



COMMUNITY AMBULANCE SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**COMMUNITY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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October 4, 2023

**TO THE BOARD OF DIRECTORS OF THE
COMMUNITY AMBULANCE SERVICE DISTRICT**

Transmitted herewith is the audit report of Community Ambulance 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

**COMMUNITY AMBULANCE SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2022

	<u>General Fund</u>	<u>Sales Tax Revolving Fund</u>
Beginning Cash Balance, July 1	\$ 773,496	\$ 292,928
Collections		
Ad Valorem Tax	310,748	-
Charges for Services	93,184	-
Sales Tax Revenue	-	92,960
Miscellaneous	30,931	266
Sales Tax Reimbursement	214,809	-
Total Collections	<u>649,672</u>	<u>93,226</u>
Disbursements		
Personal Services	348,721	-
Maintenance and Operations	93,308	-
Capital Outlay	222,415	-
Reimbursement for Equipment	-	214,809
Total Disbursements	<u>664,444</u>	<u>214,809</u>
Ending Cash Balance, June 30	<u>\$ 758,724</u>	<u>\$ 171,345</u>

Presented for informational purposes.

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Sales Tax

Dewey County voters passed a .75 of one (1) cent county sales tax on April 1, 2014. The sales tax is restricted to the following areas:

- County Roads and Bridges
- County Fire Protection
- Emergency Medical Services
- Public Safety Projects

Community Ambulance Service District (the District) receives county sales tax that is passed through the Dewey County Public Facilities Authority from Dewey County per the sales tax ballot. The District has a designated bank account for the funds received and funds are disbursed for the improvement and operation of the District.

The Dewey County Public Facilities Authority Board approves the disbursement of county sales tax funds to the District. The District submits a claim for reimbursement or a purchase order detailing the item(s) the District would like to purchase using the county sales tax funds to the Dewey County Public Facilities Authority Board. The Dewey County Public Facilities Authority Board votes to approve or deny the request for funds from the District. If the request is approved, the Dewey County Public Facilities Authority Board Treasurer requests that the bank issue a check to the District for the approved amount.

For the fiscal year ended June 30, 2022, the District was allocated \$92,960 in sales tax appropriations and \$266 in interest. The District expended \$214,809 for the purchase of a new ambulance during the fiscal year.



Community Ambulance Service District
P.O. Box 811
Seiling, Oklahoma 73663

**TO THE BOARD OF DIRECTORS OF THE
COMMUNITY AMBULANCE 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 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, 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 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 Community Ambulance 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 Community Ambulance 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 Community Ambulance 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

September 5, 2023

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-002 – Lack of Internal Controls Over the Billing Process (Repeat Finding)

Condition: Based upon inquiry of Community Ambulance Service District employees, observation of the billing process and a test of thirty (30) ambulance service runs, the following weaknesses were noted:

- The District relied solely on the third-party billing company to ensure the patients' account balances were correct.
- In one (1) instance, the amount billed for an ambulance service run did not agree to the amount calculated based on the fee schedule as approved by the Board.

Cause of Condition: Policies and procedures have not been designed and implemented to monitor patient accounts, including obtaining documentation of patient account balances and ensure patients were billed in accordance with District Policy.

Effect of Condition: These conditions resulted in the District under/over billing for ambulance services and could result in unrecorded transactions, misstated financial reports, and clerical errors.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District design and implement policies and procedures to monitor patient accounts, review the third-party billing service records to determine amounts charged agree to the fee schedule and keep evidence of review.

Management Response:

Chairman of the Board: The District concurs with the finding and is actively searching for a remedy. Costs incurred with the current billing company is minimal. Switching to another company will incur a significant amount of money to switch both health record data and billing costs. However, the District does agree that there needs to be more transparency and data reconciliation. We, as a District, will work on this to get this straightened out during this next budget year.

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:

Design of Appropriate Types of Control Activities

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

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either paper or electronic form. Documentation and records are properly managed and maintained.

Establishment and review of performance measures and indicators

Management establishes activities to monitor performance measures and indicators. These may include comparisons and assessments relating different sets of data to one another so that analyses of the relationships can be made, and appropriate actions taken. Management designs controls aimed at validating the propriety and integrity of both entity and individual performance measures and indicators of the relationships can be made and appropriate actions taken. Management designs controls aimed at validating the propriety and integrity of both entity and individual performance measures and indicators.

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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Cindy Byrd, CPA | State Auditor & Inspector

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