

**GILLESPIE-BENLD AREA
AMBULANCE SERVICE, INC.**

**FINANCIAL STATEMENTS – MODIFIED CASH BASIS
WITH INDEPENDENT AUDITOR’S REPORT**

Years Ended December 31, 2023 and 2022

GILLESPIE-BENLD AREA AMBULANCE SERVICE, INC.
(A Nonprofit Organization)
Gillespie, Illinois

Years Ended December 31, 2023 and 2022

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123 S. High St., PO Box 617
Carlinville, IL 62626

Exhibit A

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Gillespie-Benld Area Ambulance Service, Inc.

Opinion

We have audited the accompanying financial statements of Gillespie-Benld Area Ambulance Service, Inc. ("the Service") (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2023 and 2022, and the related statements of support, revenue, expenses, and changes in net assets – modified cash basis and cash flows – modified cash basis for the years 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 assets, liabilities, and net assets of the Service as of December 31, 2023 and 2022, its support, revenue, expenses, and changes in net assets and cash flows for the years then ended, in accordance with the modified cash basis of accounting, as described in Note A2.

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 the Service and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 A2 of the financial statements, which describes 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 A2, 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.

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 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 the Service'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Service'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.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Assessed Valuation, Tax Rate, and Settlements (Exhibit F) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Carlinville CPA Group, LTD.

Carlinville CPA Group, LTD.

Carlinville, Illinois
July 12, 2024

FINANCIAL STATEMENTS

GILLESPIE-BENLD AREA AMBULANCE SERVICE, INC.
(A Nonprofit Organization)
Gillespie, Illinois

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 830,757	\$ 538,165
Investments	<u>883,971</u>	<u>1,052,529</u>
Total Current Assets	<u>1,714,728</u>	<u>1,590,694</u>
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation	1,642,362	1,317,736
Land	<u>44,875</u>	<u>33,000</u>
Total Noncurrent Assets	<u>1,687,237</u>	<u>1,350,736</u>
TOTAL ASSETS	<u>\$ 3,401,965</u>	<u>\$ 2,941,430</u>
 <u>LIABILITIES</u>		
Current Liabilities		
Note Payable - UCB Construction Loan	<u>\$ 464,496</u>	<u>\$ 153,326</u>
Total Current Liabilities	<u>464,496</u>	<u>153,326</u>
TOTAL LIABILITIES	<u>464,496</u>	<u>153,326</u>
 <u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u>	<u>2,937,469</u>	<u>2,788,104</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,401,965</u>	<u>\$ 2,941,430</u>

See Accompanying Notes to Financial Statements

GILLESPIE-BENLD AREA AMBULANCE SERVICE, INC.
(A Nonprofit Organization)
Gillespie, Illinois

STATEMENTS OF SUPPORT, REVENUE, EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

Years Ended December 31, 2023 and 2022

	2023	2022
<u>SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS</u>		
Service Fees	\$ 2,633,659	\$ 2,574,726
Real Estate Taxes	1,286,420	661,011
Memorials and Donations	5,973	21,430
Earnings on Investments	23,400	(38,405)
Grants	9,387	122,304
Miscellaneous	1,542	8,437
TOTAL SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS	<u>3,960,381</u>	<u>3,349,503</u>
<u>EXPENSES</u>		
Program Services		
Payroll Expense	2,526,978	2,081,425
Employee Medical Expense	160,197	149,257
Fuel	133,536	157,870
Supplies	46,370	43,120
Training	2,746	6,777
Total Program Expenses	<u>2,869,827</u>	<u>2,438,449</u>
Management and General		
Advertising	3,831	57
Contributions	1,977	1,945
Depreciation	257,665	282,999
Electronic Data/Software	66,768	76,901
Insurance	274,406	108,852
Licenses and Memberships	19,578	7,706
Miscellaneous	5,080	1,044
Payroll Expenses	148,441	148,551
Legal & Professional	11,572	10,861
Rent	3,600	9,600
Repairs and Maintenance	68,532	63,765
Supplies	35,447	17,476
Utilities	44,292	38,900
Total Management & General Expenses	<u>941,189</u>	<u>768,657</u>
TOTAL EXPENSES	<u>3,811,016</u>	<u>3,207,106</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	149,365	142,397
NET ASSETS WITHOUT DONOR RESTRICTIONS, Beginning	2,788,104	2,645,707
NET ASSETS WITHOUT DONOR RESTRICTIONS, Ending	<u>\$ 2,937,469</u>	<u>\$ 2,788,104</u>

See Accompanying Notes to Financial Statements

GILLESPIE-BENLD AREA AMBULANCE SERVICE, INC.
(A Nonprofit Organization)
Gillespie, Illinois

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers	\$ 2,635,201	\$ 2,583,163
Receipts from Real Estate Taxes	1,286,420	661,011
Receipts from Grants & Donations	15,360	143,734
Receipts from Investment Income	34,119	38,100
Payments to Employees	(2,675,419)	(2,230,471)
Payments to Suppliers	<u>(877,932)</u>	<u>(694,131)</u>
Net Cash Provided by Operating Activities	<u>417,749</u>	<u>501,406</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Capital Assets	(594,166)	(1,013,990)
Sale of Investments	<u>157,839</u>	<u>63,855</u>
Net Cash (Used in) Investing Activities	<u>(436,327)</u>	<u>(950,135)</u>
<u>Cash Flows from Financing Activities</u>		
Increase in Debt	<u>311,170</u>	<u>153,326</u>
Net Cash Provided by Financing Activities	<u>311,170</u>	<u>153,326</u>
Net Increase (Decrease) in Cash and Cash Equivalents	292,592	(295,403)
Cash and Cash Equivalents at Beginning of Year	<u>538,165</u>	<u>833,568</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 830,757</u></u>	<u><u>\$ 538,165</u></u>
Reconciliation of Change in Net Assets to Cash		
Provided by Operating Activities:		
Change in Net Assets	\$ 149,365	\$ 142,397
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities:		
Depreciation Expense	257,665	282,999
Interest Credited to CDs	(6,934)	-
Unrealized Gain on Investments	17,653	76,505
Change in Accrued Payroll Liabilities	<u>-</u>	<u>(495)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 417,749</u></u>	<u><u>\$ 501,406</u></u>

See Accompanying Notes to Financial Statements

GILLESPIE-BENLD AREA AMBULANCE SERVICE, INC.
(A Nonprofit Organization)
Gillespie, Illinois

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

1. Nature of Activities

Gillespie-Benld Area Ambulance Service, Inc. (“the Service”) was incorporated on January 1, 1988. The Service is a nonprofit organization and is dedicated to providing ambulance services to the Gillespie, Benld, Mt. Olive, and Carlinville area residents. The Mt. Olive area station was added in June 2009. The Carlinville area station began operating in June 2018. The Service is supported primarily through fees for services provided.

2. Basis of Accounting

The financial statements of the Service have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

3. Equity Classifications

The Service is required to report information regarding its financial position and activities according to two classes of net assets. These are (1) Net assets without donor restriction, which represent net assets that are not subject to or are no longer subject to donor-imposed stipulations; (2) Net assets with donor restrictions, which represent net assets whose use is limited by donor-imposed time and/or purpose restrictions. The Service had no net assets with donor restrictions at December 31, 2023 and 2022.

4. Fair Value Measurements

The Service reports its fair value measurements using a fair value hierarchy in accordance with the modified cash basis of accounting that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, inputs supported by little or no market activity).

The service has no Level 2 or Level 3 investments.

5. Investments

Investments in mutual funds and equity securities are stated at fair value in the statement of financial position. The fair value of mutual funds and equity securities are determined based upon quoted prices in active markets (Level 1 measurements). Unrealized gains and losses are included in the change in net assets and are included in the statement of support, revenue, expenses, and changes in net assets – modified cash basis as a portion of earnings on investment. Purchases and sales of securities are recorded on a settlement date basis. Interest and dividend income is recorded when received. Investments also include Certificates of Deposit with original maturity dates of over 3 months.

6. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts. Actual results could differ from these estimates.

7. Property and Equipment

It is the Service's policy to capitalize property and equipment over \$2,000 that have a useful life greater than one year. Lesser amounts are expensed. All capital assets are recorded at cost.

8. Depreciation

Depreciation expense on all capital assets is computed using the straight-line method. Estimated useful lives are three to ten years for furniture, fixtures, and equipment. The estimated useful life for the building and parking lot improvements is twenty-five years. The depreciation expense for the years ended December 31, 2023 and 2022 was \$257,665 and \$282,999, respectively.

9. Revenue Recognition

Revenue is recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of the restrictions. Revenue is recorded when the cash is received.

10. Contributed Services

The Service receives services donated by various people in carrying out the purpose of the organization. No amounts were reflected in the financial statements for those services since they did not meet the criteria for recognition under ASC 605.

11. Income Taxes

The organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). The organization does not have any unrelated business income tax liability. The organization has no material uncertain tax positions to be accounted for in the financial statements under the new rules. The organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. No penalties or interest were incurred for 2023 and 2022. Generally, the Service's tax returns remain open for federal and state income tax examination for three years from the date of filing.

12. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those instruments.

13. Functional Expense Allocations

Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management.

NOTE B – DEPOSITS AND CUSTODIAN CREDIT RISK

Below is a summary of bank deposits as of December 31, 2023 and December 31, 2022:

	<u>12/31/23</u>	<u>12/31/22</u>
Checking and savings	\$ 830,757	\$ 538,165
Certificates of deposit	<u>138,953</u>	<u>289,857</u>
Total carrying value	<u>\$ 969,710</u>	<u>\$ 828,022</u>
Checking and savings	\$ 882,494	\$ 542,681
Certificates of deposit	<u>138,953</u>	<u>289,857</u>
Total bank balances	<u>\$1,021,447</u>	<u>\$ 832,538</u>
Checking and savings	\$ 167,662	\$ 285,999
Certificates of deposit	<u>138,953</u>	<u>288,527</u>
Total FDIC insured	<u>\$ 306,615</u>	<u>\$ 574,526</u>
Checking and savings	\$ 714,832	\$ 256,682
Certificates of deposit	<u>-</u>	<u>1,330</u>
Total insured by pledged collateral	<u>\$ 714,832</u>	<u>\$ 258,012</u>

Interest Rate Risk

The Service does not have a formal policy that limits invested maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Service does not have a policy regarding credit risk.

NOTE C – FAIR VALUE MEASUREMENTS

The following are the classes and major categories of investments grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis at December 31, 2023 and December 31, 2022:

	<u>2023</u>	<u>2022</u>
Certificates of Deposit	\$ 138,953	\$ 289,857
Mutual Funds	493,785	506,782
Equity Securities	<u>251,233</u>	<u>255,890</u>
Total Level 1 Measurements	<u>\$ 883,971</u>	<u>\$1,052,529</u>

NOTE D – NET ASSET RESTRICTIONS AND DESIGNATIONS

At December 31, 2023 and 2022, the Service did not have any restrictions on net assets or board designated net assets. On these dates, the Service had undesignated net assets without donor restrictions of \$2,937,469 and \$2,788,104, respectively.

NOTE E – EMPLOYEE SAVINGS PLAN

In November 2019, the Service implemented an employee retirement plan. The plan is designed to offer its employees the ability to make pre-tax elective deferrals in accordance with Section 403(b) of the Internal Revenue Code. The contributions are limited to pre-tax elective deferrals. The employer does not make matching contributions or any other type of employer non-elective contributions. Employees are eligible to participate immediately upon being employed by the Service.

NOTE F – PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in December and are due and payable in equal installments on July 15 and September 1 of the following year. For the year ended December 31, 2023, the property taxes included in revenues are \$924,907 from 2022 taxes collected in 2023, and \$361,513 from 2021 taxes collected in 2022. For the year ended December 31, 2022, the property taxes included in revenues are \$654,397 from 2021 taxes collected in 2022, and \$6,614 from 2020 taxes collected in 2021. For the years ended December 31, 2023 and 2022, the Service had tax margins of approximately .35000 and .35030 per \$100.00 assessed valuation, respectively. See Exhibit F, 'Schedule of Assessed Valuations, Tax Rates, and Settlements.'

NOTE G – EARNINGS ON INVESTMENTS

The following is a summary of earnings on investments for the years 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Dividends	\$ 31,677	\$ 29,732
Interest	9,376	8,368
Unrealized (Loss)	<u>(17,653)</u>	<u>(76,505)</u>
Total Earnings on Investments	<u>\$ 23,400</u>	<u>\$(38,405)</u>

NOTE H – CAPITAL ASSETS

The following is a summary of the changes in capital assets for years 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<i>Buildings & Improvements</i>		
Balance January 1	\$ 124,026	\$ 124,026
Additions	233,557	-
Retirements	<u>-</u>	<u>-</u>
Balance December 31	357,583	124,026
Less Accumulated Depreciation	<u>(121,926)</u>	<u>(116,655)</u>
Balance December 31, Net	\$ 235,657	\$ 7,371
<i>Vehicles</i>		
Balance January 1	\$ 961,058	\$1,066,762
Additions	-	324,834
Retirements	<u>-</u>	<u>(430,538)</u>
Balance December 31	961,058	961,058
Less Accumulated Depreciation	<u>(598,470)</u>	<u>(432,724)</u>
Balance December 31, Net	\$ 362,588	\$ 528,334
<i>Equipment</i>		
Balance January 1	\$ 869,225	\$ 745,668
Additions	23,117	150,813
Retirements	<u>-</u>	<u>(27,256)</u>
Balance December 31	892,342	869,225
Less Accumulated Depreciation	<u>(712,185)</u>	<u>(625,537)</u>
Balance December 31, Net	\$ 180,157	\$ 243,688
<i>Construction in Progress</i>		
Balance January 1	\$ 538,343	\$ -
Additions	325,617	538,343
Retirements	<u>-</u>	<u>-</u>
Balance December 31	\$ 863,960	\$ 538,343
Total Capital Assets, Net	<u>\$1,642,362</u>	<u>\$1,317,736</u>

NOTE I – DEBT

In 2022 the Service opened a construction loan with United Community Bank to finance the remodel and new addition to the Gillespie base. The loan was issued with principal amount of \$656,000. As of December 31, 2023 and 2022, \$464,496 and \$153,326, respectively, had been disbursed. The loan has been subject to multiple renewals. As of December 31, 2023, the loan had an interest rate of 5.99% and maturity date of January 29, 2024. On April 19, 2024, the loan was converted to a long-term loan, with a balance of \$466,666, interest rate of 5.99%, and final maturity date of April 19, 2031.

NOTE J – FUNCTIONAL EXPENSES

Exhibit C, Statements of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis, discloses the functional expenses by activity of the entity. For the years ended December 31, 2023 and December 31, 2022, the program services accounted for 75.0% and 76.0%, respectively, of total expenses while the management and general expenses accounted for 25.0% and 24.0% of total expenses, respectively.

NOTE K – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Service's financial assets:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 830,757	\$ 538,165
Certificates of Deposit	138,953	289,857
Mutual Funds	493,785	506,782
Equity Securities	<u>251,233</u>	<u>255,890</u>
Financial Assets, at year end	<u>1,714,728</u>	<u>1,590,694</u>
Financial assets available to meet cash needs		
for general expenditures within one year	<u>\$1,714,728</u>	<u>\$1,590,694</u>

NOTE L – MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

The Service has evaluated subsequent events through July 12, 2024, the date which the financial statements were available to be issued, and found no subsequent events.

NOTE M – RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

OTHER INFORMATION

GILLESPIE-BENLD AREA AMBULANCE SERVICE, INC.
(A Nonprofit Organization)
Gillespie, Illinois

SCHEDULE OF ASSESSED VALUATION, TAX RATE AND SETTLEMENTS

Years Ended December 31, 2023 and 2022

	2022 Taxes Collected In 2023	2021 Taxes Collected In 2022
SPECIAL SERVICE AREA #1 (MT. OLIVE AMBULANCE)		
Assessed Valuation	\$ 36,461,803	\$ 33,192,383
Tax Rate	<u>0.350000</u>	<u>0.350300</u>
Tax Extension	<u>127,616</u>	<u>116,273</u>
SPECIAL SERVICE AREA #4 (GILLESPIE AMBULANCE)		
Assessed Valuation	279,312,563	258,437,730
Tax Rate	<u>0.350000</u>	<u>0.350000</u>
Tax Extension	<u>977,594</u>	<u>904,532</u>
<u>SETTLEMENT</u>		
Total Tax Extensions	1,105,210	1,020,805
<u>ADD</u>		
Certificate of Error Revenue Recapture	251	-
Prior Year Extension Collected in Current Year	361,513	6,614
<u>LESS</u>		
Abated	(3,950)	(4,895)
Truth-in-Tax Adjustment*	(33,484)	-
Current Year Extension Collected in Following Year	<u>(143,120)</u>	<u>(361,513)</u>
NET COLLECTIONS	<u>\$ 1,286,420</u>	<u>\$ 661,011</u>

*Macoupin County adjustment to 2022 tax extension to make extension compliant with Illinois Truth in Taxation law.