

BUNKER HILL AREA AMBULANCE SERVICE, INC.

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2021

BUNKER HILL AREA AMBULANCE SERVICE, INC.

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**LOY MILLER TALLEY, PC**

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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November 22, 2021

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, 2021, 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, 2021, 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, 2021

ASSETS:	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 133,476
TOTAL CURRENT ASSETS	<u>\$ 133,476</u>
PROPERTY, PLANT AND EQUIPMENT:	
Building and Improvements	\$ 113,568
Vehicles	37,422
Equipment	15,573
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>\$ 166,563</u>
Less: Accumulated Depreciation	(105,261)
NET PROPERTY, PLANT AND EQUIPMENT	<u>\$ 61,302</u>
OTHER ASSETS:	
Utility Deposit	\$ 75
TOTAL OTHER ASSETS	<u>\$ 75</u>
TOTAL ASSETS	<u><u>\$ 194,853</u></u>
LIABILITIES AND NET ASSETS:	
CURRENT LIABILITIES:	
Payroll Liabilities	\$ 3,311
Current Portion of Long-Term Debt	20,834
TOTAL CURRENT LIABILITIES	<u>\$ 24,145</u>
NONCURRENT LIABILITIES:	
Note Payable	\$ 60,121
TOTAL NONCURRENT LIABILITIES	<u>\$ 60,121</u>
NET ASSETS:	
Without Donor Restrictions	\$ 110,587
TOTAL NET ASSETS	<u>\$ 110,587</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 194,853</u></u>

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>WITHOUT DONOR RESTRICTIONS</u>
<b>SUPPORT AND REVENUE:</b>	
Program Revenue	\$ 54,335
Property Taxes	147,988
Donations	1,525
Fundraising	15,332
Other Income	929
TOTAL SUPPORT AND REVENUE	<u>\$ 220,109</u>
<b>EXPENSES:</b>	
Program Services	\$ 221,726
Fundraising	2,885
Management and Administrative	29,377
TOTAL EXPENSES	<u>\$ 253,988</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	\$ (33,879)
<b>OTHER INCOME</b>	
PPP Loan Forgiveness	\$ 29,500
TOTAL OTHER INCOME	<u>\$ 29,500</u>
CHANGE IN NET ASSETS	\$ (4,379)
NET ASSETS WITHOUT DONOR RESTRICTIONS BEGINNING OF YEAR	<u>114,966</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS END OF YEAR	<u>\$ 110,587</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, 2021

CASH FLOWS PROVIDED FROM (USED BY) OPERATING ACTIVITIES:	
Change in Net Assets	\$ (33,879)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:	
Depreciation Expense	6,614
Change in Payroll Liabilities	(434)
NET CASH FLOWS PROVIDED FROM (USED BY) OPERATING ACTIVITIES	<u>\$ (27,699)</u>
CASH FLOWS PROVIDED FROM (USED BY) INVESTING ACTIVITIES:	
Purchase of Fixed Assets	<u>\$ (3,414)</u>
NET CASH FLOWS PROVIDED FROM (USED BY) INVESTING ACTIVITIES	<u>\$ (3,414)</u>
CASH FLOWS PROVIDED FROM (USED BY) FINANCING ACTIVITIES:	
Repayment of Borrowings	\$ (4,339)
Borrowings under PPP Loan Program	35,848
NET CASH FLOWS PROVIDED FROM (USED BY) FINANCING ACTIVITIES	<u>\$ 31,509</u>
NET CHANGE IN CASH AND EQUIVALENTS	\$ 396
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>133,080</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 133,476</u></u>
SUPPLEMENTAL DISCLOSURE	
INTEREST PAID	<u>\$ 2,174</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, 2021

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND</u> <u>GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and Wages	\$ 175,541			\$ 175,541
Payroll Taxes	16,352			16,352
Workers Compensation Insurance	18,424			18,424
ALS Intercept Fees	100			100
Direct Fundraising Expenses			\$ 2,885	2,885
Medical Supplies	4,567			4,567
Professional Fees		\$ 3,950		3,950
Telephone		1,546		1,546
Office Supplies		76		76
Filing Fees		15		15
Utilities		3,911		3,911
Building and Grounds Maintenance		619		619
Vehicle Expenses	4,544			4,544
Interest		2,174		2,174
Insurance		7,347		7,347
Supplies		388		388
Miscellaneous		4,935		4,935
Expenses Before Depreciation	<u>\$ 219,528</u>	<u>\$ 24,961</u>	<u>\$ 2,885</u>	<u>\$ 247,374</u>
Depreciation	2,198	4,416		6,614
Total Expenses	<u>\$ 221,726</u>	<u>\$ 29,377</u>	<u>\$ 2,885</u>	<u>\$ 253,988</u>

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



BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1. NATURE OF OPERATIONS

Bunker Hill Area Ambulance Service, Inc. (the Service) 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

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.

Financial statement presentation follows the recommendation of FASB Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14, which the Service implemented in the current year, amends the standards for the presentation and accompanying disclosures of the financial statements of not-for-profit entities. The most significant changes to the Service's financial statements and related disclosures include changes in net asset classifications, additional disclosures about the liquidity and availability of its resources. None of these changes impacted total net assets or the overall presentation of the financial statements taken as a whole.

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions

Net assets whose use by the Service has been limited by donors to a specific time period or purpose. As of June 30, 2021, there were no net assets with donor restrictions.

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.

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 capitalizes acquisitions of property and equipment in excess of \$1,000.

The Service does not provide compensated absences (vacation, sick-time, personal time). Accordingly, no provision has been made for a future liability related to such compensated absences.

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

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

Bunker Hill Area Ambulance is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The costs of the Services' programs and supporting services have been reported on a functional basis. 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 accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Company has not recognized accounts receivable from patients and from third party agencies or accounts payable to vendors and their related effects on earnings in the accompanying financial statements.

The preparation of financial statements 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 evaluated subsequent events through November 22, 2021, the date on which the financial statements were available to be issued.

NOTE 3. PROPERTY AND EQUIPMENT

The following is a summary of the property and equipment:

	<u>2021</u>
Buildings and Improvements	\$ 113,568
Vehicles	37,422
Equipment	<u>15,573</u>
Total	\$ 166,563
Less, Accumulated Depreciation	<u>(105,261)</u>
Property and Equipment, Net	<u>\$ 61,302</u>

Depreciation expense for June 30, 2021 is \$6,614.

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 were \$576, including interest at 4.50%. During the current year the interest rate adjusted to 3.50% and monthly payments were reduced to \$500 per month.

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 4. LONG TERM DEBT (CONT'D)

In 2020, the Service applied for and received funds under the Small Business Administration's Payroll Protection Program Loan. Total funds received were \$29,500. The loan was forgiven when certain requirements were met. Subsequently, during early 2021 the Service applied for and received a PPP Loan Second Draw in the amount of \$35,848. This loan was also eligible for forgiveness if certain requirements are met. If the loan is not forgiven, it will be repaid over a two year period with interest at 1%. The Service has applied for forgiveness of the loan, but at June 30, 2021 the loan had not been forgiven.

The following is a summary of changes in long-term debt, for the year ended June 30, 2021:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>
Building Note Payable	\$ 49,446		\$ (4,339)	\$ 45,107
PPP Loan Payable	29,500		(29,500)	-
PPP Loan Second Draw		\$ 35,848		35,848
Total	<u>\$ 78,946</u>	<u>\$ 35,848</u>	<u>\$ (33,839)</u>	<u>\$ 80,955</u>

The annual requirements to retire the notes payable as of June 30, 2021 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u>	<u>Principal</u>
2021	1,768	20,834
2022	1,460	22,652
2023	1,183	6,326
2024	1,011	4,990
2025	833	5,167
Thereafter	1,433	20,986
Total	<u>\$ 7,688</u>	<u>\$ 80,955</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 up to \$250,000. There were no balances in excess of the Federal Deposit Insurance Corporation at June 30, 2021.

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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, 2021.

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 2017. The Service's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

NOTE 7. LIQUIDITY AND AVAILABILITY

The Service has \$133,476 of financial assets, all of which are classified as cash and cash equivalents. These assets are available to meet cash needs within one year for general expenditures. Annual expenditures are budgeted at \$254,000. The Service's financial assets equal approximately one-half of its annual expenditures. None of these financial assets are subject to donor restrictions. As part of its liquidity management, the Service invests excess cash in an interest-bearing money market account. Due to the liquidity of the money market account, it is also considered to be a cash and cash equivalent.

NOTE 8. COVID 19

During the current fiscal year, local, U.S., and world governments have continued to encourage self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Service as of June 30, 2021, management believes that a material impact on the Service's financial position and results of future operations is reasonably possible.