

**TABERNACLE RESCUE SQUAD, INC.**

**Financial Statements**

**For the years ended December 31, 2015 and 2014**

**(With Independent Auditor's Report Thereon)**

**TABERNACLE RESCUE SQUAD, INC.**  
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**For the years ended December 31, 2015 and 2014**

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## INDEPENDENT AUDITOR'S REPORT

To the Officers and Members of  
Tabernacle Rescue Squad, Inc.

We have audited the accompanying financial statements of Tabernacle Rescue Squad, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – cash basis as of December 31, 2015 and 2014, and the related statements of support, revenue, and expenses – cash basis, functional expenses – cash basis, 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 the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis in 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 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 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 auditors' 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Tabernacle Rescue Squad, Inc. as of December 31, 2015 and 2014, and its changes in net assets and its cash flows for the years then ended, in accordance with the 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 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.

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

August 25, 2016  
Toms River, New Jersey

**TABERNACLE RESCUE SQUAD, INC.**  
**Statements of Assets, Liabilities, and Net Assets - Cash Basis**  
**December 31, 2015 and 2014**

<b>ASSETS</b>	<u><b>2015</b></u>	<u><b>2014</b></u>
Cash-unrestricted	\$ 227,680	\$ 198,349
Cash-board designated	<u>26,006</u>	<u>93,430</u>
 Total assets	 <u><u>\$ 253,686</u></u>	 <u><u>\$ 291,779</u></u>

**LIABILITIES AND NET ASSETS**

Net assets:		
Unrestricted:		
Board designated - EMS operations	\$ 26,006	\$ 93,430
Unrestricted	<u>227,680</u>	<u>198,349</u>
 Total net assets	 <u><u>\$ 253,686</u></u>	 <u><u>\$ 291,779</u></u>

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

**TABERNACLE RESCUE SQUAD, INC.**  
**Statements of Support, Revenue, and Expenses - Cash Basis**  
**For the years ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Contributions from Tabernacle Township	\$ 70,255	\$ 70,000
Contributions from Fire District	-	4,000
Donations	6,365	10,289
Medical billings	234,271	225,269
Donation drive	8,337	24,243
Fundraising	4,154	3,423
Miscellaneous	2,144	413
Total operating revenues	<u>325,526</u>	<u>337,637</u>
Functional expenses:		
Program- EMS Operations	301,695	203,030
Management and general	23,392	74,760
Program- general	37,226	29,592
Fundraising	2,099	4,597
Total functional expenses	<u>364,412</u>	<u>311,979</u>
Operating income/(loss)	<u>(38,886)</u>	<u>25,658</u>
Non-operating revenues:		
Interest and dividends on investments	<u>793</u>	<u>684</u>
Total non-operating revenues	<u>793</u>	<u>684</u>
Changes in unrestricted net assets	(38,093)	26,342
Unrestricted net assets, beginning of year	<u>291,779</u>	<u>265,437</u>
Unrestricted net assets, end of year	<u>\$ 253,686</u>	<u>\$ 291,779</u>

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

**TABERNACLE RESCUE SQUAD, INC.**  
**Statement of Functional Expenses - Cash Basis**  
**For the year ended December 31, 2015**

	Program Expenses - General	Program Expenses - EMS Operations	Management and General	Fundraising Expenses	Total
Ambulance Purchase	\$ -	\$ 110,543	\$ -	\$ -	\$ 110,543
Reimbursement Plan	-	73,327	-	-	73,327
Equipment purchases	-	57,956	-	-	57,956
Electric	22,380	-	-	-	22,380
Medical billing fees	-	18,717	-	-	18,717
Training	-	11,694	-	-	11,694
Vehicle repairs	-	11,347	-	-	11,347
Special event	-	-	6,868	-	6,868
Miscellaneous	1,468	-	4,425	-	5,893
Medical supplies	-	5,746	-	-	5,746
Legal fees - OPRA litigation	-	-	5,582	-	5,582
Equipment maintenance	-	5,474	-	-	5,474
Building repairs and maintenance	4,817	-	-	-	4,817
Uniforms	-	3,715	-	-	3,715
Professional fees	-	-	2,968	-	2,968
Computer related	675	-	2,242	-	2,917
Telephone	2,764	-	-	-	2,764
Janitorial services	-	2,720	-	-	2,720
Insurance	2,059	-	-	-	2,059
Convention	1,827	-	-	-	1,827
Fundraising	-	-	-	1,800	1,800
Goods and welfare	-	-	942	-	942
State licensing	935	-	-	-	935
Rescue supplies	-	456	-	-	456
Dues	-	-	365	-	365
Postage	301	-	-	-	301
Donation drive	-	-	-	299	299
<b>Totals</b>	<b>\$ 37,226</b>	<b>\$ 301,695</b>	<b>\$ 23,392</b>	<b>\$ 2,099</b>	<b>\$ 364,412</b>

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

**TABERNACLE RESCUE SQUAD, INC.**  
**Statement of Functional Expenses - Cash Basis**  
**For the year ended December 31, 2014**

	Program Expenses	Program Expenses - EMS Operations	Management and General	Fundraising Expenses	Total
Reimbursement Plan	\$ -	\$ 70,828	\$ -	\$ -	\$ 70,828
Equipment purchases	-	57,021	-	-	57,021
Electric	-	-	44,270	-	44,270
Professional fees	-	25,961	-	-	25,961
Vehicle repairs	18,993	-	-	-	18,993
Medical billing fees	-	18,707	-	-	18,707
Legal fees - OPRA litigation	-	-	17,717	-	17,717
Uniforms	-	9,530	-	-	9,530
Miscellaneous	-	8,794	-	-	8,794
Building repairs and maintenance	-	-	6,293	-	6,293
Special event	-	5,128	-	-	5,128
Equipment maintenance	852	200	3,959	-	5,011
Medical supplies	3,644	-	-	-	3,644
Janitorial services	-	3,521	-	-	3,521
Computer related	853	-	2,094	-	2,947
Donation drive	-	2,700	-	-	2,700
Training	-	-	-	2,648	2,648
Telephone	2,554	-	-	-	2,554
Insurance	2,059	-	-	-	2,059
Convention	-	-	-	1,949	1,949
Fundraising	-	640	-	-	640
State licensing	-	-	397	-	397
Dues	253	-	-	-	253
Postage	195	-	-	-	195
Goods and welfare	153	-	-	-	153
Oil	36	-	-	-	36
Rescue supplies	-	-	30	-	30
	<u>\$ 29,592</u>	<u>\$ 203,030</u>	<u>\$ 74,760</u>	<u>\$ 4,597</u>	<u>\$ 311,979</u>

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



**TABERNACLE RESCUE SQUAD, INC.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Cash received from contributions	\$ 70,255	\$ 74,000
Other operating receipts	255,271	263,637
Cash paid to suppliers	(364,412)	(311,978)
Net cash (used) provided by operating activities	(38,886)	25,659
<b>Cash flows from investing activities:</b>		
Interest received	793	684
Net cash provided by investing activities	793	684
Change in cash	(38,093)	26,343
Cash, beginning of year	291,779	265,436
Cash, end of year	\$ 253,686	\$ 291,779
<b>Reconciliation of changes in net assets to net cash used by operating activities:</b>		
Changes in net assets	\$ (38,886)	\$ 25,658
Net cash used by operating activities	\$ (38,886)	\$ 25,658
<b>Per Statements of Assets, Liabilities, and Net Assets - Cash Basis</b>		
Cash-unrestricted	\$ 227,680	\$ 198,349
Cash-board designated	26,006	93,430
Cash, end of year	\$ 253,686	\$ 291,779

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

**TABERNACLE RESCUE SQUAD, INC.**  
**Notes to Financial Statements**  
**For the years ended December 31, 2015 and 2014**

**NOTE 1: ORGANIZATION AND PURPOSE**

Tabernacle Rescue Squad, Inc., (the “Organization”) was incorporated as a nonprofit corporation under the laws of the State of New Jersey. The purpose of the Organization is to provide emergency and non-emergency ambulance service to residents of Tabernacle Township, New Jersey.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The Organization records its financial activity on a cash basis. This method recognizes income as it is received and expenses as they are disbursed. Receivables and payables are omitted from the financial statements, and therefore, they do not present financial position or the results of operation in accordance with generally accepted accounting principles.

**B. Basis of Presentation**

Tabernacle Rescue Squad, Inc. is required to report information regarding its financial position and activities that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. For the years ended December 31, 2015 and 2014, Tabernacle Rescue Squad, Inc., had accounting transactions in one of the net asset categories, as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations. These assets may, however, be subject to board designation.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset.

**C. Cash and Cash Equivalents**

The Organization maintains cash balances at various institutions located in New Jersey. Amounts of each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

**D. Fixed Assets**

Property and equipment purchased are recorded as expenditures at the time of purchase and are not capitalized.

**E. Inventories of Supplies**

The cost of inventories of supplies are recorded as expenditures at the time individual items are purchased.

**TABERNACLE RESCUE SQUAD, INC.**  
**Notes to Financial Statements (continued)**  
**For the years ended December 31, 2015 and 2014**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Federal and State Income Taxes**

The Organization is a non-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes. The Organization's income tax returns are subject to review and examination by federal, state and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

The Organization follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on the Organization's financial statements.

The Organization's tax returns are subject to review and examination by federal and state authorities. The tax returns for the years 2012, 2013 and 2014 are open for federal and state tax examinations.

**G. Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**H. Subsequent Events**

The Organization has evaluated subsequent events occurring after the Statements of Assets, Liabilities, and Net Assets date through the date of August 25, 2016, which is the date the financial statements were available to be issued.

**NOTE 3: CASH AND CASH EQUIVALENTS**

The deposits and investments held for the Organization at December 31, 2015 and 2014, and reported at fair value, are as follows:

	<u>2015</u>	<u>2014</u>
<b>Deposits:</b>		
Demand deposits	<u>\$ 253,686</u>	<u>\$ 291,779</u>

**TABERNACLE RESCUE SQUAD, INC.**  
**Notes to Financial Statements (continued)**  
**For the years ended December 31, 2015 and 2014**

**NOTE 3: CASH AND CASH EQUIVALENTS (continued)**

**Reconciliation of Statements of Assets, Liabilities, and Net Assets – Cash Basis:**

Current assets:		
Cash – unrestricted	\$ 227,680	\$ 198,349
Cash – board designated	<u>26,006</u>	<u>93,430</u>
Total	<u>\$ 253,686</u>	<u>\$ 291,779</u>

**A. Custodial Credit Risk**

Deposits in financial institutions, reported as components of cash and investments had bank balances of \$253,887 and \$301,716 at December 31, 2015 and 2014, respectively. At December 31, 2015, \$188,697 was fully insured by depository insurance and \$65,190 was uninsured. At December 31, 2014, \$236,559 was fully insured by depository insurance and \$65,157 was uninsured.

**B. Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash investments. At December 31, 2015 and 2014, the Organization’s investments were held by Beneficial Bank and Vanguard.

**NOTE 4: CASH – BOARD DESIGNATED**

These funds have been restricted by the Board of Officers for following purposes:

	<u>2015</u>	<u>2014</u>
Future equipment purchases	\$ 21,006	\$ 88,430
Computer replacement fund	<u>5,000</u>	<u>5,000</u>
Total	<u>\$ 26,006</u>	<u>\$ 93,430</u>

**NOTE 5: MEDICAL BILLINGS**

Effective February 1, 2013, the Organization began billing patients for emergency medical services. The billing rates vary depending on the type of service (medical and/or rescue) and mileage. Any billings in excess of a patient’s insurance coverage are waived for residents of the Township of Tabernacle. All patients living outside of the Township of Tabernacle are billed for the portion of services not paid for by insurance. Residents of Shamong and charity care cases are also not billed per agreements made by the board. An outside company handles the billing services and charges the Organization a commission based on the amount collected.

**NOTE 6: CONCENTRATION OF CONTRIBUTIONS**

The Organization received approximately 22% and 21% of its annual revenue from the Tabernacle Township for the years ended December 31, 2015 and 2014, respectively.

**TABERNACLE RESCUE SQUAD, INC.**  
**Notes to Financial Statements (continued)**  
**For the years ended December 31, 2015 and 2014**

**NOTE 7: BOARD DESIGNATED NET ASSETS – EMS OPERATIONS**

On December 12, 2012, the Board approved the designation of proceeds from the EMS operations to be kept in a board designated fund. These monies are to be used for capital purchases approved by the Board. Board designated net assets – EMS Operations for the years ended December 31, 2015 and 2014 was \$26,006 and \$93,430, respectively.