

STAUNTON AREA AMBULANCE SERVICE, INC.
REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2023

STAUNTON AREA AMBULANCE SERVICE, INC.
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To the Board of Trustees
Staunton Area Ambulance Service, Inc.
Staunton, IL

Opinion

We have audited the accompanying financial statements of Staunton Area Ambulance Service, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2023, and the related statement of support, revenues, expenses, and changes in net assets – modified cash basis, statement of functional expenses – modified cash basis and statement of cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Staunton Area Ambulance Service, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note B.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Staunton Area Ambulance Service, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note B of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Staunton Area Ambulance Service, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

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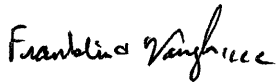
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misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Staunton Area Ambulance Service Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Staunton Area Ambulance Service Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Franklin & Vaughn, LLC
Edwardsville, Illinois
December 15, 2024

STAUNTON AREA AMBULANCE SERVICE, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
MODIFIED CASH BASIS
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash	\$ 154,722
Total Current Assets	154,722

FIXED ASSETS

Equipment	782,219
Building & Improvements	290,613
Vehicles	292,529
Land	46,752
Accumulated Depreciation	(1,086,151)
Total Fixed Assets	325,962

TOTAL ASSETS	480,684
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll Withholding Payable	192
Current Portion - Notes Payable	65,501
Total Current Liabilities	65,693

LONG-TERM LIABILITIES

Notes Payable	235,896
TOTAL LIABILITIES	301,589

NET ASSETS

Without Donor Restriction	179,095
Total Net Assets	179,095

TOTAL LIABILITIES AND NET ASSETS	\$ 480,684
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The accompanying notes are an integral part of this statement.

STAUNTON AREA AMBULANCE SERVICE, INC.
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUE:	
Patient Fees	\$ 942,724
Fire District Levy	198,308
Real Estate Tax Levy	274,437
Grants	5,138
Contributions	1,000
TOTAL SUPPORT AND REVENUE	1,421,607
EXPENSES	
Program Services	940,903
Supporting Services	
Management & General	276,383
TOTAL EXPENSES	1,217,286
CHANGE IN NET ASSETS BEFORE OTHER	204,321
CHANGE IN NET ASSETS	
OTHER CHANGES IN NET ASSETS	
Interest Income	245
TOTAL OTHER CHANGES IN NET ASSETS	245
CHANGE IN NET ASSETS	204,566
NET ASSETS, Beginning of Year	(25,471)
NET ASSETS, End of Year	\$ 179,095

The accompanying notes are an integral part of this statement.

STAUNTON AREA AMBULANCE SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Wages	\$ 599,823	\$ 93,309	\$ 693,132
Payroll taxes	43,440	6,757	50,197
Total Salaries & Related Expenses	643,263	100,066	743,329
Advertising		291	291
Bank Fees		5,191	5,191
Billing Expense		48,421	48,421
Depreciation	86,289	168	86,457
Dispatch Fees	6,000		6,000
Education & Training	(1,848)		(1,848)
Equipment Expense	10,345	839	11,184
Fuel	40,356		40,356
Insurance			
Worker's Compensation	83,726	13,025	96,751
Business		30,198	30,198
Health	24,957	3,882	28,839
Interest Expense		31,838	31,838
Legal & Professional		13,175	13,175
Licenses & Fees		1,500	1,500
Medical Supplies	25,407		25,407
Miscellaneous		1,435	1,435
Office Supply & Postage		160	160
Repairs & Maintenance	21,322	7,206	28,528
Uniforms	1,086		1,086
Utilities		18,988	18,988
Total Other Expenses	297,640	176,317	473,957
Total Expenses	<u>\$ 940,903</u>	<u>\$ 276,383</u>	<u>\$ 1,217,286</u>

The accompanying notes are an integral part of this statement.

STAUNTON AREA AMBULANCE SERVICE, INC.
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Total</u>
OPERATING ACTIVITIES	
Change in Net Assets	\$ 204,566
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:	
Depreciation Expense	86,457
Decrease in Payroll Taxes Payable	<u>(533)</u>
Total Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations	<u>85,924</u>
Net Cash Provided by (Used by) Operating Activities	<u>290,490</u>
FINANCING ACTIVITIES	
Repayment on Line of Credit	(144,000)
Payments on Long Term Notes Payable	<u>(25,054)</u>
Net Cash Provided by (Used by) Financing Activities	<u>(169,054)</u>
NET INCREASE IN CASH	121,436
Cash at Beginning of Period	<u>33,286</u>
Cash at End of Period	<u><u>\$ 154,722</u></u>
Interest Paid	<u><u>\$ 31,838</u></u>
Income Taxes Paid	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

STAUNTON AREA AMBULANCE SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A: NATURE OF ORGANIZATION

Staunton Area Ambulance Service (the Service) is an Illinois non-profit corporation. The Service was incorporated on May 18, 1977, under the laws of the State of Illinois. The Service's purpose is to operate, maintain, and direct a complete emergency care ambulance service. The Service covers the area including the fire districts of Staunton, New Douglas, Olive, and Worden. The Service was approved to change its tax exempt status from 501(c)(4) to 501(c)(3) during a previous year.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United State of America (GAAP). This basis of accounting differs from GAAP primarily because certain revenue and related assets (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) have been recognized when received rather than when earned and certain expenses and related liabilities (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued liabilities and expenses) have been recognized when paid rather than when the obligations were incurred.

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be satisfied by actions of the Service or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenues, expenses, and change in net assets – modified cash basis as net assets released from restrictions. The Service treats donations received with restriction and then used according to that restriction within the same year as unrestricted.

Cash

Cash includes cash on hand in checking and savings accounts.

Property and Equipment

Property and equipment are recorded at cost. The Service capitalizes all purchases of property and equipment in excess of \$2,500. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which range from 5 – 40 years.

STAUNTON AREA AMBULANCE SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue Recognition

Revenue is recognized when received. The majority of the Service's revenue is derived from providing emergency medical services and assisting with medical-related transportation. The Service also has agreements with certain local fire protection districts in the Service's coverage area to help defray some of the expenses not covered by patient service revenue. This support and revenue is recorded as fire district levy revenue in the statement of support, revenues, expenses, and change in net assets – modified cash basis.

Contributed Services

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require special skills, and are provided by individuals possessing such skills. Volunteers have made contributions of their time to the Service to serve on the board of directors. The value of this contributed time is not reflected in the financial statements as such services do not require specialized skill or would not typically be purchased had they not been provided as donations.

Functional Expenses

Directly identifiable expenses are charged to program services in the statement of support, revenues, expenses, and changes in net assets – modified cash basis. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Service. Expenses related to more than one function are charged to program services and management and general on the basis of the Service's allocation. Payroll related expenses are allocated using the ratio of time spent performing various job duties. All other expenses are allocated based on the primary purpose that the expense serves.

Advertising Costs

Advertising costs are charged to management and general. Advertising costs are expensed as incurred and the total advertising related expenses amount to \$291 for the year, as presented in the statement of functional expenses – modified cash basis.

Use of Estimates

In preparing financial statements in conformity with the modified cash basis of accounting, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Income taxes

The Service is a tax-exempt entity of the Internal Revenue Code Section 501(c)(3). The Service is exempt from income taxes on related income under Section 501(a) of the Code. The Service files federal and state informational returns. These returns are generally subject to examination by the Internal Revenue Service for three years from the date they are filed.

STAUNTON AREA AMBULANCE SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE C: LIQUIDITY AND AVAILABILITY

Staunton Area Ambulance Service has \$154,722 of financial assets available for use within one year of the statement of assets, liabilities, and net assets – modified cash basis date, which consists of cash deposits. The Service could also draw on a line of credit as discussed in Note E, should there become a need. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of assets, liabilities, and net assets – modified cash basis date. Staunton Area Ambulance Service has a goal to maintain liquid financial assets available to continue operations. Annual operations tend to approximate \$1.0 million.

NOTE D: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

Land	\$ 46,752
Equipment	782,219
Vehicles	292,529
Buildings and Improvements	290,613
Total Assets	\$ 1,412,113
Less: Accumulated Depreciation	(1,086,151)
Net Property & Equipment	<u>\$ 325,962</u>

Depreciation expense for the year ending December 31, 2023, is \$86,457.

NOTE E: LONG-TERM DEBT

The Service secured a note payable with the Bank of Springfield with an original balance of \$101,500 on March 25, 2020. It is collateralized by the Service's 2019 Ford E450 ambulance. Principal and interest payments of \$1,288 are due on the 25th of the month. The note bears an APR of 1.81% and matures – March 25, 2027.

The Service secured an additional note payable with the Bank of Springfield with an original balance of \$76,749 on September 7, 2021. It is collateralized by the Service's 2020 Ford Transit 250 ambulance. Principal and interest payments of \$974 are due on the 7th of the month. The note bears an APR of 1.81% and matures September 7, 2028.

The Service established an operating loan of \$200,000 with the Bank of Springfield. This loan requires interest payments monthly on any outstanding balance at a rate of 1.67%. The line of credit matures January 10, 2024. The line of credit is secured by a commercial security agreement dated July 10, 2020, on the mortgage of two pieces of property owned by the Service and all other assets of the Service. The outstanding balance at December 31, 2023, was \$199,570. The balance was not paid off by the maturity date of the loan. The Service has since entered into an agreement with the Bank of Springfield to pay off the debt in annual payments of \$40,000 beginning in 2024 until the debt is paid off. The Service plans to pay off the remaining loans and credit debt as normal.

STAUNTON AREA AMBULANCE SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE E: LONG-TERM DEBT (Cont'd)

The future debt service requirements on the debt are as follows:

<u>Year</u> <u>Ending</u>	<u>Principal</u>				
	<u>\$200,000</u> <u>Operating</u> <u>Loan</u>	<u>\$101,500</u> <u>Loan</u>	<u>\$76,749</u> <u>Loan</u>	<u>\$150,000</u> <u>Line of</u> <u>Credit</u>	<u>Total</u>
2024	\$ 40,000	10,810	14,691	-	65,501
2025	40,000	11,007	14,960	-	65,967
2026	40,000	11,209	15,234	-	66,443
2027	40,000	11,414	3,820	-	55,234
2028	39,570	8,682	-	-	48,252
Total	<u>\$ 199,570</u>	<u>\$ 53,122</u>	<u>\$ 48,705</u>	<u>\$ -</u>	<u>\$ 301,397</u>

NOTE F: CONCENTRATION OF SUPPORT AND REVENUE

The majority of the Service's support and revenue is derived from patient services. For the year ended December 31, 2023, the breakdown of revenue by payor sources is as follow:

<u>Payor</u>	<u>Amount</u>	<u>%</u>
Medicare	\$ 377,803	40%
Medicaid	197,346	21%
Private Insurance	267,628	28%
Patients	87,289	9%
Other	12,658	1%
Total	<u>\$ 942,724</u>	<u>100%</u>

NOTE G: COMMITMENTS AND CONTINGENCIES

Amounts received from insuring agencies are subject to audit and adjustment by insuring agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the insurer cannot be determined at this time although SAAS expects such amounts to be immaterial.

NOTE H: SUBSEQUENT EVENTS

In preparing these financial statements, the Service has evaluated events and transactions for potential recognition and disclosure through December 15, 2024, the date the financial statements were available to be issued.