



COMMUNITY AMBULANCE SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**COMMUNITY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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November 7, 2022

**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, 2021.

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
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2021

	<u>General Fund</u>	<u>Sales Tax Revolving Fund</u>
Beginning Cash Balance, July 1	\$ 653,500	\$ 238,472
Collections		
Ad Valorem Tax	494,794	-
Charges for Services	106,932	-
Sales Tax Revenue	-	54,189
Miscellaneous	1,528	267
Coronavirus Relief Fund (CRF) – CARES Act	19,426	-
Total Collections	<u>622,680</u>	<u>54,456</u>
Disbursements		
Personal Services	389,664	-
Maintenance and Operations	95,058	-
Capital Outlay	2,241	-
Audit Expense	15,721	-
Total Disbursements	<u>502,684</u>	<u>-</u>
Ending Cash Balance, June 30	<u>\$ 773,496</u>	<u>\$ 292,928</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, 2021, the District was allocated \$54,189 in sales tax appropriations and \$267 in interest. The District did not expend any funds during the fiscal year.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Coronavirus Relief Fund (CRF) – CARES Act - Money distributed to the State of Oklahoma to provide direct federal assistance to state governments, with consideration for local governments. The State of Oklahoma allocated \$5 million of CRF to the Oklahoma Ambulance Association (OKAMA) to distribute to licensed ambulance services across the state. The funds were to be used to reimburse ambulance services for unanticipated expenses in staffing, Personal Protective Equipment (PPE), medical supplies, and lost insurance coverage due to COVID-19. The District received \$19,426 for 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 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, 2021 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 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, 2021 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

June 22, 2022

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-001 – Lack of Internal Controls Over the Billing Process (Repeat Finding)

Condition: Upon inquiry of Community Ambulance Service District (the 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 patient account balances were correct.
- In five (5) instances 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: The District has not designed and implemented policies and procedures to monitor patient accounts, and ensure patients are 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 & Inspector’s Office (OSAI) recommends the District design and implement procedures to monitor patient accounts and to review the third-party billing service records to determine amounts charged agree to the fee schedule

Management Response:

Director and Board Response: The Board has designed and implemented policies and procedures to address the billing process. The Administrator shall review every run charge to verify that the correct amount is being charged. If differences are found the Administrator shall contact the billing company to correct the condition found.

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 and Control Activities – 10.03 states in part:

Controls Over Information Processing

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.

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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

Finding 2021-002 – Lack of Internal Controls Over the Disbursement Process (Repeat Finding)

Condition: Upon inquiry of District employees, observation of the disbursement process, and a test of thirty (30) disbursements, the following weaknesses were noted:

- In one (1) instance adequate supporting documentation was not attached to the verification for payment.
- In six (6) instances there was no evidence of verification of goods and/or services received.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure purchases are supported with adequate documentation and verification of goods and/or services received are documented.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, clerical errors or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends the Board design and implement policies and procedures to ensure all purchases are supported with adequate documentation and verification that goods and/or services were received.

Director Response: The Director with the Board's input and approval has developed a policies and procedures regarding receipt of goods and the signature requirements required to approve the invoices for payment. The Director will be responsible for ensuring the signatures are present before submitting them to the bookkeeper for payment.

Board Response: Policies and procedures are being written to ensure compliance with this finding. The Board will review the documents prior to approval for payment.

Criteria: The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

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

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designs controls aimed at validating the propriety and integrity of both entity and individual performance measures and indicators.

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S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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