



PAULS VALLEY AMBULANCE SERVICE DISTRICT NO. 1

Statutory Report

For the fiscal year ended June 30, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**PAULS VALLEY AMBULANCE SERVICE DISTRICT NO. 1
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

March 15, 2021

**TO THE BOARD OF DIRECTORS OF THE
PAULS VALLEY AMBULANCE SERVICE DISTRICT NO. 1**

Transmitted herewith is the audit report of Pauls Valley Ambulance Service District No. 1 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



**PAULS VALLEY AMBULANCE SERVICE DISTRICT NO. 1
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2020

	<u>FY 2020</u>
Beginning Cash Balance, July 1	\$ -
Collections	
Ad Valorem Tax	130,973
Wynnewood Ambulance District	109,200
City of Pauls Valley General Fund	<u>143,652</u>
Total Collections	<u>383,825</u>
Disbursements	
Maintenance and Operations	46,224
Service Provider Contract - Mercy, Inc.	324,505
Audit Expense	<u>13,096</u>
Total Disbursements	<u>383,825</u>
Ending Cash Balance, June 30	<u>\$ -</u>

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

Pauls Valley Ambulance Service District No. 1
P.O. Box 368
Pauls Valley, Oklahoma 73075

**TO THE BOARD OF DIRECTORS OF THE
PAULS VALLEY AMBULANCE SERVICE DISTRICT NO. 1**

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 Pauls Valley Ambulance Service District No. 1.

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 Pauls Valley Ambulance Service District No. 1.

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 Pauls Valley Ambulance Service District No. 1. 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

January 12, 2021

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2020-002 – Internal Controls Over District Financial Statements and the Estimate of Needs (Repeat Finding)

Condition: A review of the Pauls Valley Ambulance Service District No. 1 (the District) financial statements and Estimate of Needs, reflected the following exceptions:

- The District’s financial statements did not agree to the ending bank balance or total collections, and disbursement because the deposit of collections and disbursements of the District were accounted for in a bank account maintained by the City of Pauls Valley.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that the District reports the total collections and disbursements, and the ending balance attributed to the District in the financial statements and Estimate of Needs.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends that the Pauls Valley Ambulance Service District No. 1 design and implement a system of internal controls to provide reasonable assurance that collections, disbursements and ending balances are accurately presented and recorded on the District’s financial statement and Estimate of Needs and reconciled to the District’s bank statements.

Management Response:

Chairman of the Board: The Pauls Valley Ambulance Service District No. 1 has opened a new checking account. All collections will be deposited into the account and all disbursements will come out of the same account.

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 quasigovernmental entities.

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

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

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operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Additionally, 10.03 further states;

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.

Finding 2020-007 - Internal Controls and Noncompliance Over Board Members and Officials' Liability Insurance (Repeat Finding)

Condition: Upon inquiry with the District and observation of District's documents, the following exceptions were noted:

- The current District Board members are also the Board members for the City of Pauls Valley.
- The blanket bond for officials did not include the District Board; rather, the blanket bond for officials' liability insurance covers the Pauls Valley City officials and employees.

Cause of Condition: Policies and procedures have not been designed and implemented to appoint the Board members of the Pauls Valley Ambulance Service District No. 1 Board in accordance with the Oklahoma Constitution and District bylaws and provide officials' liability insurance for those Board members.

Effect of Condition: These conditions resulted in violation of the Oklahoma Constitution Article 10 Section 9c(p) and noncompliance with the District's bylaws and could result in conflict of interest between the contracted service provider and District due to the Board members serving on both Boards.

Additionally, without naming the District Board members in the officials' liability insurance policy, the District may not be assured of insurance coverage for the District Board in the event of errors or omissions.

Recommendation: OSAI recommends the Pauls Valley Ambulance Service District No. 1 Board members be appointed by the Pauls Valley City Council, or the City Council act as the Board as required by the Oklahoma Constitution Article 10 Section 9c(p) and approved by the Board of County Commissioners. Further, OSAI recommends the District obtain officials' liability insurance for District Board members in compliance with Article 10 section 9c,

Management Response:

Chairman of the Board: The Pauls Valley Ambulance Service District No.1 Board members have been added to the bond insurance carried by the City of Pauls Valley.

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Criteria: The GAO Standards – Section 2 – Objective of an Entity - OV2.23 states in part:

Compliance Objectives

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.

The Oklahoma Constitution Article 10 Section 9c(p) states,

“In lieu of proceeding to establish a district as outlined hereinabove through the county commissioners, the governing body of any incorporated city or town may proceed to form a district, join an existing district or join with other incorporated cities or towns in forming a district. In such case, said governing body shall be considered as being substituted as to the powers and duties of said county commissioners as set forth hereinabove; provided, further, said city or town shall be considered as being substituted as to the powers and duties of a district formed, as set forth hereinabove. All rights, duties, privileges and obligations of the residents and voters in such city or town shall be the same as those outlined for the district as set forth above.”

Further, Article 10 section 9c, states, in part;

“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).”

O·K·L·A·H·O·M·A
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