

BUNKER HILL AREA AMBULANCE SERVICE, INC.

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2022

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 28, 2022

To the Board of Directors  
Bunker Hill Area Ambulance Service, Inc.  
Bunker Hill, IL 62014

### **Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Bunker Hill Area Ambulance Service, Inc. (a non-profit organization), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Service's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bunker Hill Area Ambulance Service, Inc., as of June 30, 2022, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bunker Hill Area Ambulance Service, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter-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 opinions are not modified with respect to this matter.

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## **Responsibilities of Management 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 described in Note 2, and for 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.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bunker Hill Area Ambulance Service, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bunker Hill Area Ambulance Service, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Loy Miller Talley, PC*

Certified Public Accountants  
Alton, Illinois

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS  
JUNE 30, 2022

## ASSETS:

## CURRENT ASSETS:

Cash and Cash Equivalents	\$ 263,453
TOTAL CURRENT ASSETS	<u>\$ 263,453</u>

## PROPERTY, PLANT AND EQUIPMENT:

Building and Improvements	\$ 113,568
Vehicles	37,422
Equipment	46,800
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>\$ 197,790</u>
Less: Accumulated Depreciation	<u>(116,879)</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>\$ 80,911</u>

## OTHER ASSETS:

Utility Deposit	\$ 75
TOTAL OTHER ASSETS	<u>\$ 75</u>

TOTAL ASSETS	<u>\$ 344,439</u>
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## LIABILITIES AND NET ASSETS:

## CURRENT LIABILITIES:

Payroll Liabilities	\$ 4,742
Current Portion of Long-Term Debt	9,443
TOTAL CURRENT LIABILITIES	<u>\$ 14,185</u>

## NONCURRENT LIABILITIES:

Note Payable	\$ 9,444
TOTAL NONCURRENT LIABILITIES	<u>\$ 9,444</u>

## NET ASSETS:

Without Donor Restrictions	\$ 320,810
TOTAL NET ASSETS	<u>\$ 320,810</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 344,439</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, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>
<b>SUPPORT AND REVENUE:</b>	
Program Revenue	\$ 81,347
Property Taxes	340,496
Donations	7,686
Fundraising	19,395
Grant Income	3,414
Other Income	65
<b>TOTAL SUPPORT AND REVENUE</b>	<u>\$ 452,403</u>
<b>EXPENSES:</b>	
Program Services	\$ 253,546
Fundraising	2,578
Management and Administrative	21,904
<b>TOTAL EXPENSES</b>	<u>\$ 278,028</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER INCOME</b>	\$ 174,375
<b>OTHER INCOME</b>	
PPP Loan Forgiveness	\$ 35,848
<b>TOTAL OTHER INCOME</b>	<u>\$ 35,848</u>
<b>CHANGE IN NET ASSETS</b>	\$ 210,223
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS BEGINNING OF YEAR</b>	<u>110,587</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS END OF YEAR</b>	<u>\$ 320,810</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, 2022

CASH FLOWS PROVIDED FROM (USED BY) OPERATING ACTIVITIES:	
Change in Net Assets	\$ 174,375
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:	
Depreciation Expense	11,619
Change in Payroll Liabilities	1,430
NET CASH FLOWS PROVIDED FROM (USED BY) OPERATING ACTIVITIES	<u>\$ 187,424</u>
CASH FLOWS PROVIDED FROM (USED BY) INVESTING ACTIVITIES:	
Purchase of Fixed Assets	\$ (31,227)
NET CASH FLOWS PROVIDED FROM (USED BY) INVESTING ACTIVITIES	<u>\$ (31,227)</u>
CASH FLOWS PROVIDED FROM (USED BY) FINANCING ACTIVITIES:	
Repayment of Borrowings	\$ (54,550)
Borrowings under Long Term Loan Agreement	28,330
NET CASH FLOWS PROVIDED FROM (USED BY) FINANCING ACTIVITIES	<u>\$ (26,220)</u>
NET CHANGE IN CASH AND EQUIVALENTS	\$ 129,977
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>133,476</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 263,453</u>
SUPPLEMENTAL DISCLOSURE	
INTEREST PAID	<u>\$ 100</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, 2022

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND</u> <u>GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and Wages	\$ 201,847			\$ 201,847
Payroll Taxes	16,697			16,697
Workers Compensation Insurance	17,627			17,627
ALS Intercept Fees	100			100
Direct Fundraising Expenses			\$ 2,578	2,578
Medical Supplies	4,925			4,925
Professional Fees		\$ 2,225		2,225
Telephone		1,436		1,436
Office Supplies		173		173
Filing Fees		15		15
Utilities		3,803		3,803
Building and Grounds Maintenance		1,327		1,327
Vehicle Expenses	4,747			4,747
Interest		100		100
Insurance		7,571		7,571
Miscellaneous		1,238		1,238
Expenses Before Depreciation	<u>\$ 245,943</u>	<u>\$ 17,888</u>	<u>\$ 2,578</u>	<u>\$ 266,409</u>
Depreciation	7,603	4,016		11,619
Total Expenses	<u>\$ 253,546</u>	<u>\$ 21,904</u>	<u>\$ 2,578</u>	<u>\$ 278,028</u>

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



BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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, 2022, 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, 2022

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 28, 2022, 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>2022</u>
Buildings and Improvements	\$ 113,568
Vehicles	37,422
Equipment	<u>46,800</u>
Total	\$ 197,790
Less, Accumulated Depreciation	<u>(116,879)</u>
Property and Equipment, Net	<u>\$ 80,911</u>

Depreciation expense for June 30, 2022 is \$11,618.

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. During the current year, the Service paid off the remaining balance of this loan.

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 4. LONG TERM DEBT (CONT'D)

In 2021, the Service applied for and received funds under the Small Business Administration's Payroll Protection Program Loan Second Draw. Total funds received were \$35,847. The loan was forgiven when certain requirements were met.

In 2022, the Service purchased a new Zoll heart monitor and defibrillator. The agreement required one-third payment (\$9,443) paid at closing, then one-third due in January 2023 and 2024. The loan is a zero-percent interest loan.

The following is a summary of changes in long-term debt, for the year ended June 30, 2022:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>
Building Note Payable	\$45,107		\$ 45,107	\$ -
PPP Loan Second Draw	35,848		35,848	-
Zoll Medical Corporation		<u>\$18,887</u>		<u>18,887</u>
Total	<u>\$80,955</u>	<u>\$18,887</u>	<u>\$ 80,955</u>	<u>\$18,887</u>

The annual requirements to retire the notes payable as of June 30, 2022, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u>	<u>Principal</u>
2022	-	9,443
2023	-	9,444
2024	-	-
2025	-	-
Thereafter	-	-
Total	<u>\$ -</u>	<u>\$ 18,887</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.

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 approximately \$13,455 of book balance and \$13,455 of bank balance in excess of the Federal Deposit Insurance Corporation at June 30, 2022.

BUNKER HILL AREA AMBULANCE SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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, 2022.

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 2018. 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 \$263,453 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 approximately \$278,000. The Service’s financial assets equal approximately ninety-four percent 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. CONTINGENCIES

The Service is a party to various grant agreements and third party reimbursements. These arrangements may be subject to audit at any time. Repayments may be required as a result of those audits. At June 30, 2022, the Service is not under any audit, and is not aware of any audit. The Service also believes that if an audit were to be required no repayment would be required.