MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.

Financial Statements

September 30, 2024 and 2023

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
September 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Marble Falls Area Emergency Medical Services, Inc.
Marble Falls, Texas

Opinion

We have audited the accompanying financial statements of Marble Falls Area Emergency Medical Services, Inc., (a non-profit organization), which comprise the Statements of Financial Position as of September 30, 2024 and 2023, and the related Statements of Activities, Cash Flows, and Functional Expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marble Falls Area Emergency Medical Services, Inc. as of September 30, 2024 and 2023, and the results of its operations 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marble Falls Area Emergency Medical Services, Inc. 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 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 Marble Falls Area Emergency Medical Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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, 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 the 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 Marble Falls Area Emergency Medical Services Inc.'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 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 Marble Falls Area Emergency Medical Services, Inc.'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.

Oliver, Rainey + Wojtek, LLP

Oliver, Rainey & Wojtek
March 19, 2025

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

ASSETS

	2024	2023
Current Assets		
Cash and cash equivalents (Note 2)	$ 677,256	$ 213,889
Restricted cash (Note 2)	105,756	58,502
Net ambulance billing receivable (Note 3)	315,179	305,823
Inventory	82,623	71,594
Miscellaneous receivables	3,036	31,375
Total Current Assets	1,183,850	681,183
Fixed Assets (Note 4)		
Buildings and improvements	516,334	527,000
Furniture & fixtures	11,876	11,876
Communications and other equipment	798,424	777,169
Transportation equipment	1,653,942	1,592,930
Total Fixed Assets	2,980,576	2,908,975
Accumulated depreciation	(2,283,683)	(2,285,800)
Net Fixed Assets	696,893	623,175
Land	39,361	39,361
Total Assets	$ 1,920,104	$ 1,343,719

LIABILITIES AND NET ASSETS

	2024	2023
Current Liabilities		
Accounts payable	$ 153,016	$ 115,981
Accrued expenses	67,257	52,540
Current portion of long-term debt (Note 5)	227,724	202,340
Total Current Liabilities	447,997	370,861
Long-term debt, less current portion (Note 5)	342,961	320,783
Total Liabilities	790,958	691,644
Net Assets		
Net assets without donor restrictions	1,023,390	593,573
Net assets with donor restrictions (Note 6)	105,756	58,502
Total Net Assets	1,129,146	652,075
Total Liabilities and Net Assets	$ 1,920,104	$ 1,343,719

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

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Revenue, Gains & Other Support:			
Net service fees (Note 7)	$ 2,797,072	$ -	$ 2,797,072
Service contracts-counties	1,500,631	-	1,500,631
Service contracts-cities	375,124	-	375,124
Class fees	6,830	-	6,830
Donations	2,778	56,206	58,984
Fundraisers	34,177	-	34,177
Gain (loss) on disposition of equipment	11,325	-	11,325
Grants	9,966	5,902	15,868
Interest income	3,439	7	3,446
Miscellaneous	6,105	-	6,105
VES contributions	65,718	-	65,718
Total Revenue	4,813,165	62,115	4,875,280
Net Assets Released from Restrictions	14,861	(14,861)	-
Total Revenue, Gains & Other Support	4,828,026	47,254	4,875,280
Cost of Special Activities & Programs:			
Personnel and personnel expenses	2,825,112	-	2,825,112
Depreciation (Note 4)	232,206	-	232,206
Dues and subscriptions	63,964	-	63,964
Equipment-small purchases	42,675	-	42,675
Fuel	89,809	-	89,809
Insurance	381,572	-	381,572
Interest expense	29,177	-	29,177
Medical billing fee	188,906	-	188,906
Medical director	20,000	-	20,000
Medical supplies	162,764	-	162,764
Repair and maintenance	89,955	-	89,955
Scholarships and donations	3,825	-	3,825
Training and education	24,605	-	24,605
Utilities	41,165	-	41,165
Total Cost of Special Activities & Programs	4,195,735	-	4,195,735
Revenues Net of Cost	632,291	47,254	679,545
Supporting Services:			
Personnel and personnel expense	171,152	-	171,152
Management and general	28,692	-	28,692
Fundraisers	2,630	-	2,630
Total Supporting Services	202,474	-	202,474
Change in Net Assets	429,817	47,254	477,071
Net Assets, Beginning of Year	596,047	58,502	654,549
Net Assets, End of Year	$ 1,025,864	$ 105,756	$ 1,131,620

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

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenue, Gains & Other Support:			
Net service fees (Note 7)	$ 2,370,483	$ -	$ 2,370,483
Service contracts-counties	1,451,327	-	1,451,327
Service contracts-cities	363,339	-	363,339
Class fees	7,724	-	7,724
Donations	1,464	47,886	49,350
Fundraisers	28,349	-	28,349
Gain (loss) on disposition of equipment	2,700	-	2,700
Grants	25,585	-	25,585
Interest income	828	6	834
Miscellaneous	9,232	-	9,232
VES contributions	59,444	-	59,444
Total Revenue	4,320,475	47,892	4,368,367
Net Assets Released from Restrictions	58,721	(58,721)	-
Total Revenue, Gains & Other Support	4,379,196	(10,829)	4,368,367
Cost of Special Activities & Programs:			
Personnel and personnel expenses	2,676,042	-	2,676,042
Depreciation (Note 4)	267,297	-	267,297
Dues and subscriptions	64,474	-	64,474
Equipment-small purchases	27,061	-	27,061
Fuel	95,007	-	95,007
Insurance	361,136	-	361,136
Interest expense	27,592	-	27,592
Medical billing fee	160,179	-	160,179
Medical director	20,000	-	20,000
Medical supplies	140,051	-	140,051
Repair and maintenance	90,266	-	90,266
Scholarships and donations	3,075	-	3,075
Training and education	27,799	-	27,799
Utilities	40,932	-	40,932
Total Cost of Special Activities & Programs	4,000,911	-	4,000,911
Revenues Net of Cost	378,285	(10,829)	367,456
Supporting Services:			
Personnel and personnel expense	162,703	-	162,703
Management and general	23,848	-	23,848
Fundraisers	3,144	-	3,144
Total Supporting Services	189,695	-	189,695
Change in Net Assets	188,590	(10,829)	177,761
Net Assets, Beginning of Year	407,457	69,331	476,788
Net Assets, End of Year	$ 596,047	$ 58,502	$ 654,549

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

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	$ 477,071	$ 175,287
Adjustments to reconcile changes in net assets		
to net cash provided by (used in) operating activities:		
Depreciation	232,206	267,297
(Increase) decrease in accounts receivable	(9,356)	(29,231)
(Increase) decrease in inventory	(11,029)	(1,545)
(Increase) decrease in miscellaneous receivables	28,339	(16,986)
Increase (decrease) in accounts payable	37,035	42,841
Increase (decrease) in accrued expenses	14,717	12,438
Net Cash Provided by (used in) Operating Activities	768,983	450,101
Cash Flows From Investing Activities:		
Purchases of equipment	(308,890)	(60,101)
Disposal of Property, Plant, and Equipment	2,966	3,687
Net Cash Provided by (Used in) Investing Activities	(305,924)	(56,414)
Cash Flows From Financing Activities:		
Loan proceeds	299,954	25,030
Principal paid	(252,392)	(250,384)
Net Cash Provided (used in) by Financing Activities	47,562	(225,354)
Net Increase (Decrease) in Cash and Cash Equivalents	510,621	168,333
Cash and Cash Equivalents, Beginning of Year	272,391	104,058
Cash and Cash Equivalents, End of Year	$ 783,012	$ 272,391
Supplemental Cash Flow Disclosure:		
Cash paid during the year for:		
Interest	$ 29,177	$ 27,592
Income taxes	$ -	$ -
Noncash Activities		
In-kind donations	$ -	$ -

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

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

		Support Services		
	Program Services	Administrative	Fundraising	2024 Total
Personnel and personnel expense	$ 2,825,112	$ 171,152	$ -	$ 2,996,264
Depreciation	232,206	-	-	232,206
Due and subscriptions	63,964	-	-	63,964
Equipment-small purchases	42,675	-	-	42,675
Fuel	89,809	-	-	89,809
Fundraisers	-	-	2,630	2,630
Insurance	381,572	-	-	381,572
Interest Expense	29,177	-	-	29,177
Management and general	-	28,692	-	28,692
Medical billing fee	188,906	-	-	188,906
Medical director	20,000	-	-	20,000
Medical supplies	162,764	-	-	162,764
Repair and maintenance	89,955	-	-	89,955
Scholarships and donations	3,825	-	-	3,825
Training and education	24,605	-	-	24,605
Utilities	41,165	-	-	41,165
2024 Total	$ 4,195,735	$ 199,844	$ 2,630	$ 4,398,209

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

MARBLE FALLS AREA EMERGENCY MEDICAL SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2023

	Program Services	Support Services: Administrative	Support Services: Fundraising	2023 Total
Personnel and personnel expense	$ 2,676,042	$ 162,703	$ -	$ 2,838,745
Depreciation	267,297	-	-	267,297
Due and subscriptions	64,474	-	-	64,474
Equipment-small purchases	27,061	-	-	27,061
Fuel	95,007	-	-	95,007
Fundraisers	-	-	3,144	3,144
Insurance	361,136	-	-	361,136
Interest Expense	27,592	-	-	27,592
Management and general	-	23,848	-	23,848
Medical billing fee	160,179	-	-	160,179
Medical director	20,000	-	-	20,000
Medical supplies	140,051	-	-	140,051
Repair and maintenance	90,266	-	-	90,266
Scholarships and donations	3,075	-	-	3,075
Training and education	27,799	-	-	27,799
Utilities	40,932	-	-	40,932
2023 Total	$ 4,000,911	$ 186,551	$ 3,144	$ 4,190,606

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

Note 1 – Summary of Significant Accounting Policies

Organization

Marble Falls Area Emergency Medical Services, Inc. (the Service) is a non-profit organization established to provide emergency ambulance and medical services to the City of Marble Falls, Texas and the surrounding 300 square mile area. The primary sources of revenues are from service fees and contracts for emergency medical services.

Basis of Accounting

The financial statements of the Service have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions.

- Net assets without donor restrictions: This is the portion of net assets of the Service that can be used subject only to the board limits resulting from the nature of the Service, the environment it operates in, or the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Service in the course of its business. The Service has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from grants, contracts, and contributions that are not subject to donor-imposed restrictions, and income from investing excess operating cash, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.

- Net assets with donor restrictions: This is the portion of net assets of the Service that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Service's choices when using these resources because the Service has a fiduciary responsibility to its donors to follow the donor's instructions. Net assets with donor restrictions generally result from donor-restricted contributions.

Tax Status

Under provisions of the Internal Revenue Code, Section 501(c)(3), the Service is exempt from taxes on income other than unrelated business income. Since the Service had no net unrelated business income during the years ended September 30, 2024 and 2023, no provision for income taxes has been made. The Service's open audit periods are for the fiscal year ends September 30, 2022 to September 30, 2024.

Contributions

The Service receives support from individuals, corporations, and other nonprofit organizations in support of the Service's mission. Contribution revenue is recognized at fair value on the receipt of cash. From time to time, the Service receives contributions that have certain conditions such as meeting specific performance-related barriers or limiting the Service's discretion on use of the funds. Other contributions may have revocable features. Such contributions are recognized when the conditions are substantially met.

In addition, the Service elected the net asset release policy option for contributions with donor restrictions that were initially conditional contributions. As part of this election, the Service reports contributions restricted by donors (that were conditional in nature) as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. The Service has not changed its policy for unconditional contributions such that the Service reports contributions restricted by donors (that were unconditional in nature) as increases in net assets with donor restrictions. When the donor restriction expires on an unconditional contribution, the release is reported as net assets released from donor restrictions in the statement of activities.

Note 1 – Summary of Significant Accounting Principles - Continued

Contributed Services

The Service receives some services from volunteers which are not recorded in these financial statements. The Service records services in the financial statements if the volunteer services create or enhance a non-financial asset; or require specialized skills, are performed by people with those skills, and would otherwise be purchased. No contributed services were recognized in the years ending September 30, 2024 or 2023.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses are allocated based on the nature of the expense.

Cash and Cash Equivalents

The Service considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents, if any. The carrying amount for cash and cash equivalents approximates fair value.

Inventories

Inventories consist of medical supplies on hand at year-end. Inventories are valued at cost based on the first-in, first out method.

Property and Equipment

Property and equipment purchased by the Service is recorded at cost. Donated property and equipment are recorded at fair market value as of the date donated. Property and equipment acquired by the Service is considered to be owned by the Service. The Service maintains title to all depreciable assets.

The Service follows the practice of capitalizing all expenditures for or donations of property and equipment in excess of $2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets. Upon sales or retirement of land, buildings, and equipment, the cost and related depreciation, if any, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. Depreciation is computed on the straight-line basis over the useful lives of the assets as follows:

Buildings	20 to 39 years
Furniture and fixtures	5 to 7 years
Communications and other equipment	5 to 15 years
Transportation equipment	3 to 7 years

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents totaled $783,012 at September 30, 2024 and $272,391 at September 30, 2023. Cash and cash equivalents consist of bank accounts that are available for use in current operations.

As of September 30, 2024, the Organization's bank deposits exceeded the federally insured limits by $46,709. This is a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

Cash and cash equivalents on the statement of cash flows consist of the following:

	2024	2023
Cash and cash equivalents	$ 677,256	$ 213,889
Restricted cash	105,756	58,502
	$ 783,012	$ 272,391

Note 3 – Net Ambulance Billings Receivable

Net ambulance billings receivable as of September 30, 2024 and 2023 are:

	2024	2023
Accounts receivable billed	$ 3,728,298	$ 4,053,293
Allowance for doubtful accounts	(3,413,119)	(3,747,470)
	$ 315,179	$ 305,823

An allowance for credit losses is an estimate based upon historical account write-off trends and facts about the current financial condition of the debtors. The Service utilizes the reserve method to account for bad debts based upon reserving all emergency service billings greater than 90 days old and a percentage of all billings up to 90 days old based on historical experience of collections, adjustments, and write-offs. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The Service past due receivable balances upon review of management are written off when collection efforts have been unsuccessful. Accounts receivable billed include charges for emergency medical services rendered through September 30, 2024 and 2023, respectively. Beginning balance of net ambulance billings receivable at October 1, 2022 was $276,592.

Note 4 – Fixed Assets

Changes in fixed assets during the year ended September 30, 2024, are as follows:

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
Building and improvements	$ 527,000	$ -	$ 10,666	$ 516,334
Furniture and fixtures	11,876	-	-	11,876
Communications and other equipment	777,169	49,354	28,098	798,425
Transportation equipment	1,592,930	259,536	198,525	1,653,941
Total Fixed Assets	2,908,975	308,890	237,289	2,980,576
Less accumulated depreciation	(2,285,800)	(232,206)	(234,323)	(2,283,683)
Total Fixed Assets Net of Depreciation	$ 623,175	$ 76,684	$ 2,966	$ 696,893

Note 5 – Long-Term Debt

The following schedule summarizes notes payable transactions for the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Principal Payments	Balance September 30, 2024
Notes Payable	$ 510,645	$ 299,954	$ 239,914	$ 570,685
Line of Credit	12,478	-	12,478	-
	$ 523,123	$ 299,954	$ 252,392	$ 570,685

Notes payable consist of the following as of September 30, 2024:

Payee and Terms	**Principal Balance**
First United Bank, Marble Falls, Texas, payable in 60 monthly installments of $3,160, including interest at 4.25%, beginning January 2018, due April 2025, for purchase of a vehicle, secured by vehicle.	$ 15,192
First United Bank, Marble Falls, Texas, payable in 60 monthly installments of $3,820, including interest at 4.0%, beginning May 2020, due May 2025, for purchase of a vehicle, secured by vehicle.	29,893
Security State Bank, Marble Falls, Texas, payable in 78 monthly installments of $3,269, including interest at 4.25%, beginning May 2020, due October 2026, for purchase of a vehicle, secured by vehicle.	74,048
Security State Bank, Marble Falls, Texas, payable in 84 monthly installment of $3,392, including interest at 4.25%, beginning April 2022, due April 2029, for purchase of a vehicle, secured by vehicle.	168,915
Security State Bank, Marble Falls, Texas, payable in one payment, including interest at 5.25%, due June 2025, for purchase of a vehicle, secured by vehicle.	80,203
First United Bank, Marble Falls, Texas, payable in 71 monthly installments of $3,837.60, including interest at 7.75%, beginning March 2024, due February 2030, for purchase of a vehicle, secured by vehicle.	202,434
	570,685
Less Current Portion	(227,724)
	$ 342,961

Note 5 – Long-Term Debt – Continued

Annual payments required to amortize all long-term notes payable outstanding as of September 30, 2024 are as follows:

For the Year Ending September 30	Principal
2025	$ 227,724
2026	106,913
2027	73,930
2028	78,492
2029	65,897
2030	17,729
	$ 570,685

Note 6 – Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2024 and 2023 consisted of contributions received for education expenses, car seats, and an employee charitable fund.

Note 7 – Net Service Fees

Service fees are recognized based on transports and are reported net of adjustments for costs disallowed by Medicaid, Medicare, and insurance companies. Service fees are also reported net of the provision for bad debts.

Note 8 – Concentration of Risk

Revenue from the Burnet County Emergency Service District No. 9 contracts was approximately 12 percent of the Service's total revenues for the years ended September 30, 2024 and 2023, respectively. A significant reduction in or elimination of this contracts would have a material effect on the Service.

Note 9 – Simple IRA Plan

The Service maintains a Simple IRA pension plan covering all employees. The Service will match each eligible employee's Simple IRA contributions up to 3 percent of the employee's compensation for the year. The employer contributions for the year ending September 30, 2024 were $66,329 and for September 30, 2023 were $68,322.

Note 10 – Liquidity and Reserves

The Service has a policy to manage its liquidity and reserves in order to operate with financial stability, maintain adequate liquidity, and maintain sufficient reserves. The following table reflects the Service's financial assets (cash and cash equivalents and investments) as of September 30, 2024, reduced by amounts not available for general expenditures within one year.

`	2024
Financial Assets	
Cash and cash equivalents	$ 783,012
Accounts receivable, net	315,179
Less those unavailable for general expenditure within one year due to:	
Restricted funds (Note 6)	(105,756)
	$ 992,435

Note 11 – New Accounting Pronouncement

At the beginning of the fiscal year ended September 30. 2023, the Service adopted FASB ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Service adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Note 12 – Subsequent Events

The Service did not have any subsequent events through March 19, 2025, which is the date the financial statements were available to be issued for events requiring, recording or disclosure in the financial statements for the fiscal year ended September 30, 2024.