



Bunker Hill Area Ambulance Service

P.O. Box 309
Bunker Hill, Illinois 62014



March 14, 2018

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

FILED

MAR 19 2018


Macoupin County Clerk

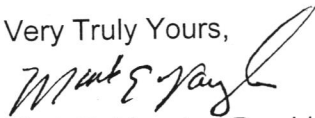
RE: Bunker Hill Area Ambulance Service

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, 2017.

If you should have any questions, please feel free to contact me.

Very Truly Yours,



Mark E. Vaughn, President
Board of Directors

BUNKER HILL AREA AMBULANCE SERVICE, INC.

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

FILED

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BUNKER HILL AREA AMBULANCE SERVICE, INC.

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LOY MILLER TALLEY, PC

Certified Public Accountants

Integrity ★ Vision ★ Results

INDEPENDENT AUDITORS' REPORT

January 11, 2018

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, 2017, 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, 2017, 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, 2017ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents \$ 91,534

CAPITAL ASSETS:

Building and Improvements \$ 113,568

Vehicles 37,422

Property and Equipment 8,084

Total \$ 159,074

Less: Accumulated Depreciation (84,055)Total Capital Assets \$ 75,019

OTHER ASSETS:

Deposits \$ 75Total Assets \$ 166,628LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll Liabilities \$ 5,270

Current Portion of Notes Payable 4,219Total Current Liabilities \$ 9,489

NONCURRENT LIABILITIES:

Notes Payable - Net of Current Portion \$ 57,609Total Liabilities \$ 67,098

NET ASSETS:

Unrestricted \$ 99,530Total Liabilities and Net Assets \$ 166,628

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

SUPPORT AND REVENUES:	
Property Taxes	\$ 136,274
Program Revenue	61,393
Donations	1,959
Fundraising	21,712
Gain on Sale of Assets	600
Other Income	<u>1,527</u>
Total Support and Revenues	<u>\$ 223,465</u>
EXPENSES:	
Program Services	\$ 164,088
Fundraising	5,259
Management and Administrative	<u>18,287</u>
Total Expenses	<u>\$ 187,634</u>
INCREASE IN NET ASSETS	\$ 35,831
NET ASSETS, BEGINNING OF YEAR	<u>63,699</u>
NET ASSETS, END OF YEAR	<u>\$ 99,530</u>

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 35,831
Adjustment to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	4,195
Increase in Payroll Liabilities	<u>2,146</u>
Total Net Cash From Operating Activities	<u>\$ 42,172</u>
CASH FLOWS (USED BY) INVESTING ACTIVITIES:	
Purchase of Building and Equipment	<u>\$ (12,967)</u>
CASH FLOWS (USED BY) FINANCING ACTIVITIES:	
Repayment of Notes Payable	<u>\$ (4,387)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 24,818
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>66,716</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 91,534</u>

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services	Fundraising	Management and General	Total
Salaries and Wages	\$ 114,215			\$ 114,215
Payroll Taxes	13,439			13,439
Workers Compensation Insurance	21,449			21,449
Contract Labor	1,923			1,923
ALS Intercept Fees	100			100
Training	1,625			1,625
License and Filing Fees	-		\$ 141	141
Direct Fundraising Expenses	-	\$ 5,259	-	5,259
Medical Supplies	3,798	-	-	3,798
Professional Fees	-	-	1,750	1,750
Telephone	-	-	1,459	1,459
Office Supplies	-	-	113	113
Postage and Shipping	-	-	77	77
Utilities	-	-	5,067	5,067
Building and Grounds Maintenance	-	-	280	280
Vehicle Expenses	2,863	-	-	2,863
Interest	-	-	4,016	4,016
Insurance	-	-	5,315	5,315
Uniforms	481	-	-	481
Miscellaneous	-	-	54	54
Service Charges	-	-	15	15
Expenses Before Depreciation	\$ 159,893	\$ 5,259	\$ 18,287	\$ 183,439
Depreciation	4,195	-	-	4,195
Total Expenses	\$ 164,088	\$ 5,259	\$ 18,287	\$ 187,634

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

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, 2017

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 \$0 were deducted for the year ending June 30, 2017.

The Service has evaluated subsequent events through January 11, 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, 2017 was as follows:

	Balance at <u>7/1/16</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>6/30/17</u>
Building/Improvements	\$ 105,380	\$ 8,188		\$ 113,568
Vehicles	69,255	-	\$ 31,833	37,422
Equipment	3,305	4,779	-	8,084
Total Capital Assets at Historical Cost	<u>\$ 177,940</u>	<u>\$ 12,967</u>	<u>\$ 31,833</u>	<u>\$ 159,074</u>
Less: Accum. Depreciation	<u>\$ 111,693</u>	<u>\$ 4,195</u>	<u>\$ (31,833)</u>	<u>\$ 84,055</u>
Capital Assets, Net	<u>\$ 66,247</u>	<u>\$ 8,772</u>	<u>\$ -</u>	<u>\$ 75,019</u>

Depreciation expense for June 30, 2016 is \$4,195.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>
Note Payable	\$ 66,215	\$ -	\$ (4,387)	\$ 61,828

The annual requirements to retire the note payable as of June 30, 2017 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u>	<u>Principal</u>
2018	\$ 2,697	\$ 4,219
2019	2,503	4,413
2020	2,301	4,615
2021	2,089	4,827
2022	1,867	5,049
Thereafter	<u>15,691</u>	<u>38,705</u>
Total	\$ <u>27,148</u>	\$ <u>61,828</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, 2017.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

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 2013. The Service's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.