

**ANDREW COUNTY AMBULANCE DISTRICT**

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

# **ANDREW COUNTY AMBULANCE DISTRICT**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Andrew County Ambulance District

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Andrew County Ambulance District as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net position of the governmental activities and each major fund of Andrew County Ambulance District as of December 31, 2022, and the revenues and expenditures thereof for the year then ended in accordance with the cash basis of accounting described in Note A.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Andrew County Ambulance District 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 opinions.

#### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Our opinions are not modified with respect to that 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 cash basis of accounting described in Note A; this includes determining that the 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' 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 auditors' report that includes our opinions. 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 GAAS 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 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 GAAS, 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 Andrew County Ambulance District'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 Andrew County Ambulance District'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting as described in Note A.

*Westbrook & Co., P.C.*

Richmond, Missouri  
June 5, 2023

**ANDREW COUNTY AMBULANCE DISTRICT**  
**STATEMENTS OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEETS -**  
**CASH BASIS**  
**DECEMBER 31, 2022 AND 2021**

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	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Cash	\$ 1,116,972	\$ 959,632
Certificates of deposit	<u>234,641</u>	<u>234,296</u>
Total assets	<u><u>\$ 1,351,613</u></u>	<u><u>\$ 1,193,928</u></u>
 <b>Fund balance:</b>		
Committed for capital outlay	\$ 88,308	\$ 25,808
Unassigned	<u>1,263,305</u>	<u>1,168,120</u>
Total Fund balance/Net position - unrestricted	<u><u>\$ 1,351,613</u></u>	<u><u>\$ 1,193,928</u></u>

See accompanying notes to the basic financial statements.

**ANDREW COUNTY AMBULANCE DISTRICT**  
**STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Program expenses:		
Salaries	\$ 942,655	\$ 860,460
Employee benefits	172,042	100,767
Capital outlay	114,295	13,444
Payroll taxes	71,332	65,161
Insurance	69,830	70,312
Billing expense	37,776	28,934
Ambulance supplies	34,266	27,072
Repairs	31,534	42,261
Professional fees	27,481	17,828
Office expense	25,791	17,651
Fuel and oil	25,401	16,697
Dispatch	25,000	25,000
Utilities	16,110	13,687
Miscellaneous	10,330	7,147
Uniforms	2,660	2,166
Education	2,477	6,376
Supplies	1,706	1,686
Training	<u>720</u>	<u>1,774</u>
Total expenditures/expenses	<u>1,611,406</u>	<u>1,318,423</u>
Program revenues:		
Charges for services	564,186	455,999
Operating grant - Provider Relief Fund	<u>116,028</u>	<u>-</u>
Total program revenues	<u>680,214</u>	<u>455,999</u>
Net program expense	<u>931,192</u>	<u>862,424</u>
General revenues:		
Property taxes	479,255	484,814
Sales tax	605,921	581,289
Interest income	397	2,308
Other income	<u>3,304</u>	<u>442</u>
Total general revenues	<u>1,088,877</u>	<u>1,068,853</u>
Revenues over expenditures/change in net position	157,685	206,429
Fund balances/net position, beginning	<u>1,193,928</u>	<u>987,499</u>
Fund balances/net position, ending	<u>\$ 1,351,613</u>	<u>\$ 1,193,928</u>

See accompanying notes to the basic financial statements.

**ANDREW COUNTY AMBULANCE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Business Activity

Andrew County Ambulance District (the District) was organized as a political subdivision on December 15, 1988 in the state of Missouri for the purpose of providing facilities and services necessary for the maintenance of an ambulance service.

Basis of Presentation and Accounting

Government-wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. These statements have been combined with the fund financial statements discussed below.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. The operation of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses, as appropriate. The District has the General Fund which is reported as a major fund.

The District has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*.

In the Fund financial statements, fund balance may consist of five classifications: 1) Nonspendable fund balance which includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. 2) Restricted fund balance are amounts restricted to specific purposes. 3) Committed fund balance are amounts that can only be used for specific purposes as pursuant to official action by the Board prior to the end of the reporting period. 4) Assigned fund balance are amounts the District intends to use for a specific purpose but is neither restricted nor committed. The Board has the authority to assign fund balances. 5) Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general ledger.

The order of spending, regarding the restricted and unrestricted fund balance, when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classification could be used.

**MAJOR FUND**

General Fund: The general fund is the general operating fund of the District.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**ANDREW COUNTY AMBULANCE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus: In the government-wide Statement of Net Position and the Statement of Activities, the governmental activity is presented using the current financial resources measurement focus, within the limitations of the cash basis of accounting. In the fund financial statements, the “current financial resources” measurement focus, as applied to the cash basis of accounting is used. Only current financial assets and liabilities are included on the balance sheet. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting: The District’s policy is to prepare its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when received rather than earned and expenditures are recognized when paid rather than when the obligations are incurred.

Compensated Leave: Compensated leave is considered an expenditure in the year paid.

**NOTE B - CASH**

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District’s deposits may not be returned to it. At December 31, 2022 and 2021, the bank balances of the District’s deposits totaled \$1,162,447 and \$973,286, respectively which were covered by FDIC insurance and collateral, held by banks in the District’s name that do not hold the collateralized deposits.

Interest rate risk: The District does not have a formal policy regarding interest rate risk.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The District does not have a formal policy that limits its investment choices other than the limitations of state law.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government’s investment in a single user. The District’s investment policy places no limit on the amount the District may invest in any one issuer.

**NOTE C - CERTIFICATES OF DEPOSIT**

Certificates of deposit with maturities in excess of three months are reported separately but are considered deposits for custodial risk determination. As of December 31, 2022 and 2021, the balances were covered by FDIC insurance.

**NOTE D - PROPERTY TAX LEVY**

Property taxes attach as an enforceable lien on property as of January 1. These taxes are payable by December 31. The District approved tax rates were \$.1648 per \$100 assessed valuation for 2021 and \$.1661 per \$100 assessed valuation for 2020. Andrew County collected the property tax for 2021 and 2020 and remitted these amounts to the District in 2022 and 2021, respectively.



**ANDREW COUNTY AMBULANCE DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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**NOTE E - RETIREMENT PLAN**

The District provides pension benefits to its eligible employees through a defined contribution plan. The Plan, established under Internal Revenue Service Code 457, is funded by participants' voluntary pay reductions and by matching contributions of the District up to 3%. Plan assets are composed of individual variable annuities for each participant. The District's contributions to the plan for the years ended December 31, 2022 and 2021 were \$9,762 and \$9,398, respectively.

**NOTE F - COMMITMENTS**

On May 20, 2021, the District entered into an agreement with a third party to install a bathroom and laundry room for a total cost of \$25,808. This project was completed and paid in full on March 21, 2023.

On March 3, 2022, the District entered into an agreement with a third party to remove and replace asphalt in the parking lot for a total cost of \$62,500. As of December 31, 2022, this project had not been started.

## **SUPPLEMENTARY INFORMATION**

**ANDREW COUNTY AMBULANCE DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUDGET			FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	VARIANCE
RECEIPTS:				
Property taxes	\$ 420,000	\$ 420,000	\$ 479,255	\$ 59,255
Charges for services	440,000	490,000	564,186	74,186
Sales tax	550,000	550,000	605,921	55,921
Other income	-	100,000	119,332	19,332
Interest income	500	500	397	(103)
Total receipts	<u>1,410,500</u>	<u>1,560,500</u>	<u>1,769,091</u>	<u>208,591</u>
DISBURSEMENTS:				
Salaries	850,000	900,000	942,655	(42,655)
Employee benefits	176,200	176,200	172,042	4,158
Capital outlay	234,000	114,000	114,295	(295)
Payroll taxes	75,000	75,000	71,332	3,668
Insurance	85,000	85,000	69,830	15,170
Billing expense	30,000	30,000	37,776	(7,776)
Ambulance supplies	30,000	30,000	34,266	(4,266)
Repairs	21,500	21,500	31,534	(10,034)
Professional fees	18,100	18,100	27,481	(9,381)
Office expense	30,500	30,500	25,791	4,709
Fuel and oil	20,000	20,000	25,401	(5,401)
Dispatch	25,000	25,000	25,000	-
Utilities	17,400	17,400	16,110	1,290
Miscellaneous	13,300	13,300	10,330	2,970
Uniforms	-	-	2,660	(2,660)
Education	4,000	4,000	2,477	1,523
Supplies	3,500	3,500	1,706	1,794
Training	2,000	2,000	720	1,280
Total disbursements	<u>1,635,500</u>	<u>1,565,500</u>	<u>1,611,406</u>	<u>(45,906)</u>
Receipts over disbursements	(225,000)	(5,000)	157,685	162,685
Beginning cash balance	<u>1,193,928</u>	<u>1,193,928</u>	<u>1,193,928</u>	<u>-</u>
Ending cash balance	<u>\$ 968,928</u>	<u>\$ 1,188,928</u>	<u>\$ 1,351,613</u>	<u>\$ 162,685</u>

See accompanying notes to the budgetary comparison schedule.

**ANDREW COUNTY AMBULANCE DISTRICT  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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Budgetary Process

The District prepares an annual budget on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid. All amendments must be approved by the governing board. During the year, amendments to the original budget were not necessary, therefore the Budget columns in the Budgetary Comparison schedule represent the original budget and final budget for the year.

Budget Compliance

For the year ended December 31, 2022, actual disbursements of \$1,611,406 exceeded budgeted amounts of \$1,565,500 by \$45,906.