

**VERNON COUNTY
AMBULANCE DISTRICT**

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

VERNON COUNTY AMBULANCE DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Vernon County Ambulance District
Nevada, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Vernon County Ambulance District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Vernon County Ambulance 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 respective financial position of the business-type activities of the Vernon County Ambulance District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Vernon 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Vernon County Ambulance 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 generally accepted auditing standards and *Government 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 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 and *Government 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 the Vernon 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 the Vernon 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information on page 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the Vernon County Ambulance District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Vernon County Ambulance District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vernon County Ambulance District's internal control over financial reporting and compliance.

DSWA Certified Public Accountants, P.C.

Nevada, Missouri
December 30, 2025

VERNON COUNTY AMBULANCE DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

ASSETS

Current assets:

Cash	\$ 856,340
Property taxes receivable	17,635
Accounts receivable, net	<u>329,670</u>
Total current assets	<u>1,203,645</u>

Noncurrent assets:

Capital assets:	
Land	226,855
Depreciable buildings, property, and equipment, net	<u>1,324,777</u>
Total noncurrent assets	<u>1,551,632</u>
Total assets	<u>2,755,277</u>

LIABILITIES

Current liabilities:

Current portion of long-term obligations	66,692
Accounts payable	23,897
Credit cards payable	1,513
Payroll taxes and benefits payable	<u>59,404</u>
Total current liabilities	<u>151,506</u>

Noncurrent liabilities:

Noncurrent portion of long-term obligations	<u>247,886</u>
Total liabilities	<u>399,392</u>

NET POSITION

Net investment in capital assets	1,237,054
Unrestricted	<u>1,118,831</u>
Total net position	<u>\$ 2,355,885</u>

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

**VERNON COUNTY AMBULANCE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

REVENUES

Ambulance operations	\$ 9,705,064
Instructional courses	19,225
Refunds and miscellaneous	<u>10,057</u>
Total Revenues	<u>9,734,346</u>

OPERATING EXPENSES

Salaries	1,233,234
Payroll tax expense	98,522
Employee benefits	161,613
Bad debt and contractual adjustment expense	7,682,107
Retirement	98,918
Supplies	2,488
Insurance	99,395
Dispatch and radio	33,685
Election expense	1,294
Repairs and maintenance	67,311
Depreciation	170,992
Office expense	71,634
Utilities and telephone	20,697
Training and seminars	11,015
Billing services	207,794
Professional fees	21,815
Advertising and public relations	3,384
Medical supplies	121,872
Fuel and oil	61,706
Other	<u>30,069</u>
Total operating expenses	<u>10,199,545</u>
Income (loss) from operations	<u>(465,199)</u>

OTHER INCOME (EXPENSE)

Interest income	21,577
Property taxes	492,506
Grants	170,146
Interest expense	<u>(12,089)</u>
Total Other Income (Expense)	<u>672,140</u>

CHANGE IN NET POSITION

NET POSITION, JULY 1, 2024	<u>2,148,944</u>
NET POSITION, JUNE 30, 2025	<u>\$ 2,355,885</u>

**VERNON COUNTY AMBULANCE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Cash flows from operating activities:

Cash received from customers and other operating revenues	\$ 2,049,809
Cash payments to suppliers for goods and services	(903,501)
Cash payments to employees and professional contractors for services	<u>(1,461,970)</u>
Net cash used by operating activities	<u>(315,662)</u>

Cash flows from investing activities:

Interest income	<u>21,577</u>
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Cash flows from capital and related financing activities:

Acquisition of capital assets	(395,185)
Finance lease proceeds	203,701
Principal paid on finance lease obligations	(86,705)
Interest paid on finance lease obligations	<u>(12,089)</u>
Net cash used by capital and related financing activities	<u>(290,278)</u>

Cash flows from non-capital financing activities:

Property tax revenue	492,941
Grants received	<u>166,146</u>
Net cash provided by non-capital financing activities	<u>659,087</u>
Net increase (decrease) in cash	74,724
Cash, June 30, 2024	<u>781,616</u>
Cash, June 30, 2025	<u>\$ 856,340</u>

Reconciliation of operating income (loss) to net cash

provided by operating activities:

Operating income (loss)	\$ (465,199)
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**Adjustments to reconcile operating income (loss) to net cash provided
by operating activities:**

Depreciation	170,992
Bad debt and contractual adjustment expense	(5,995)
Changes in assets and liabilities:	(3,997)
Decrease (increase) in net accounts receivable	<u>(11,463)</u>
Increase (decrease) in accounts payable	<u>149,537</u>
Increase (decrease) in other payables	<u>149,537</u>
Total adjustments	<u>149,537</u>

Net cash provided by operating activities:

\$ (315,662)

**VERNON COUNTY AMBULANCE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity: The Vernon County Ambulance District (District) was established in 1978 to provide emergency medical services for Vernon County, Missouri residents. Ambulance districts are governed by Chapter 190 of the Revised Statutes of Missouri and are organized as political subdivisions. Taxes are levied on property owners within the District to subsidize operating costs. The District is governed by six board members who are elected by ward and serve three-year terms. The District has no component units.

Basis of Presentation: The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The District has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self balancing accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Operating revenues of the District include trip charges, standby fees and instructional courses. Non-operating revenues include property taxes, insurance proceeds, copy charges, and donations.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) is segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components.

Exemption from Income Taxes: The District is a governmental unit and is not subject to income taxation.

Accounts Receivable: Accounts receivable consists of patient, insurance, Medicare and Medicaid charges and is reported at the estimated realizable amount of the receivable.

Allowance for Credit Losses and Contractual Adjustments: Amounts realizable from third-party payers for ambulatory services are usually less than the District's full established rates for those services due to governmental or policy guidelines. As a result, an allowance for credit losses is recorded in the period the services are provided to report the receivables for services at the net realizable value. The allowance for credit losses is provided using an allowance method based upon historical experience and management's evaluation of outstanding accounts receivable at the balance sheet date. Budgeted revenues are shown net of contractual adjustments.

**VERNON COUNTY AMBULANCE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Depreciation: Depreciation is provided using the straight-line method over estimated useful lives as follows:

Equipment, furniture and fixtures	7-10 years
Service Vehicles	10-12 years
Buildings	50 years

Use of 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 disclosures 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.

Nonexchange Transactions: Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and donations.

Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, capital contributions, and special items. Net position is classified in the following three components:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of the net position account "net investment in capital assets." Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of assets, net of related liabilities, that do not meet the definition of "restricted" or "net investment in capital assets."

New Accounting Standards Implemented:

GASB Statement No. 87, Leases, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources. This statement establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The requirements of this statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

**VERNON COUNTY AMBULANCE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

New Accounting Standards Implemented (continued):

For fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The statement defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right to use subscription asset—an intangible asset—and a corresponding subscription liability. At June 30, 2025, there were no material SBITAs.

The District adopted GASB 101, *Compensated Absences*, on July 1, 2024, for the June 30, 2025, reporting year. GASB 101 outlines the definition of compensated absences and sets forth the accounting and financial reporting for compensated absence liabilities. GASB 101 outlines that leave accrued should be measured using the employees pay rate at the financial statement date and that certain salary-related payments, such as Social Security and Medicare, should be included in such a measurement.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unpaid vacation and sick pay. At June 30, 2025, \$47,144 was included in payroll liabilities for unpaid vacation and sick pay. The compensated absence liability decreased \$6,645 from June 30, 2024.

2. CASH:

At June 30, 2025, the District had bank balances of \$904,857. The District balances were insured by FDIC insurance in the amount of \$250,000. The remainder was collateralized by U.S. government, U.S. government agency, and Missouri municipality securities pledged in the District's name. The market and par value of these securities at June 30, 2025, was \$685,757 and \$752,000, respectively. Depository insurance and the market value of pledged securities exceeded the bank balances by \$30,900 at June 30, 2025. The District is not subject to foreign currency risk.

3. LONG-TERM DEBT:

The District entered into a finance lease agreement in the amount of \$196,000 with a bank on June 27, 2024, for a 2022 Ford ambulance. The finance lease bears interest at 6.99% per annum and is collateralized by the ambulance. Under the terms of the lease, the District is required to make 60 monthly lease payments of \$3,380, beginning on July 27, 2024. The District routinely pays \$8,000 per month on the lease. The remaining principal component on this lease at June 30, 2025 was \$110,877.

The District entered into a finance lease agreement in the amount of \$203,701 with an equipment company finance division on December 20, 2024, for 6 Lifepack monitors. The finance lease bears interest at 6.06% per annum and is collateralized by the monitors. Under the terms of the lease, the District is required to make 60 monthly lease payments of \$4,137, beginning on October 15, 2025. The remaining principal component on this lease at June 30, 2025 was \$203,701.

**VERNON COUNTY AMBULANCE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

3. LONG-TERM DEBT (continued):

Long-term debt activity for the fiscal year ended June 30, 2025, was as follows:

Finance leases outstanding, June 30, 2024	\$ 197,582
New finance leases	203,701
Principal payments on finance leases	(86,705)
Finance leases outstanding, June 30, 2025	<u>\$ 314,578</u>

The remaining lease payments for the aforementioned leases are as follows:

Fiscal Year				
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 66,692	\$ 17,104	\$ 83,796	
2027	81,851	14,356	96,207	
2028	73,662	8,091	81,753	
2029	45,294	4,352	49,646	
2030	47,079	1,515	48,594	
	<u>\$314,578</u>	<u>\$ 45,418</u>	<u>\$ 359,996</u>	

4. CAPITAL ASSETS:

A summary of changes in capital assets for the District is as follows:

	<u>Balance,</u>			<u>Balance,</u>
	<u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Assets not being depreciated:				
Land	\$ 226,855	\$	-	\$ 226,855
Assets being depreciated:				
Land improvements	21,458	-	-	21,458
Software	11,775	-	-	11,775
Equipment	896,792	372,105	-	1,268,897
Furniture and fixtures	7,641	-	-	7,641
Buildings	438,880	-	-	438,880
Service vehicles	896,076	23,080	-	919,156
Total capital assets	2,499,477	395,185	-	2,894,662
Less: Accumulated depreciation	<u>(1,172,038)</u>	<u>(170,992)</u>	<u>-</u>	<u>(1,343,030)</u>
	<u>\$ 1,327,439</u>	<u>\$ 224,193</u>	<u>\$</u>	<u>\$ 1,551,632</u>

Capital assets recorded under existing capital lease arrangements at June 30, 2025, totaled \$313,701. Accumulated depreciation on said assets was \$24,164.

**VERNON COUNTY AMBULANCE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

5. TAXES:

Property taxes are assessed on October 31 and are due and payable at that time. Property taxes attach as an enforceable lien on January 1 and are due to be collected by the following October 31. Uncollected amounts become delinquent after January 1 of the following year.

For the calendar year 2024, for purposes of local taxation, the tax levy per \$100 of assessed valuation was \$.15. The total assessed valuation for the District was \$290,040,926. Property taxes receivable were \$17,635 at June 30, 2025.

6. ACCOUNTS RECEIVABLE:

Accounts receivable are classified as follows:

Total accounts receivable	\$ 1,466,824
Allowance for credit losses and contractual adjustments	<u>(1,137,154)</u>
Net Accounts Receivable	<u>\$ 329,670</u>

The allowance for credit losses and contractual adjustments is computed based on the District's historical percentage of Medicare, Medicaid, and insurance adjustments and private pay collections.

7. DEFERRED COMPENSATION PLAN:

The District offers its employees a deferred compensation plan under Internal Revenue Code Section 457. The plan is available to all permanent employees of the District. The deferred compensation is available until termination, retirement, death, or an unforeseeable emergency. The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The District contributes 10% of the employee's pay. District contributions for the fiscal years ended June 30, 2025, 2024, and 2023 were \$98,918, \$68,361 and \$58,604, respectively.

8. POST-EMPLOYMENT RETIREMENT BENEFITS:

The District has no contractual requirements to provide benefits to former employees.

9. SUBSEQUENT EVENT

The District entered into a lease agreement on August 27, 2025, to pay off an existing ambulance lease and to finance the purchase of a new ambulance for a total amount of \$487,057.

10. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through December 30, 2025, the date which the financial statements were available to be issued.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Vernon County Ambulance District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Vernon County Ambulance District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Vernon County Ambulance District's basic financial statements and have issued our report thereon dated December 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Vernon County Ambulance District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vernon County Ambulance District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Vernon County Ambulance District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vernon County Ambulance District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Vernon County Ambulance District's Response to Finding

The Vernon County Ambulance District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Vernon County Ambulance District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DSWA Certified Public Accountants, P.C.

Nevada, Missouri
December 30, 2025

VERNON COUNTY AMBULANCE DISTRICT
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

Internal Control Over Financial Reporting

2025-001 Segregation of Duties

Statement of Condition: The District is not able to segregate the duties of employees to all phases of an accounting transaction.

Criteria: Adequate segregation of non-compatible duties is important for a sound and efficient internal control system.

Effect: Errors or irregularities may result from this lack of segregation of employee duties and responsibilities.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction.

Recommendation: Effective segregation of duties in a small governmental environment is often difficult; however, we feel that the governing body and District management should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible.

District's Response: We strive to segregate accounting functions as much as possible with limited staff.

VERNON COUNTY AMBULANCE DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

Internal Control Over Financial Reporting

2024-001 Segregation of Duties

Statement of Condition: The District is not able to segregate the duties of employees to all phases of an accounting transaction.

Criteria: Adequate segregation of non-compatible duties is important for a sound and efficient internal control system.

Effect: Errors or irregularities may result from this lack of segregation of employee duties and responsibilities.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction.

Recommendation: Effective segregation of duties in a small governmental environment is often difficult; however, we feel that the governing body and District management should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible.

District's Response: We strive to segregate accounting functions as much as possible with limited staff.

Status: This is still a finding at June 30, 2025.

VERNON COUNTY AMBULANCE DISTRICT
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL - BUDGET BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Ambulance operations, net of write-offs and contractual adjustments	\$ 1,501,000	\$ 2,055,756	\$ 2,016,527	\$ (39,229)
Instructional courses	5,000	19,105	19,225	120
Refunds and miscellaneous	-	10,036	10,057	21
Total Revenues	<u>1,506,000</u>	<u>2,084,897</u>	<u>2,045,809</u>	<u>(39,088)</u>
EXPENSES				
Salaries	1,206,000	1,327,000	1,239,878	87,122
Payroll tax expense	96,000	100,000	94,916	5,084
Employee benefits	150,000	160,000	161,613	(1,613)
Retirement	95,000	105,000	98,918	6,082
Supplies	8,000	6,500	5,374	1,126
Insurance	120,000	110,000	99,395	10,605
Dispatch and radio	37,000	35,300	33,685	1,615
Election expense	5,000	1,300	1,294	6
Repairs and maintenance	72,000	105,000	63,071	41,929
Debt service - capital lease payments	98,000	98,000	98,794	(794)
Capital outlay	53,000	179,200	191,484	(12,284)
Office expense	44,000	75,200	71,020	4,180
Utilities and telephone	22,000	23,000	20,749	2,251
Training and seminars	24,000	17,000	11,141	5,859
Billing services	150,000	215,000	205,808	9,192
Professional fees	25,000	22,000	21,815	185
Advertising and public relations	3,500	3,700	2,770	930
Medical supplies	90,000	124,000	124,710	(710)
Fuel and oil	70,000	67,000	60,888	6,112
Other	40,500	26,700	32,436	(5,736)
Total operating expenses	<u>2,409,000</u>	<u>2,800,900</u>	<u>2,639,759</u>	<u>161,141</u>
Income (loss) from operations	<u>(903,000)</u>	<u>(716,003)</u>	<u>(593,950)</u>	<u>122,053</u>
OTHER INCOME (EXPENSE)				
Interest income	11,000	20,051	21,577	1,526
Grants	100,000	170,146	166,146	(4,000)
Property taxes	450,000	492,941	492,941	-
Capital lease proceeds	192,000	196,000	-	(196,000)
Total Other Income	<u>753,000</u>	<u>879,138</u>	<u>680,664</u>	<u>(198,474)</u>
CHANGE IN NET POSITION	<u>(150,000)</u>	<u>163,135</u>	<u>86,714</u>	<u>\$ (76,421)</u>
NET POSITION, JULY 1, 2024	<u>2,148,944</u>	<u>2,148,944</u>	<u>2,148,944</u>	
NET POSITION, JUNE 30, 2025	<u>\$ 1,998,944</u>	<u>\$ 2,312,079</u>		
Adjustments to reconcile to GAAP basis:				
Revenue accruals			7,688,102	
Expense accruals			7,035	
Bad debt and contractual adjustment expense			(7,682,107)	
Finance lease principal payments			86,705	
Capital outlay			191,484	
Depreciation			(170,992)	
NET POSITION (GAAP BASIS)			<u>\$ 2,355,885</u>	

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

VERNON COUNTY AMBULANCE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

BUDGETARY ACCOUNTING:

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

- a. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- b. Prior to July, the Director, who serves as the budget officer, submits to the Board of Directors a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed the total of beginning available funds plus estimated revenues for the year.
- c. A public hearing is conducted to obtain taxpayers comments. Prior to its approval by the Board of Directors, the budget document is available for public inspection.
- d. Prior to July 1, the budget is legally enacted by a vote of the Board of Directors.
- e. Subsequent to its final approval of the budget, the Board of Directors has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.