the policies and procedures designed by the state statute regarding competitive bidding requirements, which include retaining documentation of competitive bidding documents and publication of solicitation.

**Effect of Condition:** These conditions resulted in noncompliance with the state statutes and could result in inaccurate records, incomplete information, or misappropriation of assets.

**Recommendation:** OSAI recommends that equipment purchases be competitively bid in accordance with 19 O.S. § 1723, which requires the District to make equipment purchases in accordance with the county purchasing procedures as outlined in 19 O.S. § 1505.

**Management Response:**

**Chairman of the Board:** Jackson County Emergency Medical Service has reviewed the bidding process and has corrected how it conducts its bidding process by posting the solicitation of bids at least two weeks prior to the bidding process in the local newspaper and following competitive bidding laws.

**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 – Section 2 – Objectives of an Entity - OV2.23 states in part,

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. Some entities may set objectives to a higher level of performance than established by laws and regulations.



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Title 19 O.S. § 1723 requires the District make equipment purchases in accordance with the county purchasing procedures as outlined in 19 O.S. § 1505, which requires all equipment purchases in excess of \$15,000.00 be competitively bid and that forms and reports be retained for not less than two (2) years after all audit requirements for the state and federal government have been fulfilled and after any pending litigation involving forms and reports has been resolved.

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