TENNESSEE
Hamblen County
SERVICE · COMMUNITY · INDUSTRY

FINANCE DEPARTMENT

February 11, 2025

Morristown Hamblen EMS
Danny Houseright
dhouseright@mhems.com

We have begun the 2025-2026 budget process. In order to be considered for a contribution from Hamblen County, we are requesting certain information from your organization in accordance with Section 5-9-109, *Tennessee Code Annotated (TCA).*

This year, we are requesting that your documents be submitted electronically to the Finance Department at the following email addresses:

Amanda Hale – **ahale@co.hamblen.tn.us**
Dennis Fox – **dfox@co.hamblen.tn.us**

Please provide the following items **electronically**:

1) proof of 501(c)(3), 501(c)(4), or 501(c)(6) IRS tax status,
   Please note this is a letter from the IRS, not a letter of sales tax exemption from the Tennessee Department of Revenue

2) your organization's most current audit or annual report detailing all receipts and expenditures, and

3) your organization's most current budget.

Please note that in accordance with State law, the above requested information must be submitted and on file. Noncompliance with this request may prevent your organization from receiving funds. Please understand that this letter does not guarantee that you will receive a contribution. Any contribution requires county commission approval. You may be asked to appear before the Budget Committee on **Saturday, May 17, 2025**, to explain your request. The Finance Department will notify you if the Budget Committee wants to hear from you.

Please return a copy of this letter along with the requested information above to the Hamblen County Mayor's office by **Monday, March 17, 2025**. If you have any questions, please feel free to contact me.

Sincerely,

Amanda Hale

Amanda Hale
Hamblen County Finance Director

2024-2025 Contribution:

$75,000

MORRISTOWN – HAMBLEN
EMERGENCY MEDICAL SERVICE
(423) 587-3280 FAX (423) 585- 2729
SERVING THE COMMUNITY SINCE 1985

Budget Committee,

I appreciate the difficult task you face in determining how to allocate the community's tax revenue in the most effective way. Your hard work ensures that funding is directed toward initiatives that best serve the citizens of Hamblen County.

Last year, Hamblen County generously assisted Morristown Hamblen EMS in purchasing equipment to enhance both employee and patient safety. With the $188,000 received, we successfully equipped 7 of our 10 ambulances with the Stryker Power Load system. Moving forward, all new ambulances will come factory-installed with this essential safety feature. We are truly grateful for this support, as it directly improves the well-being of our personnel and the patients we serve.

This year, I am requesting financial assistance for the purchase of a new **Type III ME166 ambulance** from Medix Specialty Vehicles. The total cost is **$208,608.00**, and I have attached the detailed specifications for review. This ambulance is critical to our ability to provide lifesaving care to the citizens of Hamblen County.

Additionally, with rising operational costs, MHEMS faces increasing challenges in remaining competitive in recruitment and retention through enhanced pay and benefits. Rather than a general funding request, I believe that requesting assistance for a tangible asset—a necessary emergency vehicle—provides greater transparency and accountability. This ensures that funds are directly contributing to a resource that benefits all who rely on our service.

For your reference, I have attached the **TCA requirements for county submissions** along with the **official quote from Medix Specialty Vehicles**. I am available to address the Budget Committee on **May 17, 2025**, to provide further details or answer any questions regarding this request.

Thank you for your time and consideration. Your support directly impacts the quality of emergency medical care available in our community.

Sincerely,

Director, Morristown Hamblen EMS

MEDIX SPECIALTY VEHICLES, LLC

Unit #: XX-XXXX

DEALER:	**Medix Direct**
CUSTOMER:	**Morristown Hamblen EMS**
Street or P.O. Box	**419 Allison Street**
City, State, Zip	**Morristown, TN. 37814**
Customer Contact:	**Danny Houseright**
Customer Email:	dhouseright@mhems.com
Customer Phone #:	**423-736-6566**
Sales Associate:	**Wade**
Sales Engineer:	
VIN#:	***To be assigned by MEDIX***
Chassis Model Yr	2025
MEDIX Model	**Type III 166**
CHASSIS	**Ford E-450 XL Cutaway, 7.3L Gas, 158" WB, 14,500 GVWR**
BODY	**166"L x 94"W x 72" Interior Headroom**

QTY	STD/OPT	Description
1	16-6000-FG	**Chassis & Conversion**
		Chassis Model Year Adjustment
		-
	01-	**Flooring & Interior Colors**
1	STD	**Cabinets:** Laminated Wood **Laminate Color**: GRAY
1	STD	**Upholstery:** (Specify Color)
1	STD	**Color**: COBALT BLUE Brand: **EVS**
1	100020	Flooring: Lonseal- LonPlate (Diamond Plate) ILOS Lonspeck TS Twilight Specify Color: Mica 421
		-
	02-	**Body & Chassis**
1	STD	This chassis is equipped with a Gasoline Exhaust System to meet the EPA standards for Gasoline exhaust emissions
	NOTE Weld Shop	See special Prints for street side and curbside wall framing and cabinet prints
	NOTE Weld Shop	See curbside wall for rear warning light locations
1	**STD**	**Anti-Theft Device: IdleLock Ignition Security System, for Ford E Series Chassis Only. Locate activation button to the right side of the steering wheel.**
1	STD	**Camera System:** RVS Systems RVS-MV3619N-NM-02- Includes (1) 7" rear view mirror monitor, Surface Mount back-up camera and (1) 33' camera cable. Locate: (1) Camera mounted off lower RH corner of center rear Amber light; Monitor mounted on cab windshield rear view mirror.
1	STD	All Exterior compartments coated with light gray colored rubberized polyurethane material.
1	STD	**Walk-through** w/Sliding Door. Slides behind driver's seat

1	STD	**Compartment Lights:** Optronics ILL36CB LED Compartment lights- ALL Models Locate: (1) Ceiling of Compt #1; (2) in Compt #2- (1) URH, (1) LLH; (1) in ceiling of Compartment #3; (2) in Compt #4/5; (1) in Compt #6 (if applicable).
1	STD	**Compartment #1 SS Forward:** Smooth Aluminum body, ADP interior door panel, O2 "M" cylinder storage for STEEL tank, Door w/gas-strut hold-open.
1	STD	**Compartment #2 SS Center:** Smooth Aluminum body, ADP interior door panel, Open Storage, Double Doors w/gas strut hold-opens and Seat Belt Strap. NOTE: There should be no electrical in this compartment - customer will store their Ferno stair chair in this compartment.
1	99-3865	Compartment #3: SS rear, Reduced Height Custom exterior compartment tub PN: 41-119732, Door PN: 71-119733 ILOS. Smooth aluminum with rubberized polyurethane coating. Door with gas strut hold-open. NOTE: For E-450 ME166 Only
1	200280	Shelf: Adjustable, Aluminum Diamond Plate, Exterior Compartment (Not to be used on MSV-II models) SPECIFY LOCATION: Compt. #3
2	STD	**Rear Entry Doors:** Single piece laminated smooth aluminum door liner w/stainless steel center panel for black paddle handles; ADP kick panels.
1	STD	**Compartment #4/5 CS Forward:** NO body above floor, ADP interior door panel, ALS Cabinet w/ Inside/Outside access, Full-height, single Door w/gas strut hold-open. Bottom section smooth aluminum body w/roll-out battery tray w/removable, latching door.
1	STD	**Curbside Entry Door:** Single piece, laminated smooth aluminum door liner w/stainless steel center panel for black and chrome paddle handles; ADP kick panels. Gas strut door hold-open. Smooth aluminum stepwell w/Dri-Dek insert.
1	99-3866	Compartment #6: CS rear, Reduced Height and Depth with Increased Width Custom exterior compartment tub PN: 41-119735, Door PN: 71-A10907 ILOS Compartment #6. Smooth aluminum with rubberized polyurethane coating. Door with gas strut hold-open. NOTE: For E-450 ME166 Only
1	200280	Shelf: Adjustable, Aluminum Diamond Plate, Exterior Compartment SPECIFY LOCATION: Compt. #6 - Print: 33-102551
1	STD	All Entry Door paddle handle and rotary latching components will include emergency door releases located top and bottom of each door and shall meet the FMVSS 206 30G Test Requirement
1	Modified	**Rear Bumper:** ADP corner pods w/Dock bumper pads, Center grip-strut flip-up step, powder coated steel frame. See option under Electrical Section for Back-Up System.
2	STD	**IV Hangers:** (2) Cast black rubber fold-down over knee area of Cot and Squad Bench

3	STD	**Mirrors, OEM:** (1) each cab door, (1) on interior windshield
1	STD	**Wheel Covers:** Stainless steel covers w/Valve Extenders
4	STD	**Stone Guards:** lower body corners, ADP
1	STD	**Kick Plate, Rear:** ADP, below rear doors across to corner posts.
1	STD	**Rub Rails:** C-Channel, tapered ends, Lower Body off-set mount with neoprene spacers.
2	STD	**Running Boards:** Aluminum diamond plate w/splash guards.
1	200130	Fender Flares: Roll formed stainless steel, ILOS rubber.
1	STD	**Fuel Fill:** Cast aluminum fuel fill bezel.
1	STD	**Insulation:** Pink, double sided radiant barrier/acoustic material, installed on curbside and streetside rear wheel wells.
1	STD	**Insulation:** Spray in place foam applied to curbside entry step well and both rear wheel wells
1	STD	**Undercoating:** Per QVM Guidelines
		-
	03-	**Brake, Turn & Back-Up Lights**
1	STD	**Lights:** DOT, Brake/Tail, Turn, Back Up: Whelen 600 Series LED.
1	STD	**DOT Marker Lights:** TecNiq LED, rubber grommet bezels; (7) S34-AC09-1 Amber- (5) on front of body as Marker lights, (2) side facing on rear extrusions as Turn Signals; (7) S34-RC90-1 Red- (5) on rear of Body as Marker lights, (2) side facing as Turn Signals.
		-
	04-	**Electrical, Power Distribution, Control Center & Interior Lighting**
1	STD	**Battery Switch, Automatic:** TST CDR-400. Located in Electrical Cabinet.
2	STD	**Batteries:** OEM Locate: (1) Under hood, (1) In roll-out tray in Compartment #4/5
1	Modified	**Front Console/ Switch Panel:** Formed Aluminum body powder coated black and attached to chassis floor. Switch panel: Engraved black plastic with LED lighted switches for Emergency Master, Primary/Secondary Modes,Siren/Horn, Left, Rear and Right Floods, Back-Up Alarm, Module Disconnect. Siren mounted in engraved panel below switches.-See option below for Map Light.
1	99-0479	Lights: Map, Federal "Little Lite" LF12ES, gooseneck map light mounted on front console.
2	MODIFIED	**Antenna:** Prewire Radio Coax Cable terminated in upper W/T cabinet "D" (No power & Ground wires are needed - see fuse block in option below)
2	400010 MODIFIED	Antenna: Coax, with 12VDC Power/Ground, Action Area - (1) to drop from each side of upper A/A- glove box cabinet; both Coax ends will terminate in upper cabinet "D" NOTE: No Power/Ground wires are needed with this option. See pic of previous cabinet 21-90923

1	99-1957	Electrical: Prewire, (1) 8AWG - 12VDC ignition, power and ground from battery to a Blue Sea PN: 5032 ST Blade Split Buss "12" Fuse block – two isolated groups of six circuit fuses with cover for "Battery Hot" and "Ignition Hot" wiring. LOCATE: upper W/T cabinet "D" on back wall.
1	99-1970	Electrical: Back-Up System, RVS Audible Alert RVS-115W with (4) Sensors mounted on black powder coated sensor bracket PN: 33-10-5622 on rear bumper. Sensor brackets to install between the outer bumper pods and the rear dock bumper placing on sensor on each side of the dock bumper. LOCATION: Alert display on top of front console.
10	STD	**Dome Lights:** LED w/chrome flange; 2-banks of five (5) 18-diodes w/chrome flange MX80EHZA , switched separately with Hi/Lo functions.
1	STD	**Action Area Light:** 12 VDC LED light, with On/Off switch on rear control panel
1	STD	**USB Port:** Vanner VSS-USB dual port 2Amp mounted on A/A wall
1	STD	**Shoreline:** 125 VAC, 20-Amp, 60 Hz, straight blade inlet w/hinged, weatherproof cover, located above Compartment #2 SS
1	STD	**Timer:** 5-minute check-out, wired to CS High mode dome lights
1	400160	Inverter: Vanner LSC12-1100- 1100watt with 3-Stage 55Amp battery charger, 20Amp power supply and built in GFI. Remote controlled with switch in the rear switch panel. (This option deletes the GFI in the A/A wall). ILOS NOTE: OPTION 99-1955 IS REQUIRED WHEN ANY INVERTER IS MOUNTED IN ANY BULKHEAD or INTERIOR ENCLOSED CABINET. OPTION 99-2899 DUAL FANS REQUIRED ON RP90 and 150 MODELS. LOCATION: Lower Cabinet E
1	99-1955	Electrical: Fan, Mechantronics Fan, (1) Axial 120x25MM 12VDC ventilation fan PN: E1225E12AB-FSR mounted on cabinet door or side wall when any inverter is mounted in an interior, enclosed cabinet.
1	400150	Battery Charger: DELETE STANDARD (when adding Inverter with integral charger)
1	STD	**Breaker Box:** 125 VAC w/20-Amp Breaker located behind the driver's seat base. GFI receptacle located on the Action Area wall.
3	STD	**12 VDC Outlets:** (1) in Action Area, (1) in ALS Cabinet, (1) in 2nd Action Area
3	STD	**125 VAC Outlets:** Duplex, located (1) in Action Area, (1) in ALS, (1) in 2nd Action Area
1	400100	125VAC: Duplex Outlet, IATS SPECIFY LOCATION: Curbside wall at foot of Squad Bench

1	Modified	**Rear Switch Panel:** Engraved black plastic panel with (10) LED lighted switch positions for Dome Lights (2), Vacuum (1), Vent (1), A.A. Light (1), Inverter (1), Spare switches and digital clock w/Mode Buttons. MX01517.-See prints for special location of rear switch panel.
1	STD	**Electrical Cabinet:** Located over cabin-module connection w/latching, recessed, vented door
		-
	05-	Warning Lights & Sirens
1	**STD**	**Lights: Warning, Whelen LED EMERGENCY Lighting Package- Ford, Chevy Type I and Type III- Models ONLY.** **NOTE: Does not include LED Scene Lights.**
		All LED lights shall have CLEAR Lenses. All emergency and scene lighting shall have chrome flanges in standard locations.
	MODIFIED	**Front of Body:** Add (7) 9x7 Whelen LEDs- Specify pattern by LED Color: (2) Red and (1) White and (4) WHITE/RED Split: R-W/R-W/R-W-W/R-W/R-R pattern. Outer (2) lights and (1) Center light flash on K-Spec flasher. Inner (2) flash independently on Light Bar switch on front console. NOTE: See option below for Red/White LEDs. LOCATE: WHITE LEDS on top of the (4) 9x7 Split LEDs
		Sides of Body: (4) Whelen 900 Series Red Super-LEDs: (2) each side in upper corners
		Rear of Body: (4) Whelen 900 Series Red Super-LEDs: (2) in upper outboard corners, (2) Mid-Body wired as Warning/Brake at the window level; (1) Whelen 900 Series Amber Super-LED in the center position over the rear doors.
		Brake, Turn & Back-Up Lights: Whelen 600 Series LEDs
		Lights, Warning, Intersection Lights: (2) Whelen 700 Red Series Super-LEDs on front fenders
4	99-0811	Lights: Warning, (1) Whelen 900 Series Super-LED 90RC5FCR Red/White, ILOS 900 Series Super-LED 90RR5FCR Red. NOTE: Front Wall in Layout above
1	500210	Lights: Warning, (2) Whelen 700 Series Super-LED 70R02FCR Red with clear lens and chrome flange 7EFLANGE, IATS above rear wheel wells as rear intersection lights. Wire to Primary circuit only.
2	500400	Lights: Warning, (1) Whelen 700 Series Super-LED 70A02FCR Amber with clear lens and chrome bezel, IATS NOTE: Above rear wheel well forward of red light. Wire to Turn Signal circuit - See print for position.
2	STD	**Lights, Warning, Grille:** LINZ6R Red LED w/clear lenses & chrome flanges on center grille bar
6	500127	Lights: Scene/Load, Whelen 900 Series Super-LED 9SC0ENZR Gradient Opti-Scenelight™ with chrome flange- ILOS Halogen NOTE: (2) on each side and (2) on rear
1	99-0106	Lights: Scene/Load, Rear side scene lights on each side to come "ON" in Reverse
1	STD	**Flasher:** Dual mode flasher for Warning Light system, **Vanner 9860GCPE**

2	STD	**Siren Speakers:** Dual 100 Watt drivers mounted through the front bumper
1	STD	**Siren:** Whelen 295 SLSA1, 200 Watt
		-
	06-	Oxygen, Vacuum & Miscellaneous Items
3	STD	**Oxygen Outlets:** Quick-connect style, (2) in Action Area, (1) over Squad Bench
1	STD	**Suction Aspirator System:** Rico disposable container mounted in Action Area w/gauge and quick-connect; SSCOR vacuum pump mounted in lower bulkhead hallway cabinet
1	STD	**Oxygen Cylinder Retention:** For "M" cylinder, black steel w/3-spring buckle straps and top collar, located in Compartment #1
1	STD	**O2 Regulator:** Amvex, 50psi, pre-set
		-
	07-	AC / Heat
1	STD	**HVAC System:** High capacity free blow combination Heat-AC system with digital thermostat control on the action area wall. HVAC unit mounted in front bulkhead above the tech seat.
		-
	08-	Cabinets, Hardware & Miscellaneous Items
1	STD	**Main Streetside Wall Cabinets:** Specify desired configuration-
1	99-3867	Cabinets: Main Cabinet Wall, Custom Morristown configuration, ILOS Full Wall NOTE: See Prints. Main to wall to have backboard slot minimum 18" x 56" ; (4) Equal sized medical cabinets with polycarbonate doors and (1) adj. shelf each. NOTE: ME 166 Models Only.
		Main Wall Cabinets will have (1) adjustable shelf in each and sliding polycarbonate doors with full height extruded handles. See Prints for Configuration.
1	DELETE	DELETE STANDARD Action Area Overhead Cabinet
1	99-3868	Action Area: Custom for Morristown Configuration-w/(3) hole glove storage. NOTE:See Prints. Includes the standard components on a vertical aluminum panel with Suction system collection cannister, Vacuum gauge, (2) Oxygen outlets, (1) USB, (1) 12VDC Outlet, (1) 125VAC Outlet and separate thermostat. Switch panel includes (10) switch positions and digital clock w/Mode Buttons. Includes horizonal glove storage for (3) glove boxes w/hinged, black 11 ga steel powder coated door. MX01517 NOTE: ME 166 Models Only.
	NOTE	All Std A.A. components moved to top section of Action Wall on single panel; See option for 3-Hole Glove Box below.
1	DELETE	DELETE Inside/Outside access to Compartment #3: With dual 1/2" Acrylic hinged doors w/non-locking Eberhard two point paddle latches.

1	STD	**Bulkhead Wall Cabinets**: HVAC cabinet above Tech Seat; Electrical Cabinet located above cabin-module connection w/hinged, latching, vented door
1	MODIFIED	**Bulkhead Cabinets:** Upper cabinet- general storage w/hinged, latching door and Locking Defender Latch; Lower cabinet general storage w/hinged, latching, vented door.
1	STD	**Cabinet Above ALS:** Open storage w/dual 1/2" Acrylic doors w/non-locking two-point paddle latches, (1) adjustable shelf.
1	99-3869	ALS Cabinet: Combine Lower and Middle to create a single opening and (2) Adjustable Shelves with Cargo Net to cover open area. ILOS NOTE: ME-166 Models Only.
1	99-0720	Cabinets: Shelf, Adjustable, (1) 3/4" Plywood shelf mounted in an interior cabinet where there is an existing shelf. IATS LOCATION: ALS - Total of 3
1	99-0546	Cargo Net: Head of Squad Bench, bolted to taping plates in the floor, wall and ceiling. PN: ZRS-NETMEX009-02-B. NOTE: Type I / III ME166, RP-90, MSV II ONLY.
1	MODIFIED	**Squad Bench:**
1	99-3870	Squad Bench: (2) position EVS Pro-4 harnessed seating with bottom straps for 2nd patient, SPLIT length hinged lid and SPLIT cushions for access to forward interior storage. Squad Bench to be deeper and longer with rear access backboard storage (18" x 72" slot). Requires special seat cushions. Use (1) CAST latch on forward section so it does not protrude into board slot, Austin latch PN 63-04-1052, Cast PN 53-07-1003. Rear lid section will be fixed and not open. Top face of squad bench will have a S.S. plate, this is under the forward most lid. (There will be no waste or sharps drop-ins with this bench due to the board storage slot) NOTE: Special Pad sizes for Squad Bench - Seat cushion - QTY. of (2), This bench will have a lengthened stainless steel riser as well.
	2	2) EVS Pro-4 seat belt system seating positions. The seat belt positions shall include a custom contoured seat back, a single click Pro-4 seat belt, custom pads on the upper straps for shoulder comfort, a custom retractor for securing a secondary patient and a heat embossed Medix LOGO at the heat area.
1	99-3871	Cabinets: Riser, Stainless steel on streetside lower main, to be used in conjunction with Main Cabinet Wall Option. MODIFIED/SPLIT Riser in TWO pieces: (1) on board slot face and (1) on main wall. NOTE: ME166 Models Only.
1	99-3585	Cabinets: Delete the standard Squad Bench Overhead and replace with EVS headpad across top of curbside wall to module ceiling. NOTE: ME-166 Models

1	99-2761	Cabinets: Rear Overhead, Delete the standard Rear Overhead cabinet and replace with EVS Headpad across the top of the rear entry doors to module ceiling. NOTE: If optional clock is selected, install on center of this headpad (Intellitec and Trintec clocks require a special CNC). NOTE: MSV-II Models Only.
1	STD	**Technician's Seat:** An EVS Rear facing custom contoured, automotive style, high back seat with the Pro-4 seat belt system mounted on an EVS structural steel base. The seat belt system shall include a custom automotive style seat, a single click Pro-4 seat belt, custom pads on the upper straps for shoulder comfort and a heat embossed Medix LOGO at the head area.
1	STD	**Seat Base:** EVS CB-Side storage base for EVS Technician's Seat
1	STD	**Assist Rail:** overhead off-center toward Streetside of unit.
1	800057	Assist Rail: 72" - 1.25" Stainless w/Radius Ends, Over Squad Bench- IATS
3	STD	**Grab handles:** 12" x 1.25" dia. stainless steel mounted on each rear entry and curbside entry door
1	STD	**Reflective Striping, Door Open Protection**: .50" Red reflective striping around interior door pan of all body doors.
1	99-0189	IV Pole: 7/8" SS medical equipment / IV Pole, IATS, LOCATION: Mounted on inboard rear corner of Action Area shelf and extended to ceiling (reference 21-90923)
		-
	09-	**Cots & Miscellaneous Items**
1	99-1742	Cot Mount: Stryker, Power Load System, installed in center position. ILOS 175-4 NOTE: ME-150/153, ME-166, MSV-II Models Only. NOTE: 23-3/4" to center from bench face NOTE: PER CUSTOMER, DIMENSION FROM CENTER OF RAIL TO BENCH MATCHES CURRENT LAYOUT OF 23 3/4".
		-
	10-	**Paint & Lettering**
1	STD	**Paint:** Body all OEM White
		-
1	1000100	Roof Star ONLY, INSTALLED
		-
1	OPT	Grayson Graphics to supply and install graphics package - See Quote

2	DELETE	DELETE Fire Extinguisher: (2) 5 lb- Ship Loose is Standard
1	OPT	Delivery to Morristown Hamblen
1	OPT	2025 Ford GPC Rebate
		SHIP LOOSE

2	STD	**Fire Extinguisher:** (2) 5 lb- Ship Loose is Standard
		TOTAL ORDER $208,608 Delivered to Morristown Hamblen

I have reviewed this Order and find it to be acceptable and ready to build.

_______________________________ **Date:** ________________

Customer Signature

I have reviewed this Order and find it to be acceptable and ready to build with the addition of the attached, approved changes.

_______________________________ **Date:** ________________

Customer Signature

NEW!

Please click the link below to complete the Medix Purchase Agreement Standard Terms & Conditions.

Please note, your order will not be accepted without receipt of the signed Terms & Conditions.

Medix Purchase Agreement Standard Terms & Conditions for Sale

SUBMIT YOUR ORDER TO

med_new_orders@medixambulance.com

Due to on-going product improvements and the changing requirements of the ambulance industry, MEDIX Specialty Vehicles, Inc. reserves the right to change product specifications and related products without prior notice and without any obligation to change prior products or parts. ALL PATENTS RIGHTS RESERVED.

Internal Revenue Service

Date: January 28, 2004

Morristown Hamblen Emergency Medical
Service Company
420 N. Jackson St.
Morristown, TN 37814-3913

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Mrs. Bonnie Lawson #31-07572
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
62-1211867

Dear Sir or Madam:

This is in response to your letter dated December 31, 2003, regarding your organization's tax-exempt status.

In January 1988, we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(2).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of $20 a day, up to a maximum of $10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Morristown Hamblen Emergency Medical Service Company
62-1211867

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing.
For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

Janna K. Skufca

Janna K. Skufca, Acting Director, TE/GE
Customer Account Services

Internal Revenue Service
District Director

Department of the Treasury

C 1150
ATLANTA, GA 30301

Date:

Employer Identification Number:

Contact Person:

Contact Telephone Number:

MORRISTOWN HAMBLEN EMERGENCY
MEDICAL SERVICE COMPANY
P O BOX 1344 420 NORTH JACKSON ST
MORRISTOWN, TN 37814

Accounting Period Ending:

Form 990 Required:
Yes
Caveat Applies:
Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(2).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the

Letter 947(DO/CG)

NORRISTOWN NUCLEAR EMERGENCY

Applicable [illegible] of Code [illegible]

The heading of this letter [illegible] Form 990, Return of Organization Exempt From Income Tax. If [illegible] you are required to file Form 990 only if your gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If the heading of this letter indicates that a caveat applies, the caveat below or on the enclosure is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Paul M. [illegible]
District Director

Letter 947(DO/CG)

MORRISTOWN HAMBLEN EMERGENCY

Based upon the facts and circumstances [illegible] your request for relief, the Chief, Exempt Organizations [illegible] your organization's [illegible] has granted, pursuant to section [illegible] Conference and Review [illegible] an extension of the 15 month filing period [illegible] Regulations [illegible] the regulations. [illegible] 1.508-1(a)(2) of

Therefore, exemption under section 501(c)(3) of the Code will be effective 9-22-64, the date your organization was formed.

[illegible] (DO/CG)

CRAINE, THOMPSON & JONES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

225 WEST FIRST NORTH STREET
SUITE 300, MILLENNIUM SQUARE
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MORRISTOWN, TENNESSEE 37816-1779
PHONE: (423) 586-7650

248 BRUCE STREET
SUITE 8
SEVIERVILLE, TENNESSEE 37862
PHONE: (865) 366-1450
FAX: (423) 586-0705

June 24, 2024

Morristown Hamblen Emergency Medical Services Company
419 Allison Street
Morristown, TN 37814

To Management and Board of Directors of Morristown Hamblen Emergency Medical Services Company:

In planning and performing our audit of the financial statements of Morristown Hamblen Emergency Medical Services Company, as of and for the year ended July 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Morristown Hamblen Emergency Medical Services Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Morristown Hamblen Emergency Medical Services Company'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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Craine, Thompson & Jones, P.C.

Craine, Thompson & Jones, P. C.
June 24, 2024

JAMES W. CRAINE, CPA
MIRA J. CRAINE, CPA

WHITNEY D. MCGOWAN, CPA

Craine, Thompson & Jones, P.C.

Certified Public Accountants

225 West First North Street
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Sevierville, Tennessee 37862
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June 24, 2024

To the Board of Directors
Morristown Hamblen Emergency Medical Services Company
419 Allison Street
Morristown, TN 37814

We have audited the financial statements of Morristown Hamblen Emergency Medical Services Company, as of and for the year ended July 31, 2023, and have issued our report thereon dated June 24, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 10, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Morristown Hamblen Emergency Medical Services Company, solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies and other matters noted during our audit in a separate letter to you dated June 24, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

James W. Craine, CPA
Mira J. Craine, CPA

Whitney D. McGowan, CPA

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Morristown Hamblen Emergency Medical Services Company, is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements was:

> Management's estimate of the allowance for bad debts is based on a twelve-month rolling average of collection rates. We evaluated the key factors and assumptions used to develop the allowance for bad debts in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Morristown Hamblen Emergency Medical Services Company's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated June 24, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Morristown Hamblen Emergency Medical Services Company, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Morristown Hamblen Emergency Medical Services Company's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of Morristown Hamblen Emergency Medical Services Company and is not intended to be and should not be used by anyone other than these specified parties.

Craine, Thompson & Jones, P.C.

Craine, Thompson & Jones, P. C.
June 24, 2024

MORRISTOWN HAMBLEN EMERGENCY MEDICAL SERVICES COMPANY

AUDIT REPORT

JULY 31, 2023 AND 2022

Morristown Hamblen Emergency Medical Services Company
Table of Contents
July 31, 2023 and 2022

Craine, Thompson & Jones, P.C.

Certified Public Accountants

225 West First North Street
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Morristown Hamblen Emergency Medical Services Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Morristown Hamblen Emergency Medical Services Company (a nonprofit organization), which comprise the statements of financial position as of July 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Morristown Hamblen Emergency Medical Services Company as of July 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Morristown Hamblen Emergency Medical Services Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Morristown Hamblen Emergency Medical Services Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

James W. Craine, CPA
Mira J. Craine, CPA
Whitney D. McGowan, CPA

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 Morristown Hamblen Emergency Medical Services Company'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 Morristown Hamblen Emergency Medical Services Company'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.

Craine, Thompson & Jones, P.C.

Morristown, Tennessee
June 24, 2024

Morristown Hamblen Emergency Medical Services Company

Statements of Financial Position

As of July 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 1,462,449	$ 1,285,800
Accounts receivable	2,292,185	2,359,671
Allowance for bad debts	(1,763,345)	(1,865,702)
Accounts receivable - miscellaneous	1,336	1,336
Prepaid expenses	261,317	163,989
Inventory	88,457	84,215
Total current assets	2,342,399	2,029,309
Fixed assets:		
Computer	116,458	116,458
Furniture and fixtures	34,428	34,428
Ambulance equipment	2,570,611	2,171,604
Rescue equipment	3,719	3,719
Automobiles	76,135	76,135
Building additions	856,855	856,855
Total fixed assets	3,658,206	3,259,199
Less: Accumulated depreciation	(2,423,683)	(2,203,009)
Total fixed assets, net	1,234,523	1,056,190
Total assets	$ 3,576,922	$ 3,085,499
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 26,220	$ 32,667
Payroll liabilities	87,400	80,930
Notes payable - current	20,881	38,846
Capital lease payable - current	49,434	-
Total current liabilities	183,935	152,443
Long-term liabilities:		
Notes payable, net of unamortized financing fees of $13,235 and $14,273, respectively	376,519	397,588
Capital lease payable	218,346	-
Total long-term liabilities	594,865	397,588
Total liabilities	778,800	550,031
Net Assets		
Without donor restrictions	2,798,122	2,535,468
Total net assets	2,798,122	2,535,468
Total liabilities and net assets	$ 3,576,922	$ 3,085,499

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

Morristown Hamblen Emergency Medical Services Company
Statements of Activities
For the Years Ended July 31, 2023 and 2022

	Without Donor Restrictions	
	2023	**2022**
Unrestricted Net Assets		
Support		
Ambulance fee income	$ 7,965,452	$ 7,564,677
Bad debt recovery	17,603	24,930
TNCare Supplemental Payments	-	-
Miscellaneous income	6,956	205
Interest income	8,079	337
Donations	500	432,655
Gain on disposal of fixed assets	-	-
Total Unrestricted Support	7,998,590	8,022,804
Expenses		
Operating expenses	7,735,936	7,491,157
Total Expenses	7,735,936	7,491,157
(Decrease) increase in Net Assets	262,654	531,647
Net Assets, beginning	2,535,468	2,003,821
Net Assets, ending	$ 2,798,122	$ 2,535,468

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

Morristown Hamblen Emergency Medical Services Company

Statement of Functional Expenses

For the Year Ended July 31, 2023

	Program Services	Supporting Services	
	EMS	Management and General	Totals
Personnel services	$ 1,646,758	$ 239,618	$ 1,886,376
Fringe benefits	121,678	18,331	140,009
Total personnel cost	1,768,436	257,949	2,026,385
Advertising	16,840	-	16,840
Ambulance call sheets	3,299	-	3,299
Bad debts & contractual write-offs	4,143,985	-	4,143,985
Building maintenance	8,751	-	8,751
Dues	23,663	-	23,663
First-aid/medical supplies	200,497	-	200,497
Interest	26,787	-	26,787
Licenses and permits	17,403	-	17,403
Member expenses	11,069	-	11,069
Miscellaneous	554	-	554
Office expense	9,913	-	9,913
Package insurance	323,086	-	323,086
Professional development	10,548	-	10,548
Professional services	202,553	-	202,553
Rent - substation	25,791	-	25,791
Repairs	32,413	-	32,413
Retirement	28,047	-	28,047
Commissions and fees	-	-	-
Telephone	13,969	-	13,969
Two-way radio expense	4,148	-	4,148
Uniform/clothing allowance	20,716	-	20,716
Utilities	36,470	-	36,470
Vehicle expense	327,337	-	327,337
Total Expenses before depreciation	7,256,275	257,949	7,514,224
Depreciation and amortization	221,712	-	221,712
Total Expenses	$ 7,477,987	$ 257,949	$ 7,735,936

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

Morristown Hamblen Emergency Medical Services Company
Statement of Functional Expenses
For the Year Ended July 31, 2022

	Program Services	Supporting Services	
	EMS	Management and General	Totals
Personnel services	$ 1,471,148	$ 239,022	$ 1,710,170
Fringe benefits	103,193	18,285	121,478
Total personnel cost	1,574,341	257,307	1,831,648
Advertising	13,013	-	13,013
Ambulance call sheets	3,214	-	3,214
Bad debts & contractual write-offs	4,166,062	-	4,166,062
Building maintenance	14,214	-	14,214
Dues	37,902	-	37,902
First-aid/medical supplies	178,655	-	178,655
Interest	20,720	-	20,720
Licenses and permits	16,963	-	16,963
Member expenses	10,881	-	10,881
Miscellaneous	1,287	-	1,287
Office expense	9,704	-	9,704
Package insurance	329,681	-	329,681
Professional development	11,711	-	11,711
Professional services	188,960	-	188,960
Rent - substation	25,916	-	25,916
Repairs	27,337	-	27,337
Retirement	21,216	-	21,216
Commissions and fees	-	-	-
Telephone	15,197	-	15,197
Two-way radio expense	1,232	-	1,232
Uniform/clothing allowance	20,634	-	20,634
Utilities	36,094	-	36,094
Vehicle expense	288,092	-	288,092
Total Expenses before Depreciation	7,013,026	257,307	7,270,333
Depreciation and amortization	220,824	-	220,824
Total Expenses	$ 7,233,850	$ 257,307	$ 7,491,157

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

Morristown Hamblen Emergency Medical Services Company
Statements of Cash Flows
For the Years Ended July 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase in net assets	$ 262,654	$ 531,647
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation	220,756	219,868
Amortization of financing fees	956	956
Decrease (increase) in net receivables	(34,871)	67,369
Decrease (increase) in inventory	(4,242)	-
Decrease (increase) in prepaids	(97,328)	28,795
Decrease (increase) in other receivables	-	5,321
Increase (decrease) in payables	(6,447)	1,543
Increase (decrease) in accrued expenses	6,470	16,027
Net cash provided by operating activities	347,948	871,526
Cash Flows from Investing Activities		
Purchases of property and equipment	(399,089)	(232,623)
Net cash used by investing activities	(399,089)	(232,623)
Cash Flows from Financing Activities		
Net proceeds (repayment) from long-term debt and capital lease obligations	227,790	(452,469)
Net cash provided by (used in) financing activities	227,790	(452,469)
Increase (decrease) in cash and cash equivalents	176,649	186,434
Beginning cash and cash equivalents	1,285,800	1,099,366
Ending cash and cash equivalents	$ 1,462,449	$ 1,285,800
Supplemental Cash Flow Information:		
Interest paid	$ 26,787	$ 20,720

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

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Morristown Hamblen Emergency Medical Services Company was formed to perform emergency medical transportation for Hamblen and surrounding counties.

Morristown Hamblen Emergency Medical Services Company qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Basis of Accounting

The financial statements are prepared on the accrual basis. Income is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statements of the Morristown Hamblen Emergency Medical Services Company have been prepared in accordance with U.S. generally accepted accounting principles, which requires Morristown Hamblen Emergency Medical Services Company to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purposes in performing the primary objectives of the organization. These net assets may be used at the discretion of Morristown Hamblen Emergency Medical Services Company's management and the board of directors.
>
> **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Morristown Hamblen Emergency Medical Services Company or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
>
> Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions.

Property and Equipment

Purchases of property and equipment with a unit cost of $500 or more are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounts Receivable

Payment terms on accounts receivable are ordinarily net thirty days from the invoice date. Accounts receivable consists of both private pay and third-party reimbursement accounts. The organization has established an allowance for bad debts to reserve for potentially uncollectible accounts. The allowance is computed and adjusted each month based upon a rolling average of collections for accounts receivable plus any additional accounts that management determines to have a high risk of uncollectibility. Accounts that are deemed uncollectible are charged off against income when that determination is made.

Concentrations of Credit Risk

Financial instruments, which potentially subject the organization to concentrations of credit risk, consist primarily of patient accounts receivable. The organization's patient base is primarily located in Hamblen County, Tennessee. Although the organization is directly affected by provider reimbursement contracts and, in the case of private pay accounts, the condition of the Hamblen County economy, management does not believe significant credit risk exists at July 31, 2023 and 2022.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under IRC Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents Morristown Hamblen Emergency Medical Services Company's financial assets at July 31, 2023:

Financial assets at year end:	
Cash and cash equivalents:	$ 1,462,449
Receivables	528,840
Total financial assets	1,991,289
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Net assets with purpose restrictions to be met in less than a year	-
	-
Financial asssets available to meet gerneral expenditures over the next twelve months	$ 1,991,289

Morristown Hamblen Emergency Medical Services Company's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $891,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

NOTE 3 – GEOGRAPHICAL CONCENTRATION

This organization has operations confined to Hamblen County and the surrounding Lakeway area.

NOTE 4 – COMPENSATED ABSENCES

The Morristown Hamblen Emergency Medical Services Company records a liability for compensated absences. The vacation accrual was $34,890 for 2023 and $34,890 for 2022.

NOTE 5 – INVENTORY

Inventory is stated at the lower of cost or market.

NOTE 6 – NOTES PAYABLE

On April 26, 2021, the organization, jointly with Morristown Emergency & Rescue Squad, Inc., obtained a loan from Commercial Bank in order to consolidate the organization's loan with Apex Bank and Morristown Emergency & Rescue Squad, Inc.'s loan with Citizens Bank. The loan accrues interest at 4.5% per annum with payment terms of 59 payments of $3,244.34 with one final irregular payment. The organization is making the loan payment on behalf of both organizations. The difference in principal has been reflected as prepaid rent on the organization's books and is being recognized over 180 months. Associated loan costs paid of $15,570 are being amortized over the life of the loan. For the years ending July 31, 2023 and 2022, interest expense of $20,965 and $20,720 was incurred which includes amortized financing fees of $1,038 and $1,038, respectively.

Principal and interest requirements for the Commercial Bank loan are as follows:

	Principal	Interest
2024	$ 20,881	$ 18,051
2025	21,840	17,092
2026	367,913	13,479
2027	-	-
Thereafter	-	-
	$ 410,634	$ 48,622

NOTE 7 – FINANCE LEASE OBLIGATIONS

The organization entered into a capital lease arrangement for the purchase of certain fixed assets in August 2022. Assets under the capital lease have a recorded cost of $249,659 and related accumulated depreciation of $49,932 at July 31, 2023. The lease required monthly installments of $5,042 through January 2028. Principal and interest (imputed) components of the lease are as follows:

Year ending July 31,	
2024	$ 60,507
2025	60,507
2026	60,507
2027	60,507
2028	56,970
Total payments	298,998
Less: interest	(31,218)
	$ 267,780
Minimum lease payments	$ 298,998
less: portion representing interest	(31,218)
Capital lease obligations	267,780
Less: current portion	(49,434)
Capital lease obligations, less current portion	$ 218,346

NOTE 8 – ADVERTISING COSTS

The Morristown Hamblen Emergency Medical Services Company incurred advertising costs for the fiscal years ended July 31, 2023 and 2022, totaling $16,840 and $13,013.

NOTE 9 – DEPOSITS IN EXCESS OF INSURED AMOUNTS

The Morristown Hamblen Emergency Medical Services Company has deposit accounts totaling $1,462,449 with local banks. However, two accounts exceeded the deposit insurance limit established by the Federal Deposit Insurance Corporation as of July 31, 2023 and 2022, by $434,515 and $497,271, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

Morristown Hamblen Emergency Medical Services Company shares facilities with Morristown Emergency & Rescue Squad, Inc. Morristown Hamblen Emergency Medical Services Company pays the expenses (utilities and insurance, for example) and the amounts allocated to Morristown Emergency & Rescue Squad, Inc., are billed each month. Any amounts receivable from the Rescue Squad are not included with patient receivables.

A lease agreement for rent was entered into on August 1, 2003. Rent is paid to Morristown Emergency & Rescue Squad, Inc., at $500 per month. Rent expense for fiscal years ending July 31, 2023 and 2022, was $6,000 and $6,000, respectively. The lease agreement is for five years at $6,000 per year and is renewable for six five-year terms. A payment is also being made for office space effective July 1, 2007, at $2,000 per month through June 2021 then $1,000 per month thereafter. Rent expense for office space was $12,000 and $12,000 for the fiscal years ending July 31, 2023 and 2022, respectively. Prepaid rent resulting from the loan consolidation is recognized at $586 per month with $7,036 and $7,036, respectively, included in rent expense for the fiscal years ending July 31, 2023 and 2022.

Morristown Hamblen Emergency Medical Services Company's bookkeeping is performed each month by an accounting firm. An employee of that firm is a non-voting board member.

NOTE 11 – PAYCHECK PROTECTION PROGRAM

On March 24, 2021, the organization obtained a Paycheck Protection Program (PPP) loan in accordance with the CARES Act legislation passed by Congress in response to the economic impact of the COVID-19 pandemic. The loan was obtained to cover payroll costs allowed by the legislation. The original amount of the loan was $402,555, and the loan bears interest at 1% per annum. However, the CARES Act allows for PPP loans to be forgiven once the borrower applies for forgiveness with their lender prior to the repayment date and produces documentation supporting the proper use of the funds. All requirements have been met and an application for forgiveness was submitted on September 1, 2021. The organization obtained forgiveness of the loan on September 7, 2021. The amount forgiven was included in donations on the statement of activities.

NOTE 12 – SUBSEQUENT EVENTS

The Organization has evaluated events and transactions subsequent to July 31, 2023, through the date of the independent auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. The Organization has not identified any items requiring recognition or disclosure.

Morristown Hamblen Emergency Medical Services 2024-2025 Proposed Budget

Revenues		
Ambulance fee Income	$4,028,300	
Other Income	$39,700	
Total	$4,068,000	(CPT 393.73 @ 861 Tx/month)
Expenses		
Payroll (58.5%)	$2,400,000	
Training (.73%)	$28,000	
Stations (.68%)	$28,000	
Radio (.53%)	$22,000	
Telephone (.12%)	$3,000	
Utilities (.9%)	$38,000	
Uniform (.66%)	$29,000	
Legal Fee (5.25%)	$216,000	
Computer (1.82%)	$75,000	
Insurance (9.24%)	$377,000	
Vehicle (7.54%)	$333,000	
Bank Charges (.7%)	$29,000	
Freight (.05%)	$2,000	
Patient Documentation (.12%)	$5,000	
Supplies (5.71%)	$222,000	
Office (.34%)	$14,000	
Advertising (.29%)	$12,000	
Meals / Gifts (.15%)	$6,000	
Maintanance / Repairs (.46%)	$19,000	
Total Before Deprciation	$3,858,000	
Depreciation (6.13%)	$210,000	
Total Expenses	$4,068,000	
Total Revenue	$4,068,000	
Total Expenses	$4,068,000	
Total Revenue after Exp	**$0**	