

Marion County Ambulance District

Hannibal, Missouri

Basic Financial Statements and
Management's Discussion and Analysis

Years Ended December 31, 2019 and 2018

Marion County Ambulance District

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December 31, 2019 and 2018

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Independent Auditor's Report

To the Board of Directors
Marion County Ambulance District

We have audited the accompanying financial statements of the governmental activities of Marion County Ambulance District as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Marion County Ambulance District, as of December 31, 2019 and 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 19 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marion County Ambulance District's financial statements as a whole. The Statements of Other and Administrative Expenses 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 relate 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.

Wade Stables P.C.

Wade Stables P.C.

Certified Public Accountants

June 30, 2020

Hannibal, Missouri

Management's Discussion and Analysis

The discussion and analysis of the Marion County Ambulance District's financial performance provides an overview and analysis of the District's financial statements for the years ended December 31, 2019 and 2018. It should be read in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of Marion County Ambulance District exceeded its liabilities at the close of the fiscal years ending December 31, 2019 and 2018 by \$7,051,233 and \$6,901,582 respectively, (net position). For the year ending December 31, 2019, \$4,317,376 (unrestricted net position) was available to be used to meet the District's ongoing obligations to citizens and creditors. For the year ending December 31, 2018, \$4,131,159 (unrestricted net position) was available to be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position for the years ended December 31, 2019 and 2018 increased \$149,651 and increased \$140,225, respectively.
- On a budgetary basis, the General Fund balance decreased by \$50,082 for the year ended December 31, 2019 and increased by \$93,219 for the year ended December 31, 2018.

Overview of the Financial Statements

The discussion and analysis serves as an introduction to Marion County Ambulance District's basic financial statements. The District's financial statements are comprised of two components, combined government-wide and fund financial statements and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Combined Government-Wide and Fund Financial Statements

The fund financial statements provide detailed information about the only fund.

Governmental fund - All of the District's basic services are reported in a governmental fund, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. The fund is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For, this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Marion County Ambulance District maintains the *General Fund* which is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Information for the General Fund is presented in the Statement of Net Position and Governmental Funds Balance Sheet, which is considered a major fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the basic financial statements.

Property, Plant and Equipment and Debt

Property, Plant and Equipment

At the end of the fiscal year, the District had \$3,246,037 invested in property, plant and equipment. This amount represents an increase of \$92,791 or 2.94% from the prior year.

Debt

The District made principal payments of \$205,545 on the existing capital leases during the year ended December 31, 2019. As of December 31, 2019, the remaining principal balance on the capital leases was \$453,278.

The District as a Whole - Government-Wide Financial Analysis

The District's net position was \$7,051,233 as of December 31, 2019. The analysis focuses on the net position (table 1) and changes in general revenues and significant expenses (table 2) of the District's governmental activities.

Table 1
Summary of Net Position
at December 31, 2019 and 2018

	2019	2018
Current assets	\$ 4,534,833	\$ 4,366,870
Capital assets	3,187,135	3,153,246
Other assets	28,967	85,917
Total Assets	\$ 7,750,935	\$ 7,606,033
Current liabilities	\$ 405,131	\$ 480,335
Long-term liabilities	294,571	224,116
Total Liabilities	\$ 699,702	\$ 704,451
Net Position:		
Net investment in capital assets	\$ 2,733,857	\$ 2,770,423
Unrestricted	4,317,376	4,131,159
Total Net Position	\$ 7,051,233	\$ 6,901,582

Net position of the District's governmental activities increased \$149,651 or 2.17%, when compared to the prior year. Unrestricted net position increased by \$186,217, or 4.51% from the prior year.

The key elements of these changes are shown on the next page.

Marion County Ambulance District

Management's Discussion and Analysis
December 31, 2019 and 2018

Table 2
Changes in Net Position
Years Ended December 31, 2019 and 2018

	2019	2018
Revenues:		
Program Revenues:		
Charges for services	\$ 5,183,875	\$ 4,808,834
General Revenues:		
Property tax revenue	250,511	269,559
Sales tax revenue	2,235,271	2,146,362
Interest income	51,292	36,427
Surtax	9,502	7,196
Chapter 100 bond revenue	1,083	1,096
Medical records fee	666	816
Land rent	5,518	4,966
Gain (loss) on sale of assets	97,500	(3,173)
Miscellaneous revenue	34,734	105,022
Donations	1,500	4,500
Total revenues	<u>\$ 7,871,452</u>	<u>\$ 7,381,605</u>
Expenses:		
Personnel services	\$ 3,667,530	\$ 3,478,707
Building and equipment repairs	292,673	243,903
Contracted services	364,234	327,955
Election expense	73	82
Interest expense	6,666	5,990
Other and administrative	2,524,572	2,360,863
Pension expense	280,922	278,137
Medical supplies and vaccines	130,432	122,562
Depreciation	454,699	423,181
Total expenses	<u>\$ 7,721,801</u>	<u>\$ 7,241,380</u>
Increase (decrease) in Net Position	\$ 149,651	\$ 140,225
Net Position at beginning of year	6,901,582	6,761,357
Net Position at end of year	<u>\$ 7,051,233</u>	<u>\$ 6,901,582</u>

The District's total revenues increased by \$489,847, or 6.64%, from last year. The increase is primarily due to an increase in charges for services and tax revenues.

Total expenses increased \$480,420, or 6.63%. The increase is attributed mainly to personnel services and other and administrative expenses.

General Fund Budgeting Highlights

For the year ending December 31, 2019, actual expenditures on a budgetary basis were \$5,611,102 compared to the budgeted amount of \$4,952,523. The \$685,579 negative variance was mainly due to spending more than budgeted on capital outlay, personnel services, and the pension fund.

For the year ending December 31, 2018, actual expenditures on a budgetary basis were \$5,169,407 compared to the budgeted amount of \$4,829,200. The \$340,207 negative variance was mainly due to spending more than budgeted on capital outlay, principal payments, and the pension fund.

For the year ending December 31, 2019, the District's actual revenues on a budgetary basis were \$5,561,020 compared to the budgeted amount of \$4,952,523. The positive variance of \$608,497 was mainly the result of ambulance calls and tax revenues generating more revenue than budgeted.

For the year ending December 31, 2018, the District's actual revenues on a budgetary basis were \$5,262,626 compared to the budgeted amount of \$4,829,200. The positive variance of \$433,426 was mainly the result of receiving more revenue from ambulance calls and taxes than budgeted.

Economic Factors and Next Year's Budget and Rates

Local, national and international economic factors influence the District's revenues. Positive economic growth correlates with increased revenues from property and sales taxes. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed valuation as well as increased sales subject to sales tax. The District has prepared its budget for the next fiscal year considering the economic factors discussed above.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, please contact the District.

Marion County Ambulance District

Statement of Net Position and
Governmental Funds Balance Sheet
December 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Current Assets			
Cash	\$ 3,300,067	\$ -	\$ 3,300,067
Accounts receivable, net	664,568	-	664,568
Taxes receivable	406,011	-	406,011
Other receivables	469	-	469
Prepaid expenses	106,768	-	106,768
Current portion of notes receivable	56,950	-	56,950
Total Current Assets	<u>\$ 4,534,833</u>	<u>\$ -</u>	<u>\$ 4,534,833</u>
Capital Assets			
Land and other non-depreciated assets	\$ -	\$ 96,427	\$ 96,427
Other capital assets, net of accumulated depreciation	-	3,090,708	3,090,708
Total Capital Assets	<u>\$ -</u>	<u>\$ 3,187,135</u>	<u>\$ 3,187,135</u>
Other Assets			
Long-term portion of notes receivable	\$ 28,967	\$ -	\$ 28,967
Total Other Assets	<u>\$ 28,967</u>	<u>\$ -</u>	<u>\$ 28,967</u>
Total Assets	<u>\$ 4,563,800</u>	<u>\$ 3,187,135</u>	<u>\$ 7,750,935</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 70,026	\$ -	\$ 70,026
Accrued interest payable	2,683	-	2,683
Accrued wages	173,715	-	173,715
Current portion of capital lease	-	158,707	158,707
Total Current Liabilities	<u>\$ 246,424</u>	<u>\$ 158,707</u>	<u>\$ 405,131</u>
Long-Term Liabilities			
Capital lease payable	\$ -	\$ 294,571	\$ 294,571
Total Liabilities	<u>\$ 246,424</u>	<u>\$ 453,278</u>	<u>\$ 699,702</u>
Fund Balances / Net Position			
Fund Balance:			
Unassigned	\$ 4,317,376	\$ (4,317,376)	\$ -
Total fund balance	<u>\$ 4,317,376</u>	<u>\$ (4,317,376)</u>	<u>\$ -</u>
Total liabilities and fund balance	<u>\$ 4,563,800</u>		
Net Position:			
Net investment in capital assets		\$ 2,733,857	\$ 2,733,857
Unrestricted		4,317,376	4,317,376
Total Net Position		<u>\$ 7,051,233</u>	<u>\$ 7,051,233</u>

The accompanying notes are an integral part of these financial statements.

Marion County Ambulance District

Statement of Net Position and
Governmental Funds Balance Sheet
December 31, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Current Assets			
Cash	\$ 3,116,661	\$ -	\$ 3,116,661
Accounts receivable, net	675,162	-	675,162
Taxes receivable	405,013	-	405,013
Other receivables	469	-	469
Prepaid expenses	113,903	-	113,903
Current portion of notes receivable	55,662	-	55,662
Total Current Assets	<u>\$ 4,366,870</u>	<u>\$ -</u>	<u>\$ 4,366,870</u>
Capital Assets			
Land and other non-depreciated assets	\$ -	\$ 96,427	\$ 96,427
Other capital assets, net of accumulated depreciation	-	3,056,819	3,056,819
Total Capital Assets	<u>\$ -</u>	<u>\$ 3,153,246</u>	<u>\$ 3,153,246</u>
Other Assets			
Long-term portion of notes receivable	\$ 85,917	\$ -	\$ 85,917
Total Other Assets	<u>\$ 85,917</u>	<u>\$ -</u>	<u>\$ 85,917</u>
Total Assets	<u>\$ 4,452,787</u>	<u>\$ 3,153,246</u>	<u>\$ 7,606,033</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 162,936	\$ -	\$ 162,936
Accrued interest payable	4,380	-	4,380
Accrued wages	154,312	-	154,312
Current portion of capital lease	-	158,707	158,707
Total Current Liabilities	<u>\$ 321,628</u>	<u>\$ 158,707</u>	<u>\$ 480,335</u>
Long-Term Liabilities			
Capital lease payable	\$ -	\$ 224,116	\$ 224,116
Total Liabilities	<u>\$ 321,628</u>	<u>\$ 382,823</u>	<u>\$ 704,451</u>
Fund Balances / Net Position			
Fund Balance:			
Unassigned	\$ 4,131,159	\$ (4,131,159)	\$ -
Total fund balance	<u>\$ 4,131,159</u>	<u>\$ (4,131,159)</u>	<u>\$ -</u>
Total liabilities and fund balance	<u>\$ 4,452,787</u>		
Net Position:			
Net investment in capital assets		\$ 2,770,423	\$ 2,770,423
Unrestricted		4,131,159	4,131,159
Total Net Position		<u>\$ 6,901,582</u>	<u>\$ 6,901,582</u>

The accompanying notes are an integral part of these financial statements.

Marion County Ambulance District

Statement of Activities and Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenses:			
Personnel services	\$ 3,667,530	\$ -	\$ 3,667,530
Building and equipment repairs	292,673	-	292,673
Contracted services	364,234	-	364,234
Other and administrative	2,524,572	-	2,524,572
Election expense	73	-	73
Pension expense	280,922	-	280,922
Medical supplies and vaccines	130,432	-	130,432
Interest expense	6,666	-	6,666
Principal payments	205,545	(205,545)	-
Capital outlay	547,491	(547,491)	-
Depreciation	-	454,699	454,699
Total expenditures/expenses	<u>\$ 8,020,138</u>	<u>\$ (298,337)</u>	<u>\$ 7,721,801</u>
Program Revenues:			
Charges for services			
Ambulance calls	\$ 4,707,620	\$ -	\$ 4,707,620
Training	18,337	-	18,337
Contract revenue	457,918	-	457,918
Total charges for services	<u>\$ 5,183,875</u>	<u>\$ -</u>	<u>\$ 5,183,875</u>
Net program expense			<u>\$ (2,537,926)</u>
General Revenues:			
Property tax revenue	\$ 250,511	\$ -	\$ 250,511
Sales tax revenue	2,235,271	-	2,235,271
Interest income	51,292	-	51,292
Surtax	9,502	-	9,502
Chapter 100 bond revenue	1,083	-	1,083
Medical records fee	666	-	666
Land rent	5,518	-	5,518
Gain (loss) on sale of assets	97,500	-	97,500
Miscellaneous income	34,734	-	34,734
Donations	1,500	-	1,500
Total general revenues	<u>\$ 2,687,577</u>	<u>\$ -</u>	<u>\$ 2,687,577</u>
Excess of revenues over expenditures	\$ (148,686)	\$ 148,686	\$ -
Change in Net Position	-	149,651	149,651
Fund Balance/Net Position:			
Beginning of Year	<u>4,131,159</u>	<u>2,770,423</u>	<u>6,901,582</u>
End of Year	<u>\$ 3,982,473</u>	<u>\$ 3,068,760</u>	<u>\$ 7,051,233</u>

Marion County Ambulance District

Statement of Activities and Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenses:			
Personnel services	\$ 3,478,707	\$ -	\$ 3,478,707
Building and equipment repairs	243,903	-	243,903
Contracted services	327,955	-	327,955
Other and administrative	2,360,863	-	2,360,863
Election expense	82	-	82
Pension expense	278,137	-	278,137
Medical supplies and vaccines	122,562	-	122,562
Interest expense	5,990	-	5,990
Principal payments	150,990	(150,990)	-
Capital outlay	388,276	(388,276)	-
Depreciation	-	423,181	423,181
Total expenditures/expenses	<u>\$ 7,357,465</u>	<u>\$ (116,085)</u>	<u>\$ 7,241,380</u>
Program Revenues:			
Charges for services			
Ambulance calls	\$ 4,379,508	\$ -	\$ 4,379,508
Contract revenue	429,326	-	429,326
Total charges for services	<u>\$ 4,808,834</u>	<u>\$ -</u>	<u>\$ 4,808,834</u>
Net program expense			<u>\$ (2,432,546)</u>
General Revenues:			
Property tax revenue	\$ 269,559	\$ -	\$ 269,559
Sales tax revenue	2,146,362	-	2,146,362
Interest income	36,427	-	36,427
Surtax	7,196	-	7,196
Chapter 100 bond revenue	1,096	-	1,096
Medical records fee	816	-	816
Land rent	4,966	-	4,966
Gain (loss) on sale of assets	(3,173)	-	(3,173)
Miscellaneous income	105,022	-	105,022
Donations	4,500	-	4,500
Total general revenues	<u>\$ 2,572,771</u>	<u>\$ -</u>	<u>\$ 2,572,771</u>
Excess of revenues over expenditures	\$ 24,140	\$ (24,140)	\$ -
Change in Net Position	-	140,225	140,225
Fund Balance/Net Position:			
Beginning of Year	<u>4,107,019</u>	<u>2,654,338</u>	<u>6,761,357</u>
End of Year	<u>\$ 4,131,159</u>	<u>\$ 2,770,423</u>	<u>\$ 6,901,582</u>

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

The purpose of Marion County Ambulance District (the "District") is to serve the residents of Marion and Ralls counties in the care of the sick and injured, with equality and consideration towards all regardless of race, creed, or financial status.

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matter), scope of public service, and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of the entity.

The accompanying policies of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. Basis of Presentation

Special purpose governments engaged in a single governmental program and having no component units may present financial statements combining fund financial statements with government-wide statements. This is illustrated on pages 7 and 8 for Statements of Net Position and Governmental Funds Balance Sheets and pages 9 and 10 for Statements of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances.

B. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

C. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Section 67 of the Missouri Revised Statutes, the budget officer, as designated by the District, prepares and adopts an annual budget which represents the complete financial plan for the ensuing budget year. The budget includes at least the following information:
 - a) A budget message describing the important features of the budget and major changes from the preceding year;

1. Summary of Significant Accounting Policies (Continued)

C. Budgets and Budgetary Accounting (Concluded)

- b) Estimated revenues to be collected from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;
 - c) The amount required for the payment of interest, amortization, and redemption charges on the debt of the District;
 - d) A general budget summary.
- 2) In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
 - 3) The District may revise, alter, increase or decrease the items in the proposed budget, subject to such limitations as may be provided by law provided, that in no event, shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
 - 4) The District shall, before the beginning of the fiscal year, approve the budget and approve or adopt such orders, motions, resolutions or ordinances as may be required to authorize the budgeted expenditures and produce the revenues in the budget.
 - 5) After the District has approved the budget and approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the District shall not increase the total amount authorized for expenditure from any fund, unless the Board adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion resolution or ordinance to authorize the expenditures.

D. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, less a reasonable allowance for depreciation. Minor renewals and repairs are charged to expense as incurred.

Depreciation is computed on each asset using the straight-line method over the following estimated useful lives:

Building	15 - 40 years
Ambulances	5 - 10 years
Ambulance equipment	5 - 10 years
Office equipment	5 years
Communication equipment	5 - 10 years

E. Income Taxes

The Marion County Ambulance District is exempt from taxation as an instrumentality of the United States under Internal Revenue Code Section 501(c)(1).

F. Donated Services

Members of the District have donated amounts of time to its management and operation. No amounts have been reflected in the financial statements for donated services since no objective basis for measurement of the value of such services is available.

1. Summary of Significant Accounting Policies (Continued)

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Taxes Receivable

Taxes receivable represent current taxes collected, but not yet remitted to the Ambulance District. Because of this, the taxes receivable for 2019 represents actual January and February 2020 receipts from Marion and Ralls Counties. The taxes receivable for 2018 represents actual January and February 2019 receipts from Marion and Ralls Counties.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable on December 31. The counties collect the property taxes and remit them to the District.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2019 and 2018 for purposes of local taxation was \$0.0496 and \$0.0492, respectively.

I. Fund Balance and Net Position

Net Position represents the difference between assets and liabilities. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by laws or regulations of the government.

All other net position that does not meet the definition of "restricted" are reported as unrestricted net position.

As of these financial statements, the District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable fund balances as of December 31, 2019.

Restricted- This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted fund balances as of December 31, 2019.

Committed- This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources balances as of December 31, 2019.

1. Summary of Significant Accounting Policies (Concluded)

I. Fund Balance and Net Position (Concluded)

Assigned- This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board through budgetary process. The District did not have any assigned resources as of December 31, 2019.

Unassigned- All amounts not included in other spendable classifications.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

2. Cash and Investments

The District complies with various restrictions on deposits and investments, which are imposed by state statutes as follows:

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

Investments - This District may purchase any investments allowed by the state of Missouri. There were no investments held at December 31, 2019 or 2018.

Deposits

For the years ending December 31, 2019 and 2018, the carrying amounts of the District's deposits were \$3,300,067 and \$3,116,661, respectively, and the bank balances were \$3,402,025 and \$3,181,771, respectively.

Of the bank balance at December 31, 2019, \$2,773,192 was covered by federal depository insurance and \$628,833 was collateralized with securities held by financial institutions in the District's name.

Of the bank balance at December 31, 2018, \$2,775,349 was covered by federal depository insurance and \$406,422 was collateralized with securities held by financial institutions in the District's name.

3. Restricted Assets and Net Position

As of December 31, 2019 and 2018, the District had no cash or net position restricted.

4. Commitments and Contingencies

Grants and contracts require fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could result in the return of the funds to grantors/contractors. Although that is a possibility, management deems the contingency remote.

5. Accounts Receivable

Ambulance revenue is recorded at established rates at the time the service is rendered. An allowance for uncollectible accounts is maintained as of December 31, 2019 and 2018. The allowance for uncollectible accounts is established based upon historical write-offs and management's estimate of collections. Accounts are written off by board approval. Medicare, Medicaid and insurance contractual allowances are written off on a monthly basis after the portion deemed allowable by contractual agreement has been received. Accounts receivable at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 1,301,362	\$ 1,226,754
Less: Allowance for uncollectible accounts	(636,794)	(551,592)
Net Accounts receivable	<u>\$ 664,568</u>	<u>\$ 675,162</u>

6. Leases (As Lessor)

During June 2014, the District entered into a lease and services agreement with SSM Cardinal Glennon Children's Hospital to lease the premises located at 3120 Highway 61 North, Hannibal, MO 63401. The lease expires one day prior to the first anniversary of the effective date of the agreement and may be renewed for additional one year periods. The District receives \$777.15 per month for the use of the premises along with a \$6,000 per month stipend to cover additional costs. The lease was renewed during the year ended December 31, 2019.

7. Pension Plan

The District has elected to participate in a 401(k) Plan effective January 1, 2004. Any employee eligible can participate after completing one year of eligibility service and after attaining age 18.

The plan is to be funded by a property tax levy, separate from the general tax levy. For 2019 and 2018, the pension tax levy was \$0.0496 and \$0.0492, respectively. Funds collected in 2019 and 2018 to be contributed to the plan amounted to \$250,510 and \$269,559, respectively.

8. Accrued Vacation and Sick Leave

A summary of the District's policy is as follows:

Sick Leave

The District's sick leave policy states that after ninety (90) days a full-time employee would receive eight (8) hours sick benefits per month. Any shift employee that is absent for two or more days due to illness or injury will be required, as a condition to receive sick leave benefits, to obtain a written verification from a physician. Unused sick leave will be allowed to accumulate until the employee has accrued a total of 1,000 hours of sick leave benefits. An employee may receive a payout of unused sick leave upon retirement/separation in good standing. An eligible payout is based upon the employee's wage at the time of retirement/separation and shall be awarded at 2% for every year of service.

Vacation

An employee will not be eligible for paid vacation until having completed one (1) full year of continuous employment with the Marion County Ambulance District.

Vacation time may not be carried over into the next year and accumulated, but up to twenty-five percent (25%) of the employee's annual allotment may be "sold back" to the District at a "dollar for dollar" rate.

Marion County Ambulance DistrictNotes to Financial Statements
December 31, 2019 and 2018**8. Accrued Vacation and Sick Leave (Concluded)**

Vacation days accrue according to the following scale:

Emergency Division

1 Year: 96 Hours (4 shifts)
 5 Years: 144 Hours (6 shifts)
 10 Years: 192 Hours (8 shifts)
 20 Years: 240 Hours (10 shifts)

Administrative Division

1 Year: 80 Hours (10 days)
 5 Years: 120 Hours (15 days)
 10 Years: 160 Hours (20 days)
 20 Years: 200 Hours (25 days)

9. Capital Lease

On December 2, 2015, the District entered into a cancelable 5-year lease with Commerce Bank, N.A. The original principal balance of the lease was \$859,754 at an interest rate of 2.43%. The lease proceeds are to be used to purchase equipment. The lease is collateralized by the District's assets. Interest expense on the capital lease for the year ended December 31, 2019 amounted to \$6,666.

On November 4, 2019, the District entered into an agreement with Zoll Medical Corporation for a 5 year lease. The original principal balance of the lease was \$276,001 with no stated interest rate.

The following is a schedule of the future minimum lease payments under the lease (assuming non-cancellation):

Year Ended December 31,	
2020	\$ 158,707
2021	134,621
2022	55,200
2023	55,200
2024	55,200
Total	<u>\$ 458,928</u>
Less: Interest	(5,650)
Net lease payments	<u><u>\$ 453,278</u></u>

The changes in long-term debt for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning	\$ 382,823	\$ 533,813
Additions	276,001	-
Retirements	<u>(205,546)</u>	<u>(150,990)</u>
Balance, ending	<u><u>\$ 453,278</u></u>	<u><u>\$ 382,823</u></u>

10. Contracted Services

The District entered into an agreement with Professional Billing to collect the District's current outstanding accounts receivable. The agreement began on June 1, 2007 and is reviewed annually on June 1 of each year. Professional Billing receives a contingency rate of 8.5% of all net cash collected. This contract remains in effect at December 31, 2019.

Marion County Ambulance District

Notes to Financial Statements
December 31, 2019 and 2018

11. Capital Assets

Capital assets during the year ended December 31, 2019 and 2018 consisted of the following:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2019</u>
Land	\$ 96,427	\$ -	\$ -	\$ 96,427
Total Land and other non-depreciated assets	<u>\$ 96,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,427</u>
Ambulances	\$ 1,394,248	\$ 25,575	\$ (27,835)	\$ 1,391,988
Building	2,261,252	24,893	-	2,286,145
Ambulance Equipment	1,323,906	434,921	(239,706)	1,519,121
Communication Equipment	146,779	28,628	-	175,407
Office Equipment	303,470	33,473	-	336,943
	<u>\$ 5,429,655</u>	<u>\$ 547,490</u>	<u>\$ (267,541)</u>	<u>\$ 5,709,604</u>
Less: Accumulated Depreciation	<u>(2,372,836)</u>	<u>(454,699)</u>	<u>208,639</u>	<u>(2,618,896)</u>
Other capital assets, net of accumulated depreciation	<u>\$ 3,056,819</u>	<u>\$ 92,791</u>	<u>\$ (58,902)</u>	<u>\$ 3,090,708</u>
Total capital asset, net of accumulated depreciation	<u><u>\$ 3,153,246</u></u>	<u><u>\$ 92,791</u></u>	<u><u>\$ (58,902)</u></u>	<u><u>\$ 3,187,135</u></u>

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2018</u>
Land	\$ 96,427	\$ -	\$ -	\$ 96,427
Total Land and other non-depreciated assets	<u>\$ 96,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,427</u>
Ambulances	\$ 1,318,808	\$ 99,397	\$ (23,957)	\$ 1,394,248
Building	2,236,305	24,947	-	2,261,252
Ambulance Equipment	1,148,213	175,693	-	1,323,906
Communication Equipment	63,700	83,079	-	146,779
Office Equipment	283,137	20,333	-	303,470
	<u>\$ 5,050,163</u>	<u>\$ 403,449</u>	<u>\$ (23,957)</u>	<u>\$ 5,429,655</u>
Less: Accumulated Depreciation	<u>(1,958,439)</u>	<u>(423,181)</u>	<u>8,784</u>	<u>(2,372,836)</u>
Other capital assets, net of accumulated depreciation	<u>\$ 3,091,724</u>	<u>\$ (19,732)</u>	<u>\$ (15,173)</u>	<u>\$ 3,056,819</u>
Total capital asset, net of accumulated depreciation	<u><u>\$ 3,188,151</u></u>	<u><u>\$ (19,732)</u></u>	<u><u>\$ (15,173)</u></u>	<u><u>\$ 3,153,246</u></u>

Depreciation expense for the years ended December 31, 2019 and 2018 amounted to \$454,699 and \$423,181, respectively.

12. Notes Receivable

The District entered into loan agreement with Ralls County Ambulance District ("RCAD") on January 1, 2016, for the purpose of assisting RCAD in the financing of equipment purchases. The District loaned RCAD \$275,288 at an interest rate of 2.29%. The loan calls for sixty (60) monthly installments of \$4,860, beginning June 1, 2016, with final payment due December 1, 2020. The following is a breakdown of payments to be received during the years ending December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 56,950	\$ 1,372	\$ 58,322
2021	28,967	194	29,161
Totals	<u>\$ 85,917</u>	<u>\$ 1,566</u>	<u>\$ 87,483</u>

The note receivable is considered to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to expense when that determination is made.

13. Sales Tax Revenues

In the General Election of Tuesday, November 7, 2006, the voters of Marion County, Missouri and Ralls County, Missouri passed Proposition A, which stated "Shall the Marion County Ambulance District reduce the Operations portion (\$0.23 per \$100 of assessed valuation) of the property tax to zero and impose a sales tax of ½ of 1% for the purpose of providing revenues for the operation of the ambulance district, as provided by 321.552 RSMo" The sales tax of ½ of 1% became effective April 1, 2007. The District's General Fund (operations portion) revenues come from the ½ of 1% sales tax as well as any delinquent property tax revenues from years 2006 and prior.

The passing of Proposition A did not eliminate the pension tax levy based upon assessed valuation. The District will continue to receive the pension tax levy.

14. Related-Party Transactions

There were no related-party transactions to report during the years ended December 31, 2019 and 2018.

15. Subsequent Events

Subsequent events have been evaluated through June 30, 2020, which is the date the reports were available to be issued.

Required Supplementary Information

Marion County Ambulance District

Statement of Revenues Collected and Expenditures Paid -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Revenues:				
Ambulance calls	\$ 2,242,000	\$ 2,242,000	\$ 2,342,523	\$ 100,523
Contract revenue	498,323	498,323	457,918	(40,405)
Training	-	-	18,337	18,337
Tax revenues	2,160,000	2,160,000	2,497,027	337,027
Interest income	22,000	22,000	51,292	29,292
Land rent	5,200	5,200	5,518	318
Gain (loss) on sale of assets	-	-	97,500	97,500
Miscellaneous income	25,000	25,000	33,077	8,077
Medical records fee	-	-	666	666
Donations	-	-	1,500	1,500
Note receivable principal	-	-	55,662	55,662
Total Revenues	\$ 4,952,523	\$ 4,952,523	\$ 5,561,020	\$ 608,497
Expenditures:				
Personnel services	\$ 3,653,323	\$ 3,653,323	\$ 3,634,397	\$ 18,926
Building and equipment repairs	290,000	290,000	284,411	5,589
Contracted services	338,800	338,800	360,817	(22,017)
Election expense	7,000	7,000	73	6,927
Other and administrative	134,700	134,700	150,020	(15,320)
Medical supplies and vaccines	163,000	163,000	139,063	23,937
Pension fund expense	-	-	280,922	(280,922)
Principal and interest payments	158,708	158,708	213,908	(55,200)
Capital outlay	206,992	206,992	547,491	(340,499)
Total Expenditures	\$ 4,952,523	\$ 4,952,523	\$ 5,611,102	\$ (658,579)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ (50,082)	\$ (50,082)

The accompanying notes are an integral part of these financial statements.

Marion County Ambulance District

Statement of Revenues Collected and Expenditures Paid -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Revenues:				
Ambulance calls	\$ 1,950,000	\$ 2,200,000	\$ 2,233,137	\$ 33,137
Contract revenue	479,000	479,000	429,326	(49,674)
Tax revenues	2,085,000	2,103,000	2,391,822	288,822
Interest income	17,000	17,000	36,427	19,427
Land rent	5,200	5,200	4,966	(234)
Gain (loss) on sale of assets	-	-	(3,173)	(3,173)
Miscellaneous income	25,000	25,000	110,402	85,402
Medical records fee	-	-	816	816
Donations	-	-	4,500	4,500
Note receivable principal	-	-	54,403	54,403
Total Revenues	\$ 4,561,200	\$ 4,829,200	\$ 5,262,626	\$ 433,426
Expenditures:				
Personnel services	\$ 3,289,125	\$ 3,289,125	\$ 3,464,039	\$ (174,914)
Building and equipment repairs	210,000	310,000	295,342	14,658
Contracted services	295,500	295,500	326,977	(31,477)
Election expense	5,000	5,000	82	4,918
Other and administrative	298,500	298,500	150,864	147,636
Medical supplies and vaccines	107,500	107,500	106,983	517
Pension fund expense	-	-	278,137	(278,137)
Principal and interest payments	196,500	196,500	158,707	37,793
Capital outlay	159,075	327,075	388,276	(61,201)
Total Expenditures	\$ 4,561,200	\$ 4,829,200	\$ 5,169,407	\$ (340,207)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ 93,219	\$ 93,219

The accompanying notes are an integral part of these financial statements.

Other Supplementary Information

Marion County Ambulance District
 Statements of Other and Administrative Expenses
 Years Ended December 31, 2019 and 2018

	2019	2018
Personnel Services:		
Salaries	\$ 2,977,593	\$ 2,805,402
Payroll taxes	219,392	205,006
Medical insurance	315,093	336,288
Workers Comp insurance	138,528	115,357
Uniforms	16,924	16,654
Total Personnel Services	\$ 3,667,530	\$ 3,478,707
Building and Equipment:		
Building repairs	\$ 56,811	\$ 67,497
Equipment repairs	16,255	8,710
Maintenance contract	67,056	67,626
Gas and oil	76,727	78,734
Radio expense	2,669	5,099
Vehicle maintenance expense	18,421	12,544
Vehicle insurance	30,458	-
Vehicle repairs and servicing	24,276	3,693
Total Building and Equipment	\$ 292,673	\$ 243,903
Contracted Services:		
Legal and professional fees	\$ 291,837	\$ 279,173
Medical director	13,125	-
Training and continuing education	59,272	48,782
Total Contracted Services	\$ 364,234	\$ 327,955
Other and Administrative:		
Telephone	\$ 27,441	\$ 22,879
Postage	3,961	3,217
Office supplies	10,938	7,870
Office equipment repairs	2,763	909
Utilities	51,620	53,212
Legal notices and advertising	2,388	998
Insurance	30,007	36,877
Bad debts and contractual allowances - (net of recoveries)	2,375,621	2,226,954
Miscellaneous	19,833	7,947
Total Other and Administrative	\$ 2,524,572	\$ 2,360,863

The accompanying notes are an integral part of these financial statements.