MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS

ANNUAL FINANCIAL REPORT

YEARS ENDED APRIL 30, 2018 AND 2017

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Millstadt Ambulance Service
Millstadt, Illinois

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, 2018 and 2017, and the related statements of activities 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 accounting principles generally accepted in the United States of America; 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 audits. We conducted our audits 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.

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

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 by the Millstadt Fire Protection District as contribution income or rent expense for the years ended April 30, 2018 and 2017, as required by accounting principles generally accepted in the United States of America. 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 effect of the matter 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, 2018 and 2017, 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.

Report on Supplementary Information

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 has 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Scheffel Boyle

Belleville, Illinois

September 13, 2018

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS:		
Cash and Cash Equivalents		
Demand Deposits	$ 35,677	$ 34,805
Money Market Account	77,574	171,124
	113,251	205,929
Accounts Receivable - Patient Fees (Net of Allowance for Uncollectible Accounts of $13,789 and $12,945, Respectively)	124,098	116,500
Prepaid Insurance and Expenses	10,791	11,402
Total Current Assets	248,140	333,831
PROPERTY AND EQUIPMENT:		
Equipment and Furniture	352,479	358,566
Buildings	286,607	-
Improvements	4,051	62,922
	643,137	421,488
Less Accumulated Depreciation	(192,154)	(277,115)
	450,983	144,373
Land	31,845	-
Total Property and Equipment	482,828	144,373
TOTAL ASSETS	$ 730,968	$ 478,204
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	$ 14,542	$ 5,112
Accrued Wages	20,581	17,795
Accrued Expenses	608	283
Current Portion of Loan	28,240	22,861
Total Current Liabilities	63,971	46,051
LONG-TERM DEBT:		
Notes Payable		
Less Current Portion	273,423	-
Total Liabilities	337,394	46,051
NET ASSETS:		
Unrestricted	393,574	432,153
TOTAL LIABILITIES AND NET ASSETS	$ 730,968	$ 478,204

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

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
STATEMENTS OF ACTIVITIES
YEARS ENDED APRIL 30, 2018 AND 2017

	2018	2017
UNRESTRICTED NET ASSETS:		
REVENUE, GAINS AND OTHER SUPPORT		
Patient Fees	$ 224,314	$ 204,616
Service Fees	206,893	207,241
Interest Earned	603	650
Donations	1,064	505
Miscellaneous Income	2,843	642
Gain (Loss) on Sale of Equipment	(23,806)	(1,370)
Total Revenue, Gains and Other Support	411,911	412,284
EXPENSES		
Program Services		
Ambulance		
Salaries and Payroll Taxes	263,789	224,234
Supplies and Maintenance	26,497	22,883
Utilities	4,781	4,216
Bad Debt Expense	844	1,901
Education and Training	2,024	322
Dispatch	10,965	10,588
Billing Service	23,052	21,826
Insurance	47,432	29,407
Depreciation	48,531	18,000
Total Program Services	427,915	333,377
Support Services		
Management and General	22,575	15,920
Total Expenses	450,490	349,297
Increase (Decrease) in Unrestricted Net Assets	(38,579)	62,987
NET ASSETS, BEGINNING OF YEAR	432,153	369,166
NET ASSETS, END OF YEAR	$ 393,574	$ 432,153

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

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
STATEMENTS OF CASH FLOWS
YEARS ENDED APRIL 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	$ (38,579)	$ 62,987
Adjustments to Reconcile Increase in Net Assets		
to Net Cash Provided (Used) by Operating Activities		
Loss on Disposal of Property and Equipment	23,806	1,370
Depreciation	50,766	20,297
Changes in Assets and Liabilities		
(Increase) Decrease in		
Accounts Receivable - Patient Fees	(7,598)	1,901
Prepaid Insurance and Expenses	611	(1,171)
Increase (Decrease) in		
Accounts Payable	9,430	55
Accrued Wages and Expenses	3,111	2,133
Total Adjustments	80,126	24,585
Net Cash Provided by Operating Activities	41,547	87,572
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(423,027)	(10,242)
Proceeds From Sale of Property and Equipment	10,000	-
Net Cash (Used) by Investing Activities	(413,027)	(10,242)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payment on Debt	(30,198)	(22,337)
Proceeds From Note Payables	309,000	-
Net Cash Provided (Used) by Financing Activities	278,802	(22,337)
Increase (Decrease) in Cash and Cash Equivalents	(92,678)	54,993
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	205,929	150,936
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 113,251	$ 205,929
SUPPLEMENTARY DISCLOSURES:		
Cash Paid for Interest	$ 921	$ 981

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 2018 and 2017 based on historical experience. The Board discontinues collection attempts on accounts with no activity for 6 months.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond April 30, 2018 and 2017 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.

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

Equipment and Furniture	5-7 Years
Leasehold Improvements	15-20 Years
Buildings	39 Years

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Tax Status (cont'd)

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 2016, 2017 and 2018 are subject to examination by the taxing authorities, generally for three years after they were filed. As of April 30, 2018 the Service has no recorded liability for unrecognized tax benefits.

The Service has no recorded uncertain tax positions for the years ended April 30, 2018 and 2017 and hence, has no interest expense nor penalties related to said tax positions recorded in their financial statements for the years then ended.

K. Date of Management Evaluation

Management has evaluated subsequent events through the date of this report, the date on which the financial statements were available to be issued.

NOTE 2. SERVICE FEES

For the years ended April 30, 2018 and 2017 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	2017 Levy Actual Rate	2017 Levy Certified Rate
Ambulance	0.2500	0.1102	0.1102

NOTE 2. SERVICE FEES (CONT'D)

	2017
Total Equalized	
Assessed Valuations (EAV)	
- Total EAV	$ 192,907,669
- Rate Setting EAV	$ 188,420,706
Levy Request	$ 207,500
Total Extension	$ 212,584
Total Extension	
After TIF and EZ	$ 207,640

NOTE 3. CONCENTRATION OF CREDIT RISK

At April 30, 2018 and 2017 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 less an allowance for uncollectible accounts.

NOTE 4. 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 a total of $1. The effective date of the lease is October 1, 2012 and the lease terminates September 30, 2042. As of April 30, 2018, the Service purchased a building and terminated the lease with the Millstadt Fire Protection District.

NOTE 5. LONG-TERM DEBT

The Service's obligations under notes payable consists of the following:

NOTE 5. LONG-TERM DEBT (CONT'D)

	2018	2017
Note payable with a local bank dated November 7, 2014, with semi-annual payments of $11,662 including interest at 2.475% that matured November 7, 2017. This loan was collateralized by an ambulance.	$ -	$ 22,861
Note payable with a local bank dated June 2, 2017, with semi-annual payments of $7,834.61 including interest at 2.60% that matures May 5, 2020. This loan is collateralized by an ambulance.	37,663	-
Note payable with a local bank dated April 25, 2018, with 60 monthly payments of $1,927.13 including interest at 3.75% starting May 25, 2018 through April 25, 2023. Then 119 monthly payments of $2,153.54 including interest at 6.125% that matures on April 25, 2033. This loan is collateralized by the building at 100 E. Laurel St.	264,000	-
Total Notes Payable	301,663	22,861
Less Current Portion	(28,240)	(22,861)
Long-Term Portion	$ 273,423	$ -

The future scheduled maturities of long-term debt are as follows:

Years Ending April 30,	
2019	$ 28,240
2020	29,141
2021	22,208
2022	15,055
2023	15,629
2024-2028	82,359
2029-2033	109,031
	$ 301,663

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
SCHEDULE OF FUNCTIONAL EXPENSES
YEARS ENDED APRIL 30, 2018 AND 2017

	2018		
	Program Services	Support Services	Total Program and Support Services
	Ambulance Services	Management and General	
Salaries - Operations Manager	$ 43,808	$ -	$ 43,808
Salaries - EMT and Driver	198,106	-	198,106
Payroll Taxes	21,875	-	21,875
Office Supplies	-	7,010	7,010
Professional and Contractual Fees	10,965	8,215	19,180
Insurance	47,432	2,527	49,959
Uniforms	1,231	-	1,231
Medical Supplies and Paramedic Assistance	5,020	-	5,020
Billing Service	23,052	-	23,052
Repairs and Maintenance	12,643	-	12,643
Motor Fuel	3,584	-	3,584
Telephone	1,592	-	1,592
Continuing Education	2,024	-	2,024
Electricity	3,189	-	3,189
Bad Debt Expense	844	-	844
Depreciation	48,531	2,235	50,766
Radio and Equipment Maintenance	4,019	-	4,019
Meeting and Dinners	-	521	521
Interest Expense	-	1,246	1,246
Miscellaneous	-	821	821
TOTALS	$ 427,915	$ 22,575	$ 450,490

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
SCHEDULE OF FUNCTIONAL EXPENSES
YEARS ENDED APRIL 30, 2018 AND 2017

	2017		
	Program Services	Support Services	Total Program and Support Services
	Ambulance Services	Management and General	
Salaries - Operations Manager	$ 21,345	$ -	$ 21,345
Salaries - EMT and Driver	186,932	-	186,932
Payroll Taxes	15,957	-	15,957
Office Supplies	-	4,727	4,727
Professional and Contractual Fees	10,588	4,883	15,471
Insurance	29,407	2,304	31,711
Uniforms	1,839	-	1,839
Medical Supplies and Paramedic Assistance	7,382	-	7,382
Billing Service	21,826	-	21,826
Repairs and Maintenance	6,430	-	6,430
Motor Fuel	3,206	-	3,206
Telephone	1,410	-	1,410
Continuing Education	322	-	322
Electricity	2,806	-	2,806
Bad Debt Expense	1,901	-	1,901
Depreciation	18,000	2,297	20,297
Radio and Equipment Maintenance	4,026	-	4,026
Meeting and Dinners	-	768	768
Interest Expense	-	731	731
Miscellaneous	-	210	210
TOTALS	$ 333,377	$ 15,920	$ 349,297

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)
YEARS ENDED APRIL 30, 2018 AND 2017

	2018		2017
	Budget	Actual	Actual
EXPENSES:			
Program Services			
Ambulance			
Salaries			
Operations Manager	$ 23,000	$ 22,880	$ 21,345
Assistant Operations Manager	10,000	20,928	-
EMT and Driver	180,000	198,106	186,932
Payroll Taxes	20,000	21,875	15,957
Total Salaries	233,000	263,789	224,234
Supplies and Maintenance			
Ambulance Supplies	15,000	5,020	7,382
Ambulance Repair/Maintenance	12,000	4,019	4,026
Building and Grounds Maintenance and Supplies	20,000	12,643	6,430
Equipment Purchase	35,000	423,027	10,242
Motor Fuel	6,000	3,584	3,206
Radio Maintenance and Supplies	20,000	-	-
Uniform Expense	2,000	1,231	1,839
New Ambulance Reserve	38,318	-	-
Total Supplies and Maintenance	148,318	449,524	33,125
Utilities			
Telephone	2,500	1,592	1,410
Electricity	5,000	3,189	2,806
Total Utilities	7,500	4,781	4,216
Education and Training			
Continuing Professional Education	3,000	2,024	322

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)
YEARS ENDED APRIL 30, 2018 AND 2017

	2018		2017
	Budget	Actual	Actual
EXPENSES (CONT'D):			
Program Services (cont'd)			
Ambulance (cont'd)			
Dispatch Expense	9,000	10,965	10,588
Billing Service	25,000	23,052	21,826
Insurance Expense	33,000	47,432	29,407
Total Ambulance	458,818	801,567	323,718
Supporting Services			
Management and General			
Office Supplies	4,000	7,010	4,727
Professional and Contractual Fees	10,000	8,215	4,883
Insurance	5,000	2,527	2,304
Miscellaneous	2,000	821	210
Meeting and Dinners	-	521	768
Interest Expense	-	1,246	731
Loan Payments	23,325	30,198	22,337
Total Management and General	44,325	50,538	35,960
TOTAL EXPENSES	$ 503,143	$ 852,105	$ 359,678

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)
YEARS ENDED APRIL 30, 2018 AND 2017

	2018	2017
Reconciliation to GAAP Basis Financial Statements:		
Total Expenses (Budget Basis) - Above	$ 852,105	$ 359,678
Adjustments to Reconcile Expenses (Budget Basis) to GAAP Basis		
Increases (Decreases) in Assets Which are Not Recorded Using the Budget Basis		
Depreciation on Fixed Assets	50,766	20,297
Cash Payments Not Considered Expenses on GAAP Basis Statements		
Loan Payments	(30,198)	(22,337)
Purchase of Fixed Assets	(423,027)	(10,242)
Bad Debt on Accounts Receivables Which is Not an Expense Using the Budget Basis	844	1,901
Total Expenses - Exhibit "B"	$ 450,490	$ 349,297

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
SCHEDULE OF FIXED ASSETS
INCEPTION THROUGH APRIL 30, 2018

Year Ending April 30,	Description	Building/ Improve-ments	Ambulance and Equipment	Total
1981	Build-a-Board	$ -	$ 205	$ 205
	MAST Suit	-	355	355
1982	MAST Suit	-	358	358
	KED Device	-	231	231
1988	1 Stokes Basket	-	245	245
	Fire Alarm	1,452	-	1,452
	Hare Traction Splint	-	245	245
2004	2 Handheld Pulse Oximeters	-	1,590	1,590
	Dura Y Multisite Sensor With PediCheck	-	350	350
	Carrying Case	-	57	57
	2 Telephone Remotes	-	700	700
2006	Dura Y Multisite Sensor With PediCheck	-	336	336
	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
2011	30 Pagers	-	14,845	14,845
2014	12 Lead Monitor	-	21,898	21,898
	Stairchair	-	2,507	2,507
2015	2014 Ford Ambulance	-	133,311	133,311
	Generator	-	8,500	8,500
	Stairchair	-	2,459	2,459
	Desktop Computer and Monitor	-	729	729
	Projector and Screen	-	291	291

MILLSTADT AMBULANCE SERVICE
MILLSTADT, ILLINOIS
SCHEDULE OF FIXED ASSETS
INCEPTION THROUGH APRIL 30, 2018

Year Ending April 30,	Description	Building/ Improve- ments	Ambulance and Equipment	Total
2015	External Hard Drive	-	255	255
	Chairs for Conference Table	-	642	642
2016	12 Lead Monitor	-	19,193	19,193
	Weil Mini Chest Compressor	-	8,750	8,750
	Powerflexx Cot	-	10,655	10,655
	Stair Chair	-	2,196	2,196
2017	Ambulance Computers	-	4,458	4,458
	Security System	-	3,165	3,165
	Router	-	2,620	2,620
2018	Ambulance	-	85,598	85,598
	Power Pro Ambulance Cot	-	16,379	16,379
	Building at 100 E Laurel	286,607	-	286,607
	Land	31,845	-	31,845
	Flooring	2,599	-	2,599
		322,503	352,479	674,982
	Less Accumulated Depreciation	(1,758)	(190,396)	(192,154)
		$ 320,745	$ 162,083	$ 482,828