



Bunker Hill Area Ambulance Service

P.O. Box 309
Bunker Hill, Illinois 62014



June 27, 2017

Mr. Pete Duncan
Macoupin County Clerk
PO Box 107
Carlinville, IL 62626

RE: Bunker Hill Area Ambulance Service

Mr. Duncan,

Pursuant to the Bunker Hill Area Ambulance Service Special Service Area #2, we have had an audit of our books and records completed. Enclosed, please find the audit as performed by Loy, Miller, Talley, PC for our fiscal year ending June 30, 2016.

I apologize for the delay in the completion of the audit. If you should have any questions, please feel free to contact me. We anticipate our June 30, 2017 audit will be completed during the month of October, 2017.

Very Truly Yours,

Mark E. Vaughn, President
Board of Directors

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JUN 30 2017

Macoupin County Clerk

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JUN 30 2017


Macoupin County Clerk

BUNKER HILL AREA AMBULANCE SERVICE, INC.

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

BUNKER HILL AREA AMBULANCE SERVICE, INC.

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LOY MILLER TALLEY, PC

Certified Public Accountants

Integrity ★ Vision ★ Results

INDEPENDENT AUDITORS' REPORT

May 25, 2017

To the Board of Directors
Bunker Hill Area Ambulance Service, Inc.
Bunker Hill, IL 62014

We have audited the accompanying financial statements of Bunker Hill Area Ambulance Service, Inc. (a non-profit organization), which comprise the statement of financial positions - modified cash basis as of June 30, 2016, and the related statements of activities and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bunker Hill Area Ambulance Service, Inc. as of June 30, 2016, and the changes in its net assets and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Loy Miller Talley, PC

Certified Public Accountants
Alton, Illinois

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS
JUNE 30, 2016ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents \$ 66,716

CAPITAL ASSETS:

Building and Improvements \$ 105,380

Vehicles 69,255

Property and Equipment 3,305

Total 177,940

Less: Accumulated Depreciation (111,693)Total Capital Assets \$ 66,247

OTHER ASSETS:

Deposits \$ 75Total Assets \$ 133,038LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll Liabilities \$ 3,124

Current Portion of Notes Payable 4,033Total Current Liabilities \$ 7,157

NONCURRENT LIABILITIES:

Notes Payable - Net of Current Portion \$ 62,182Total Liabilities \$ 69,339

NET ASSETS:

Unrestricted \$ 63,699Total Liabilities and Net Assets \$ 133,038

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

SUPPORT AND REVENUES:	
Property Taxes	\$ 139,283
Program Revenue	42,203
Donations	3,379
Fundraising	9,971
Other Income	<u>51</u>
Total Support and Revenues	\$ <u>194,887</u>
EXPENSES:	
Program Services	\$ 119,904
Fundraising	1,606
Management and Administrative	<u>13,776</u>
Total Expenses	\$ <u>135,286</u>
INCREASE IN NET ASSETS	\$ 59,601
NET ASSETS, BEGINNING OF YEAR	<u>4,098</u>
NET ASSETS, END OF YEAR	\$ <u>63,699</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 59,601
Adjustment to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	3,223
Increase in Payroll Liabilities	<u>1,406</u>
Total Net Cash From Operating Activities	\$ <u>64,230</u>
CASH FLOWS (USED BY) INVESTING ACTIVITIES:	
Purchase of Building and Equipment	\$ <u>(6,350)</u>
CASH FLOWS (USED BY) FINANCING ACTIVITIES:	
Repayment of Notes Payable	\$ <u>(8,072)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 49,808
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>16,908</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>66,716</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	Program Services	Fundraising	Management and General	Total
Salaries and Wages	\$ 64,960			\$ 64,960
Payroll Taxes	7,973			7,973
Workers Compensation Insurance	11,031		\$ 2,133	13,164
Contract Labor	16,291		-	16,291
ALS Intercept Fees	1,000		-	1,000
Advertising	413		-	413
License and Filing Fees	-		126	126
Direct Fundraising Expenses	-	\$ 1,606	-	1,606
Medical Supplies	5,329	-	-	5,329
Telephone	-	-	1,517	1,517
Office Supplies	-	-	83	83
Postage and Shipping	-	-	95	95
Utilities	-	-	4,410	4,410
Building and Grounds Maintenance	-	-	135	135
Vehicle Expenses	6,445	-	-	6,445
Interest	3,239	-	-	3,239
Insurance	-	-	5,243	5,243
Service Charges	-	-	34	34
Expenses Before Depreciation	\$ 116,681	\$ 1,606	\$ 13,776	\$ 132,063
Depreciation	3,223	-	-	3,223
Total Expenses	\$ 119,904	\$ 1,606	\$ 13,776	\$ 135,286

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. NATURE OF OPERATIONS

Bunker Hill Area Ambulance Service, Inc. provides emergency ambulance care to those living in the Bunker Hill, Illinois area. The Service is organized as an Illinois not-for-profit corporation and has been granted tax-exempt status by the Internal Revenue Service under section 501(c)(3) of the Internal Revenue Code. The operations of the Service are funded through fees charged to the users, and a real estate tax levied on those who live within the district.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Service are presented on the modified cash basis of accounting, in which revenue is recognized when received and expenditures are recognized when paid.

Cash and Cash equivalents consists of all monies in banks and highly liquid debt instruments with maturity dates of less than three months. The carrying amount reported in the statement of financial position approximates fair value because of the short maturities of those financial instruments.

To ensure observance of limitations and restrictions placed on the use of resources available to the Service, the accounts of the Service are maintained in accordance with generally accepted accounting principles. The financial transactions have been classified as follows:

Unrestricted Net Assets - this includes unrestricted resources available for support of the Service's operations. Each year the Board may designate resources of the Unrestricted Fund for specific use. However, the Board is not bound by these designations and may adjust them as they deem necessary.

Temporarily Restricted Net Assets - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Service and or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted net assets as of June 30, 2016.

Permanently Restricted Net Assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Service. Generally, the donors of these assets permit the Service to use all or part of the income earned on any related investments for the Service's general or specific purposes. The Service currently has no permanently restricted net assets.

Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and equipment are stated at cost, less depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 5 to 39 years.

The Service records the value of donated foods and services when there is an objective basis to measure the value. No amount has been reflected in these financial statements for donated services, as no objective basis is available to measure the value of the service.

Bunker Hill Area Ambulance Service, Inc. is exempt from federal income taxes under Section 501(c) of the Internal Revenue Code.

The allocations of expenses are charged directly to a program when they can be specifically identified with it. Those expenses that cannot be specifically identified with a program are generally charged based on allocations of estimated time spent on the programs.

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

The Service has adopted a policy to expense all advertising costs as incurred. Costs equaling \$413 were deducted for the year ending June 30, 2016.

The Service has evaluated subsequent events through May 25, 2017, the date on which the financial statements were available to be issued.

NOTE 3. CAPITAL ASSETS

Capital assets activity, resulting from cash transactions, for the year ended June 30, 2016 was as follows:

	Balance at <u>7/1/15</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>6/30/16</u>
Building/Improvements	\$ 102,130	3,250		\$ 105,380
Vehicles	69,255			69,255
Equipment	3,305	\$ -	\$ -	3,305
Total Capital Assets at Historical Cost	<u>\$ 174,690</u>	<u>\$ 3,250</u>	<u>\$ -</u>	<u>\$ 177,940</u>
Less: Accum. Depreciation	<u>\$ 108,470</u>	<u>\$ 3,223</u>	<u>\$ -</u>	<u>\$ 111,693</u>
Capital Assets, Net	<u>\$ 66,220</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 66,247</u>

Depreciation expense for June 30, 2016 is \$44,692.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4. LONG-TERM DEBT

In 2015, the Service consolidated several debts and borrowed some additional capital to purchase equipment. The total borrowed was \$75,000 and is secured by the building. Monthly payments of \$576.32 are required, including interest at 4.50%.

The following is a summary of changes in long-term debt, for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Note Payable	\$ 74,287	\$ -	\$ (8,072)	\$ 66,215

The annual requirements to retire the note payable as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Interest</u>	<u>Principal</u>
2017	\$ 2,882	\$ 4,033
2018	2,697	4,219
2019	2,503	4,413
2021	2,301	4,615
2021	2,089	4,827
Thereafter	<u>17,558</u>	<u>44,108</u>
Total	\$ <u>30,030</u>	\$ <u>66,215</u>

NOTE 5. BUSINESS AND CREDIT RISK

The Service is located in Macoupin County, Illinois. The Service receives reimbursements for services from various governmental agencies. A substantial portion of the revenue from clients is derived from a third-party payer agreement with the State of Illinois and the United States Government. Accordingly, the Service is subject to the restraints of the economic condition of the State of Illinois. Revenue from third-party payer agreements is subject to audit and retroactive adjustment.

The Service maintains cash balances in various financial institutions. Accounts are insured at each institution by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances of cash and cash equivalents of the Service did not exceed the amount insured by FDIC, as of June 30, 2016.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 6. TAX STATUS

The Service has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Service is subject to tax on income from any unrelated business. On July 1, 2009, the Service adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Service has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Service believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Service's financial condition, results of operations or cash flows. Accordingly, the Service has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2016.

The Service is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Service believes it is no longer subject to income tax examinations for years prior to 2012. The Service's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.