Millstadt Ambulance Service
Millstadt, Illinois

FINANCIAL STATEMENTS
Years Ended April 30, 2013 and 2012

AND
INDEPENDENT AUDITOR'S REPORT

Millstadt Ambulance Service
Millstadt, Illinois

FINANCIAL STATEMENTS

Years Ended April 30, 2013 and 2012

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ALLISON KNAPP & SIEKMANN, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

April 9, 2014

Board of Directors
Millstadt Ambulance Service
Millstadt, Illinois

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Millstadt Ambulance Service, Millstadt, Illinois (a nonprofit organization) which comprise the statements of financial position as of April 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years 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 U. S. generally accepted accounting principles; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 Service'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 Service'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.

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

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Basis for Qualified Opinion

Millstadt Ambulance Service, as more fully described in Note 5 to the financial statements, did not record the donated fair rental value of the contributed use of a facility over the Service's contractual obligation with the Millstadt Fire Protection District as contribution income or rent expense for the years ended April 30, 2013 or 2012 as required by U. S. generally accepted accounting principles. The effects on the accompanying financial statements of the failure to record the donated fair rental value of the contributed use of a facility have not been determined.

Qualified Opinion

In our opinion, except for the effects of the departure from U. S. generally accepted accounting principles described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Millstadt Ambulance Service, Millstadt, Illinois as of April 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with U. S. generally accepted accounting principles.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses by function compared to budget and prior year actual and schedule of fixed assets on pages 14-19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information had been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U. S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Allison Knapp + Siekmann, Ltd.

Belleville, Illinois

ALLISON KNAPP & SIEKMANN, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents		
Demand deposits	$ 73,871	$ 57,079
Money market account	72,692	37,422
	146,563	94,501
Accounts receivable - patient fees (net of allowance for uncollectible accounts of $29,773 and $37,032, respectively)	267,959	290,198
Prepaid insurance and expenses	7,594	8,409
Total current assets	422,116	393,108
PROPERTY AND EQUIPMENT		
Equipment and furniture	225,308	233,640
Leasehold improvements	45,216	45,216
Accumulated depreciation	(239,202)	(230,742)
Total property and equipment	31,322	48,114
TOTAL ASSETS	$ 453,438	$ 441,222

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

EXHIBIT A

Millstadt Ambulance Service
Millstadt, Illinois

STATEMENTS OF FINANCIAL POSITION

April 30, 2013 and 2012

LIABILITIES AND NET ASSETS

	2013	2012
CURRENT LIABILITIES		
Accounts payable	$ 5,055	$ 3,499
Accrued wages	13,017	13,015
Due to related party	5,637	4,393
Total current liabilities	23,709	20,907
LONG-TERM DEBT		
Due to related party		
Less current portion	35,268	41,545
Total liabilities	58,977	62,452
NET ASSETS		
Unrestricted	394,461	378,770
TOTAL LIABILITIES AND NET ASSETS	$ 453,438	$ 441,222

ALLISON KNAPP & SIEKMANN, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT B

Millstadt Ambulance Service
Millstadt, Illinois

STATEMENTS OF ACTIVITIES

Years Ended April 30, 2013 and 2012

	2013	2012
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Patient fees	$ 141,135	$ 206,570
Service fees	206,676	207,081
Interest earned	500	154
Donations	125	350
Recovery of bad debt	-	260
Total support and revenue	348,436	414,415
EXPENSES		
Program Services		
Ambulance		
Salaries and payroll taxes	155,628	161,004
Supplies and maintenance	25,502	16,110
Utilities	5,310	5,910
Bad debt expense	68,906	75,248
Education and training	3,770	589
Paramedic assistance	980	1,867
Dispatch	7,522	3,980
Billing service	8,785	-
Insurance	25,240	18,782
Depreciation	15,350	16,548
Total program services	316,993	300,038
Support Services		
Management and general	15,752	18,866
Total expenses	332,745	318,904
Total increase in unrestricted net assets	15,691	95,511
Net assets, beginning of year	378,770	289,660
Prior period adjustments	-	(6,401)
NET ASSETS, END OF YEAR	$ 394,461	$ 378,770

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

EXHIBIT C

Millstadt Ambulance Service
Millstadt, Illinois

STATEMENTS OF CASH FLOWS

Years Ended April 30, 2013 and 2012

	2013		2012	
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in net assets		$ 15,691		$ 95,511
Adjustments to reconcile increase in net assets to net cash provided by operating activities				
Depreciation	$ 16,792		$ 18,714	
Changes in assets and liabilities				
(Increase) decrease in				
Accounts receivable - patient fees	22,239		(61,136)	
Prepaid expenses	815		208	
Increase (decrease) in				
Accounts payable	1,556		1,872	
Accrued expenses	2	41,404	998	(39,344)
Net cash provided by operating activities		57,095		56,167
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment		-		(20,163)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payment on debt		(5,033)		(20,118)
Increase in cash and cash equivalents		52,062		15,886
Cash and cash equivalents, beginning of year		94,501		78,615
CASH AND CASH EQUIVALENTS, END OF YEAR		$ 146,563		$ 94,501
SUPPLEMENTARY DISCLOSURES				
Cash paid for interest		$ -		$ 364
Cash paid for income taxes		$ -		$ -

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ALLISON KNAPP & SIEKMANN, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

STATEMENTS OF CASH FLOWS
(continued)
Years Ended April 30, 2013 and 2012

	2013	2012
NONCASH INVESTING AND FINANCING ACTIVITIES		
None	$ -	$ -

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

EXHIBIT D

Millstadt Ambulance Service
Millstadt, Illinois

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended April 30, 2013 and 2012

	2013		
	Program Services	Support Services	Total Program and Support Services
	Ambulance Services	Management and General	
Salaries - operations manager	$ 36,000	$ -	$ 36,000
Salaries - EMT and driver	103,002	-	103,002
Salaries - maintenance manager	4,800	-	4,800
Payroll taxes	11,826	-	11,826
Office supplies	-	5,258	5,258
Professional and contractual fees	7,522	3,440	10,962
Insurance	25,240	4,805	30,045
Miscellaneous	420	-	420
Medical supplies and paramedic assistance	8,587	-	8,587
Billing service	8,785	-	8,785
Repairs and maintenance	3,669	-	3,669
Motor fuel	3,474	-	3,474
Telephone	2,254	-	2,254
Continuing education	3,770	-	3,770
Electricity	3,056	-	3,056
Bad debt expense	68,906	-	68,906
Depreciation	15,350	1,442	16,792
Radio and equipment maintenance	10,332	-	10,332
Meeting and dinners	-	807	807
Interest expense	-	-	-
TOTALS	$ 316,993	$ 15,752	$ 332,745

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EXHIBIT D
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STATEMENTS OF FUNCTIONAL EXPENSES
(continued)
Years Ended April 30, 2013 and 2012

	2012		
	Program Services	Support Services	Total Program and Support Services
	Ambulance Services	Management and General	
Salaries - operations manager	$ 36,000	$ -	$ 36,000
Salaries - EMT and driver	108,070	-	108,070
Salaries - maintenance manager	4,800	-	4,800
Payroll taxes	12,134	-	12,134
Office supplies	-	4,356	4,356
Professional and contractual fees	3,980	5,465	9,445
Insurance	18,782	5,417	24,199
Miscellaneous	455	438	893
Medical supplies and paramedic assistance	8,470	-	8,470
Billing service	-	-	-
Repairs and maintenance	3,040	-	3,040
Motor fuel	3,771	-	3,771
Telephone	2,871	-	2,871
Continuing education	589	-	589
Electricity	3,039	-	3,039
Bad debt expense	75,248	-	75,248
Depreciation	16,548	2,166	18,714
Radio and equipment maintenance	2,241	-	2,241
Meeting and dinners	-	660	660
Interest expense	-	364	364
TOTALS	$ 300,038	$ 18,866	$ 318,904

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

Millstadt Ambulance Service
Millstadt, Illinois

NOTES TO FINANCIAL STATEMENTS

April 30, 2013

Note 1: Summary of Significant Accounting Policies

The Millstadt Ambulance Service provides ambulance services to the residents of the Village of Millstadt, Millstadt Township and the western portion of Stookey Township in St. Clair County, Illinois. The Service's support comes from patient fees and service fees.

The Service is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

A. Reporting Entity

The Service was annexed into the Millstadt Fire Protection District. The Service will operate independently of the organizing entity. The Service will receive funding from this entity by a property tax levied on the real property within this respective area (see Note 3).

B. Financial Statement Presentation

Financial statement presentation follows the recommendations of accounting standards and reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

C. Basis of Accounting

The financial statements of the Service have been prepared on the accrual basis of accounting and, accordingly, revenue is recorded when earned and expenses are recorded when incurred.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date within three months of the date acquired by the Service. Cash equivalents are stated at cost plus compounded interest where applicable.

E. Accounts Receivable - Patient Fees

Accounts receivable - patient fees represents outstanding amounts due the Service for patient services provided.

F. Allowance for Uncollectible Accounts

A reserve for uncollectible accounts has been established at approximately 10% of gross accounts receivable for the years ended April 30, 2013 and 2012 based on historical experience.

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NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 2013

Note 1: Summary of Significant Accounting Policies (continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond April 30, 2013 and 2012 are recorded as prepaid items.

H. Property, Plant and Equipment

Acquisitions of property and equipment in excess of $500 are capitalized. All purchased property, plant and equipment are valued at historical cost. Donated property, plant and equipment are valued at their estimated fair value on the date donated.

I. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

J. Tax Status

The Service is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Accounting standards Codification Topic 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. Topic 740 developed a two-step process to evaluate a tax position and also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Service adopted Topic 740 on May 1, 2010 and has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Management believes it files tax returns in all appropriate jurisdictions. The income tax returns of the Service for the years ended 2011, 2012 and 2013 are subject to examination by the taxing authorities, generally for three years after they were filed. As of April 30, 2013 the Service has no recorded liability for unrecognized tax benefits.

The Service has no recorded uncertain tax positions for the year ended April 30, 2013 and hence, has no interest expense nor penalties related to said tax positions recorded in their financial statements for the year then ended.

K. Date of Management Evaluation

Management has evaluated subsequent events through April 9, 2014, the date on which the financial statements were available to be issued.

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NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 2013

Note 2: Property and Equipment

Depreciation is reflected on the straight-line basis for the following estimated lives:

Equipment and furniture	5-7 years
Leasehold improvements	15-20 years

Note 3: Service Fees

For the years ended April 30, 2013 and 2012 the accompanying financial statements present service fees remitted by the Millstadt Fire Protection District. The Millstadt Fire Protection District levies property taxes and remits them as service fees to the Millstadt Ambulance Service.

The following are the tax rate limits permitted by local referendum and the actual rates levied per $100 of assessed valuation.

	Limit	2012 Levy Actual Rate	2012 Levy Certified Rate
Ambulance	0.2500	0.1203	0.1203

	2012
Total Equalized Assessed Valuations (EAV)	
- Total EAV	$ 176,640,651
- Rate Setting EAV	$ 172,520,646
Levy Request	$ 207,500
Total Extension	$ 212,499
Total Extension After TIF and EZ	$ 207,542

Note 4: Concentration of Credit Risk

At April 30, 2013 and 2012 the Service had no deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits.

Other financial instruments which potentially expose the Service to concentrations of credit risk are patient accounts receivable. The Service provides services to patients on an open credit basis. The Service's patient accounts receivable are due from such patients and are uncollateralized. Management believes losses realized on amounts outstanding at year end will be immaterial. Accordingly, patient accounts receivable are reported at the amount of principal outstanding.

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NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 2013

Note 5: Lease

On September 9, 2012, the Service entered into a 30 year lease agreement with the Millstadt Fire Protection District for the Ambulance building for $1. The effective date of the lease is October 1, 2012 and the lease terminates September 30, 2042.

Note 6: Related Party

The Millstadt Fire Department loaned the Service $50,330 in a prior year. The Service is making annual payments of $5,033, with no interest, starting in fiscal year ended April 30, 2012 and maturing in fiscal year ending April 30, 2021. During the fiscal year ended April 30, 2012, the Service only paid $4,393, and the Service is making up the deficit payment in fiscal year ending April 30, 2014 and making a payment of $5,673.

The Service owes the Millstadt Fire Protection District $40,905 at April 30, 2013.

The annual debt service requirements to maturity are:

April 30,	Payment
2014	$ 5,673
2015	5,033
2016	5,033
2017	5,033
2018	5,033
2019	5,033
2020	5,033
2021	5,034
	$ 40,905

Note 7: Prior Period Adjustments

During a prior period, the Millstadt Fire Protection District loaned money to the Service, which was recorded as a donation. During the prior year, $6,401 was reclassified to Due to Related Party.

SCHEDULE 1

Millstadt Ambulance Service
Millstadt, Illinois

SCHEDULE OF EXPENSES BY FUNCTION (BUDGET BASIS)
COMPARED TO BUDGET AND PRIOR YEAR ACTUAL (BUDGET BASIS)
(INCLUDES FIXED ASSET ACQUISITION AND DEBT PAYMENTS
AND DOES NOT INCLUDE DEPRECIATION)

Year Ended April 30, 2013

	2013		2012
	Budget	Actual	Actual
EXPENSES			
Program Services			
Ambulance			
Salaries			
Maintenance manager	$ 4,800	$ 4,800	$ 4,800
Operations manager	36,000	36,000	36,000
EMT and driver	125,000	103,002	108,070
Payroll taxes	16,000	11,826	12,134
Total salaries	181,800	155,628	161,004
Supplies and Maintenance			
Ambulance supplies	8,000	7,607	6,603
Ambulance repair/maintenance	8,000	9,792	2,241
Building and grounds maintenance and supplies	6,000	3,669	3,040
Equipment purchase	20,000	-	20,163
Motor fuel	8,000	3,474	3,771
Radio maintenance and supplies	2,000	540	-
Uniform expense	1,500	420	455
ALS Reserve	33,000	-	-
New ambulance reserve	33,294	-	-
Total supplies and maintenance	119,794	25,502	36,273
Utilities			
Telephone	2,000	2,254	2,871
Electricity	5,000	3,056	3,039
Total utilities	7,000	5,310	5,910

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ALLISON KNAPP & SIEKMANN, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

SCHEDULE 1
Page 2

SCHEDULE OF EXPENSES BY FUNCTION (BUDGET BASIS)
COMPARED TO BUDGET AND PRIOR YEAR ACTUAL (BUDGET BASIS)
(INCLUDES FIXED ASSET ACQUISITION AND DEBT PAYMENTS
AND DOES NOT INCLUDE DEPRECIATION)
(continued)
Year Ended April 30, 2013

	2013		2012
	Budget	Actual	Actual
EXPENSES (continued)			
Program Services (continued)			
Ambulance (continued)			
Bad Debt			
Bad debt expense	-	68,906	75,248
Education and Training			
Continuing professional education	4,000	3,770	589
Paramedic Assistance	9,000	980	1,867
Dispatch Expense	8,000	7,522	3,980
Billing Service	-	8,785	-
Insurance Expense	11,000	25,240	18,782
Total ambulance	340,594	301,643	303,653
Supporting Services			
Management and General			
Office supplies	2,000	5,258	4,356
Professional and contractual fees	6,000	3,440	5,465
Insurance	5,000	4,805	5,417
Miscellaneous	1,000	-	438
Meeting and dinners	-	807	660
Interest expense	-	-	364
Loan payments	5,673	5,033	20,118
Total management and general	19,673	19,343	36,818
TOTAL EXPENSES	$ 360,267	$ 320,986	$ 340,471

SCHEDULE 2

Millstadt Ambulance Service
Millstadt, Illinois

SCHEDULE OF FIXED ASSETS

Inception through April 30, 2013

Year Ending April 30,	Description	Leasehold Improve- ments	Ambulance and Equipment	Total
1980	Improvements	$ 464	$ -	$ 464
1981	Stair chair	-	304	304
	Build-a-Board	-	205	205
	MAST Suit	-	355	355
	Stair chair	-	358	358
1982	MAST Suit	-	358	358
	KED Device	-	231	231
	83 Chairs	-	415	415
	2 Meeting room fans	-	398	398
1983	Refrigerator, electric range and microwave	-	1,302	1,302
	Oak cabinets and drawer	1,012	-	1,012
	Ceiling	2,243	-	2,243
	New doors, windows, wall covering, insulation and lights	8,004	-	8,004
1984	Generator	-	968	968
	Conference table and chairs	-	989	989
	Desk and filing cabinet	-	229	229
1986	Sign	595	-	595
1988	1 Stokes basket	-	245	245
	Fire alarm	1,452	-	1,452
	Hare Traction Splint	-	245	245
1989	Parking lot	2,457	-	2,457

(continued on next page)

SCHEDULE 2
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SCHEDULE OF FIXED ASSETS
(continued)
Inception through April 30, 2013

Year Ending April 30,	Description	Leasehold Improve-ments	Ambulance and Equipment	Total
1990	1 Washing machine	-	515	515
	1 Thermo door	-	930	930
	Garage fans	-	398	398
1991	2 G.E. mobile radios	-	2,854	2,854
	Wheelchair ramp	-	459	459
	Coat rack	-	228	228
	2 Chair caddy	-	259	259
1992	KED Device	-	153	153
1993	Carpeting	1,241	-	1,241
	Various radio equipment and programming	-	429	429
	Antenna pole	-	300	300
1994	2 Truck chair lifts	-	304	304
1995	Computer desk	-	175	175
	1 Air conditioner	-	1,619	1,619
1997	Lawn Boy lawnmower	-	245	245
	Encoder and radio	-	1,262	1,262
1998	Air bag "bagbuster"	-	515	515
	4 Manikins (2 adults, 1 infant and 1 child)	-	735	735
1999	Television	-	150	150
	Water heater	174	-	174
2000	Mini park	1,607	-	1,607
	Flagpole	397	-	397
	2 Cardinal benches	300	-	300

(continued on next page)

SCHEDULE 2
Page 3

SCHEDULE OF FIXED ASSETS
(continued)
Inception through April 30, 2013

Year Ending April 30,	Description	Leasehold Improve-ments	Ambulance and Equipment	Total
2001	Base station	-	3,240	3,240
	Improvements	180	-	180
	Entertainment center	-	134	134
2002	2000 Ford E 450 Type III Ambulance	-	75,496	75,496
2003	Heartstream FR2 Biphasic AED	-	1,497	1,497
	Heartstream FR2 Biphasic AED	-	1,497	1,497
	Garage door opener	-	345	345
2004	2 Handheld pulse oximeters	-	1,590	1,590
	Dura Y multisite sensor with PediCheck	-	350	350
	Carrying case	-	57	57
2005	Office chair	-	215	215
	Kyocera digital copier	-	2,006	2,006
	2 Telephone remotes	-	700	700
2006	Boiler	4,000	-	4,000
	Rear steel door	2,024	-	2,024
	Dura Y multisite sensor with PediCheck	-	336	336
	Microwave	-	84	84
	2 Suction units	-	1,350	1,350
	Motorola XTS 2500 radio	-	2,633	2,633
	Motorola XTS 1500 radio	-	1,349	1,349
	Motorola XTS 1500 radio	-	1,349	1,349
	2 Speaker microphones	-	124	124
	Radio equipment	-	3,901	3,901
2007	2004 Marque Commando Ambulance	-	85,128	85,128
	2 Stryker gurneys	-	7,853	7,853
2011	30 Pagers	-	14,845	14,845

(continued on next page)

SCHEDULE 2
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SCHEDULE OF FIXED ASSETS
(continued)
Inception through April 30, 2013

Year Ending April 30,	Description	Leasehold Improve- ments	Ambulance and Equipment	Total
2012	Roof	19,066	-	19,066
	Laptop	-	777	777
	Printer/Scanner	-	320	320
		45,216	225,308	270,524
	Less accumulated depreciation	(24,937)	(214,265)	(239,202)
		$ 20,279	$ 11,043	$ 31,322