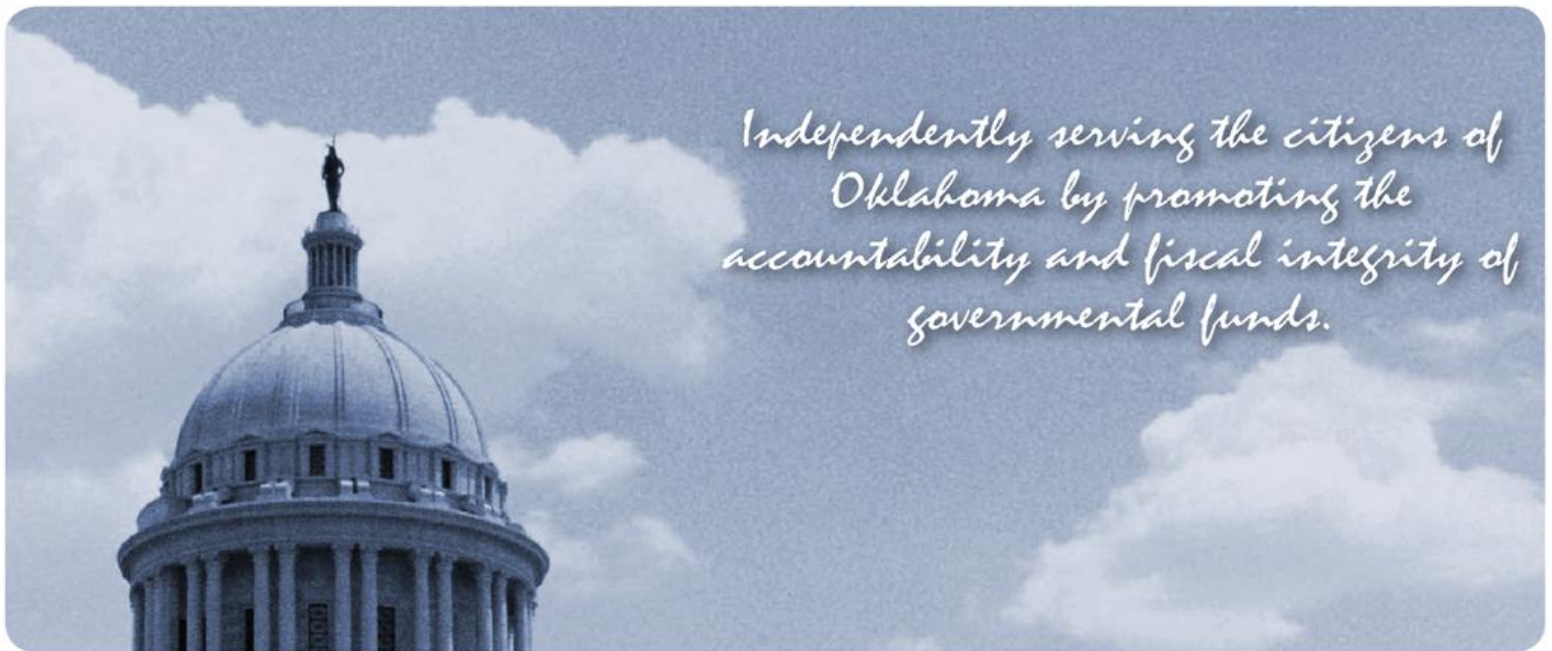


STATUTORY REPORT

PAULS VALLEY AMBULANCE SERVICE DISTRICT

For the period July 1, 2008 through June 30, 2013



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2013**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 1706.1, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

November 25, 2014

**TO THE BOARD OF DIRECTORS OF THE
PAULS VALLEY AMBULANCE SERVICE DISTRICT**

Transmitted herewith is the audit report of the Pauls Valley Ambulance Service District for the period July 1, 2008 through June 30, 2013.

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 "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
 STATUTORY REPORT
 JULY 1, 2008 THROUGH JUNE 30, 2013**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2009 and FY 2010

	<u>FY 2009</u>	<u>FY 2010</u>
Beginning Cash Balance, July 1	\$ 74,181	\$ 141,213
Collections		
Ad Valorem Tax	108,561	102,009
Miscellaneous	1,502	1,013
Total Collections	<u>110,063</u>	<u>103,022</u>
Disbursements		
Maintenance and Operations	43,031	202,654
Audit Expense	-	5,377
Total Disbursements	<u>43,031</u>	<u>208,031</u>
Ending Cash Balance, June 30	<u>\$ 141,213</u>	<u>\$ 36,204</u>

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

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
 STATUTORY REPORT
 JULY 1, 2008 THROUGH JUNE 30, 2013**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2011 and FY 2012

	FY 2011	FY 2012
Beginning Cash Balance, July 1	\$ 36,204	\$ 100,918
Collections		
Ad Valorem Tax	94,811	98,823
Miscellaneous	129	45
Total Collections	94,940	98,868
Disbursements		
Maintenance and Operations	30,226	18,952
Audit Expense	-	-
Total Disbursements	30,226	18,952
Ending Cash Balance, June 30	\$ 100,918	\$ 180,834

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

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2013

	<u>FY 2013</u>
Beginning Cash Balance, July 1	<u>\$ 180,834</u>
Collections	
Ad Valorem Tax	96,980
Miscellaneous	<u>33</u>
Total Collections	<u>97,013</u>
Disbursements	
Maintenance and Operations	78,562
Audit Expense	<u>-</u>
Total Disbursements	<u>78,562</u>
Ending Cash Balance, June 30	<u>\$ 199,285</u>

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



Oklahoma State Auditor & Inspector

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Pauls Valley Ambulance Service District
P.O. Box 368
Pauls Valley, Oklahoma 73075

TO THE BOARD OF DIRECTORS OF THE PAULS VALLEY AMBULANCE 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 2009, FY 2010, FY 2011, FY 2012 and FY 2013 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.

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.

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. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR
November 11, 2014

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 1 – 2013 – Inadequate Internal Controls and Noncompliance Over Audit Expense Account

Condition: For the period of July 1, 2011 through June 30, 2013, it was noted that Pauls Valley Ambulance Service District (the District) did not appropriate the mandatory one-tenth mill to the audit budget account, and it was also noted that the balances from 2009 through 2012 were not properly carried forward.

Cause of Condition: Procedures have not been designed to ensure compliance with 19 O.S § 1706.1.

Effect of Condition: This condition resulted in noncompliance with state statute and under funding of the audit expense account.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the District implement policies and procedures designed to ensure that one-tenth mill upon the net total assessed valuation be set aside in the audit expense account, and that any unused portion be lapsed into the next year audit expense account in accordance with 19 O.S. § 1706.1.

Management Response: Management of the Pauls Valley Ambulance Service District No. 1 will implement policies and procedures to ensure that the one-tenth mill upon the net total assessed valuation required to be appropriated pursuant to 19 Okla. Stat. § 1706.1 will be set aside in the audit expense account, and that any unused portion will be lapsed into next year audit expense account.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. A component objective of an effective internal control system is to provide accurate and reliable information through proper review and approval.

Further, according to 19 O.S. § 1706.1, the District must appropriate the net proceeds of the one-tenth mill annual ad valorem levy upon the net total assessed valuation of the District for audit expenses.

Finding 2 – 2013 – Inadequate Internal Controls Over the Expenditure Process

Condition: While testing expenditures for the Pauls Valley Ambulance Service District, the following exceptions were noted:

- For the period July 1, 2008 through June 30, 2009, there were no records of expenditures maintained.
- For the period July 1, 2009 through June 30, 2010, there were no records of expenditures maintained.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

- For the period July 1, 2010 through June 30, 2011, there were no records to document bank transfers (web transfers). Of the 18 expenditures tested, 2 had no invoice, 13 had no evidence of a receiving signature or verification of accuracy on the invoice, and 15 could not be traced to Board minutes.
- For the period July 1, 2011 through June 30, 2012, there were no records to document bank transfers (web transfers). Of the 32 expenditures tested, 2 had no invoice, 20 had no evidence of a receiving signature or verification of accuracy on the invoice, and 3 could not be traced to Board minutes.
- For the period July 1, 2012 through June 30, 2013, there were no records to document bank transfers (web transfers). Of the 25 expenditures tested, 17 had no evidence of a receiving signature or verification of accuracy on the invoice, and 3 could not be traced to Board minutes.

Cause of Condition: Policies and procedures have not been designed to check completeness, authorization, and provide adequate documentation to support disbursements.

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

Recommendation: OSAI recommends all invoices, tickets and/or statements documenting the District's disbursements be signed by a Board member, taking responsibility for verifying the goods or services were received. OSAI also recommends that the District expenditures be approved by the Board before payment is issued to the vendors. Furthermore, the Board minutes currently only reflect that disbursements are approved for payment. The Board minutes should include the vendor, the purchase order/claim number, and the amount approved for payment.

Management Response: Management believes that appropriate procedures were in place and followed with respect to each of the cited exceptions above. However, due to turnover and to organizational issues existing during the stated periods (i.e., July 1, 2008 through June 30, 2013) hospital staff was apparently unable to provide the auditor with the requested documentation, or such documentation was incomplete. Board members involved during the relevant times confirm that appropriate procedures were in place and followed as a general rule.

In any event, Management will ensure that all invoices, tickets and/or statements documenting the District's disbursements will be signed by appropriate personnel to ensure verification that the goods and services purchased were in fact received. In addition, Management will ensure that District expenditures are approved by the District before payment is issued to vendors. Finally, Management will ensure that District minutes will include the vendor, the purchase order/claim number, and the amount approved for payment.

The District has contracted with the Pauls Valley Hospital Authority to manage the District. Accordingly, District expenditures are managed in conjunction with Pauls Valley Hospital Authority accounting and finance processes. Bank reconciliations are maintained for all bank accounts. Management will review processes to better document transfers and/or provide invoices as necessary.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
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Criteria: Internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursements and/or transactions.

An aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation

Finding 3 – 2013 – Inadequate Internal Controls and Noncompliance Over the Bidding Process

Condition: Upon inquiry, observation of documents, and test of bids, we determined controls over the bidding process have not been properly implemented as follows:

- During the fiscal year 2013, radio equipment costing \$11,680.65 was purchased and no bids were solicited.

Cause of Condition: The Board members were unaware of the bidding requirements.

Effect of Condition: This condition resulted in violation of state statutes.

Recommendation: OSAI recommends the District implement procedures to ensure bidding is properly performed and adequate documentation of the process is maintained, including:

- Documentation of notification to the successful bidder.
- Evidence of public notice.
- Handling of unopened bids.
- Awarding bid to best bidder.
- Recording appropriate information in Board minutes.

Management Response: Pauls Valley Ambulance Service District No. 1 is an ambulance service district whose boundaries are solely the corporate limits of the City of Pauls Valley as authorized by 19 Okla. Stat. § 1203(A). Accordingly, management has been of the opinion that Pauls Valley Ambulance Service District No. 1 does not follow County purchasing requirements, but rather those implemented by the municipality. Management has been following regular purchasing requirements of the City of Pauls Valley which has an exemption from competitive bidding for purchases of equipment not exceeding \$25,000 in value. Indeed, however, even if the Competitive bidding requirements of 19 Okla. Stat. § 1723 were required to be followed, the referenced purchase would appear to be exempt pursuant to 19 Okla. Stat. § 1501(3)(a) which appears to exempt purchases which do not exceed \$15,000 from the requirement of competitive bidding. Management would like clarification on the appropriate bidding practices applicable to an ambulance service district as its boundaries the corporate limits of the municipality. Upon clarification of that point, Management will implement policies to ensure compliance with the applicable bidding requirements.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
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Auditor Response: The Oklahoma State Statutes does not distinguish between an ambulance district whose boundaries are solely within the corporate limits of a city, or one whose boundaries are limited by school district or county boundaries. The statutes states that, "Purchases by any board of trustees of any emergency medical service district shall be made in accordance with the bidding requirements as provided in Sections 1501 and 1505 of this title." Further, the state statutes in effect during the time of the purchase in question required any purchase over \$10,000 be competitively bid.

Criteria: Good internal controls would include policies and procedures implemented by Pauls Valley Ambulance Service District to ensure compliance with state statutes regarding purchases by competitive bids.

Title 19 O.S. § 1723 states that, "Purchases by any board of trustees of any emergency medical service district shall be made in accordance with the bidding requirements as provided in Sections 1501 and 1505 of this title."

Title 19 O.S. § 1501 and 1505 requires any purchase over \$10,000 be competitively bid.

Finding 4 – 2013 – Inadequate Internal Controls Over the Estimate of Needs

Condition: Upon inquiry and observation of the recordkeeping process, the following was noted:

- Ad Valorem taxes apportioned by the County Treasurer do not agree to the collections as reported on the Estimate of Needs for the fiscal years 2009, 2010, 2012, and 2013.
- On the Estimate of Needs the total warrants paid and the outstanding warrants do not agree to the warrants issued for fiscal years 2011, 2012, and 2013.
- There is no independent oversight of the accuracy of collections, disbursements, and cash balances on the Estimate of Needs by the Administrator or the District Board.
- Ending cash balance per Estimate of Needs does not reflect the actual ending cash balance of the District.

Cause of Condition: Procedures have not been designed and implemented to review the Estimate of Needs for accuracy prior to its approval.

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

Recommendation: OSAI recommends the District implement a system of internal controls to provide reasonable assurance that collections, disbursements, and cash balances are accurately presented on the District's Estimate of Needs.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
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Further, OSAI recommends the District Administrator or a member of the Governing Board compare the Estimate of Needs to the District's records, and to the records of the County Treasurer to ensure collections, disbursements, and cash balances are accurately presented on the Estimate of Needs.

Management Response: Management has been educated on the Estimate of Needs process. Future Estimate of Needs will be conducted by an outside firm engaged to handle this process.

Criteria: Internal controls should be designed to ensure the accuracy and completeness of disbursements, collections, and cash balances are accurately presented on the Estimate of Needs.

Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. 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 safeguarding assets from misappropriation.

Finding 5 – 2013 – District Monies Not Accounted for by Fund and Account

Condition: Upon inquiry and observation of the recordkeeping process, the following was noted:

- According to the contract that the Pauls Valley Ambulance Service District has with Pauls Valley Hospital Authority (the Contractual Service Provider), all revenues and monies received may be accounted for and held as part of Pauls Valley Hospital Operating Fund provided that all such monies and funds be kept and accounted for in separate accounts so that, at all times, the funds belonging to the Pauls Valley Ambulance Service District are clearly ascertainable.
- The funds of the Pauls Valley Ambulance Service District are not being accounted for separately so that, at all times, the funds belonging to the Pauls Valley Ambulance Service District is clearly ascertainable.

Cause of Condition: Procedures have not been designed or implemented by the District Board to ensure that contractual obligations for the District are being met.

Effect of Condition: These conditions could result in misuse or misappropriation of District funds by the Pauls Valley Hospital Authority.

Recommendation: OSAI recommends the District Board design and implement procedures to ensure the provisions of the contract are being met.

Management Response: Funds for Pauls Valley Ambulance Service District No. 1 are accounted for separately by both depositing funds into a bank account dedicated to District funds and through financial accounting systems that document and record all related transactions. Management will review processes to more formally document and manage our funds in accordance with contract.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Criteria: According to the contract that the Pauls Valley Ambulance Service District has with Pauls Valley Hospital Authority, all revenues and monies received may be accounted for and held as part of Pauls Valley Hospital Operating Fund provided that all such monies and funds be kept and accounted for in separate accounts so that, at all times, the funds belonging to the Pauls Valley Ambulance Service District are clearly ascertainable.

Title 19 O.S. § 1713 states in part that; “any monies received or expended by the district must be accounted for by fund and account. Each district shall prepare a budget for the general fund and for other funds as the board may require pursuant to this act.”

Finding 6 – 2013 – Violation of Open Records Act

Condition: For the period July 1, 2008 through June 30, 2010, no expenditure records or ledgers were maintained by the Pauls Valley Ambulance Service District. It was also noted that for the period July 1, 2008 through March 31, 2012, no bank statements were maintained by the Pauls Valley Ambulance Service District.

Cause of Condition: Policies and procedures have not been designed to keep and maintain complete records of the receipt and expenditure of public funds.

Effect of Condition: This condition resulted in the Pauls Valley Ambulance Service District being in violation of the Open Records Act.

Recommendation: OSAI recommends that the District implement policies and procedures designed to keep and maintain complete records of all receipts and expenditures of any public funds.

Management Response: Management does not believe any violation of the open records act have taken place. Public meetings with required formal notice were posted as required for any and all Pauls Valley Ambulance Service District No. 1 meetings that have taken place. In addition, minutes and other proper record keeping have taken place during the meeting. We understand that such documents were not able to be produced during the audit term although we know such documents are stored as part of long-term archival of these documents.

Auditor Response: Proper documentation of expenditures and ledgers were not available for inspection during the noted period. Without proper documentation, OSAI was unable to document that records existed and that the Pauls Valley Ambulance Service District complied with the Open Records Act.

Criteria: In accordance with 51 O.S. § 24A.4, every public body and public official has a specific duty to keep and maintain complete records of the receipt and expenditure of any public funds reflecting all financial and business transactions relating thereto, except that such records may be disposed of as provided by law.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Finding 7 – 2013 – Violation of Open Meetings Act

Condition: Upon inquiry and observation of the recordkeeping process, it was noted that there were no Board Meeting Minutes kept and maintained for the period July 1, 2008 through June 30, 2011 and April 15, 2013 through June 30, 2013.

Cause of Condition: Policies and procedures have not been designed to keep and maintain complete records of the Board Meeting Minutes.

Effect of Condition: This condition resulted in the Pauls Valley Ambulance Service District being in violation of the Open Meetings Act.

Recommendation: OSAI recommends the District implement policies and procedures designed to keep and maintain complete records of all Board Meeting Minutes.

Management Response: Management does not believe any violation of the open records act have taken place. Public meetings with required formal notice were posted as required for any and all Pauls Valley Ambulance Service District No. 1 meetings that have taken place. In addition, minutes and other proper record keeping have taken place during the meeting. We understand that such documents were not able to be produced during the audit term although we know such documents are stored as part of long-term archival of these documents.

Auditor Response: Board minutes were not available for inspection during the noted period. Without proper documentation, OSAI was unable to document that Board minutes existed and that the Pauls Valley Ambulance Service District complied with the Open Meetings Act.

Criteria: According to 25 O.S. § 312, the proceedings of a public body shall be kept by a person so designated by such public body in the form of written minutes which shall be an official summary of the proceedings showing clearly those members present and absent, all matters considered by the public body, and all actions taken by such public body. The minutes of each meeting shall be open to public inspection and shall reflect the manner and time of notice required by this act.

Finding 8 – 2013 – Improper Appointment of Board Members

Condition: We were unable to determine who was appointing the Board members for the Pauls Valley Ambulance Service District. The current board members are also the Board members for the Pauls Valley Hospital Authority.

Cause of Condition: The members of the Pauls Valley Hospital Authority have been serving as the Pauls Valley Ambulance Service District Board and were unaware that the Pauls Valley City Council was to serve or appoint the Board members.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Effect of Condition: These conditions resulted in a violation of the Oklahoma Constitution article 10 section 9c(p).

Recommendation: OSAI recommends the Pauls Valley Ambulance Service District 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).

Management Response: Management believes that it is not a correct statement that members of the Pauls Valley Hospital Authority “were unaware that the Pauls Valley City Council were to serve or appoint the board members.” The terms of the contract between the ambulance district and the Pauls Valley Hospital Authority are that the Hospital Authority will manage the ambulance district. At the time the agreement was entered into between the ambulance district and the Hospital Authority, the Authority had appointed a “Board of Control” to manage both the hospital and the ambulance service district. Since that time, Board of Control has been dissolved and the Hospital Authority has taken direct management of both the hospital and the ambulance service district. Prior to the dissolution of the Board of Control, the Pauls Valley City Council appointed members to the Board of Control; there is no need for appointment of any board member because the members of the Pauls Valley Hospital Authority serve as the Board of Directors of the Pauls Valley Ambulance Service District No. 1. At all times where members were appointed to the Board of Control, appointment to that board was made by the Pauls Valley City Council by appropriate action in open meetings with proper legal notice. Going forward, it is opinion of legal counsel that there is no need for appointment of members to the Pauls Valley Ambulance Service District No. 1 because, pursuant to 19 Okla. Stat. § 1203, “[w]hen a district is totally within the municipal city limits of a city, the board of directors of the district or their designee may be the governing body of the city or town.” The applicable entities, that is, the Pauls Valley Ambulance Service District No. 1 and the Pauls Valley Hospital Authority have established by their contract that the members of the Pauls Valley Hospital Authority will serve as the board of directors of the ambulance district for the duration of the contract.

Auditor Response: District Board minutes were not available for inspection during the noted period. Without proper documentation, OSAI was unable to document who appointed the Board members to the Pauls Valley Ambulance Service District.

Criteria: 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.”

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Finding 9 – 2013 –Inadequate Internal Controls Over the Estimate of Needs

Condition: The ending cash balance per Estimate of Needs for the fiscal years 2011, 2012, and 2013 do not reflect the actual ending cash balance of the Pauls Valley Ambulance Service District. The following table reflects the actual ending cash balance and the ending cash balance as reported on the Estimate of Needs.

Fiscal Year	Actual Ending Cash Balance	Warrants reported as outstanding FY 2011	Warrants reported as outstanding FY 2012	Warrants reported as outstanding FY 2013	Prior Year Expenditures Recovered	Total Undocumented Adjustments	Ending Cash Balance as Reported on the Estimate of Needs
2009	\$141,213	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$141,213
2010	\$ 36,204	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$ 36,204
2011	\$100,918	\$ 93,011	\$ 0	\$ 0	\$ 0	\$ 93,011	\$ 7,907
2012	\$180,834	\$ 93,011	\$ 87,158	\$ 0	\$ 0	\$180,170	\$ 664
2013	\$199,285	\$ 93,011	\$ 87,158	\$ 8,596	\$113,977	\$ 74,789	\$124,496

Cause of Condition: Procedures have not been designed and implemented to review the Estimate of Needs for accuracy prior to its approval. The Estimate of needs reflects outstanding warrants that were not documented.

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

Recommendation: OSAI recommends the District implement a system of internal controls to provide reasonable assurance that collections, disbursements, and cash balances are accurately presented on the District's Estimate of Needs.

Further, OSAI recommends the District Administrator or a member of the Governing Board compare the Estimate of Needs to records of the District and the County Treasurer to ensure collections, disbursements, outstanding warrants, and cash balances are accurately presented on the Estimate of Needs.

Management Response: Management has been educated on the Estimate of Needs process. Future Estimate of Needs will most likely be conducted by an outside firm engaged to handle this process.

Criteria: Internal controls should be designed to ensure the accuracy and completeness of disbursements, collections, and cash balances are accurately presented on the Estimate of Needs.

**PAULS VALLEY AMBULANCE SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. 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 safeguarding assets from misappropriation.



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