

BUNKER HILL AREA AMBULANCE SERVICE, INC.

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

BUNKER HILL AREA AMBULANCE SERVICE, INC.

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LOY MILLER TALLEY, PC

Certified Public Accountants

Integrity ★ Vision ★ Results

INDEPENDENT AUDITORS' REPORT

October 26, 2023

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

Opinions

We have audited the accompanying financial statements of Bunker Hill Area Ambulance Service Inc. (a non-profit organization), which comprise the statement of financial position-modified cash basis as of June 30, 2023, and the related statement of activities and changes in net assets-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position-modified cash basis of Bunker Hill Area Ambulance Service Inc. as of June 30, 2023, and the changes in its net assets and its cash flows-modified cash basis for the year then ended in accordance 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.

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, 2023ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 367,039
Total Current Assets	<u>\$ 367,039</u>

PROPERTY, PLANT AND EQUIPMENT:

Building and Improvements	\$ 113,568
Vehicles	15,000
Equipment	<u>46,800</u>
Total	\$ 175,368
Less: Accumulated Depreciation	<u>(91,626)</u>
Net Property, Plant and Equipment	<u>\$ 83,742</u>

OTHER ASSETS:

Deposits	\$ 78
Total Other Assets	<u>\$ 78</u>

Total Assets	<u>\$ 450,859</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll Liabilities	\$ 7,152
Current Portion of Notes Payable	<u>9,443</u>
Total Current Liabilities	<u>\$ 16,595</u>
Total Liabilities	<u>\$ 16,595</u>

NET ASSETS:

Without Donor Restrictions	<u>\$ 434,264</u>
Total Net Assets	<u>\$ 434,264</u>
Total Liabilities and Net Assets	<u>\$ 450,859</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS- MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

SUPPORT AND REVENUES:

Program Revenue	\$ 89,298
Property Taxes	350,271
Donations	3,149
Fundraising	684
Other Income	<u>40,981</u>
Total Support and Revenues	<u>\$ 484,383</u>

EXPENSES:

Program Services	\$ 358,647
Fundraising	200
Management and General	<u>12,082</u>
Total Expenses	<u>\$ 370,929</u>

CHANGE IN NET ASSETS

\$ 113,454

NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR

320,810

NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR

\$ 434,264

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, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets \$ 113,454

Adjustment to Reconcile Change in Net Assets to
Net Cash Provided By Operating Activities:

Depreciation 12,169

Increase in Payroll Liabilities 2,410

Total Net Cash Provided By Operating Activities \$ 128,033

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:

Purchase of Fixed Assets \$ (15,004)

Total Net Cash (Used) By Operating Activities \$ (15,004)

CASH FLOWS (USED) BY FINANCING ACTIVITIES:

Repayment of Notes Payable \$ (9,443)

Total Net Cash (Used) By Operating Activities \$ (9,443)

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ 103,586

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 263,453

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 367,039

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, 2023

	Program <u>Services</u>	Management and <u>General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 265,554			\$ 265,554
Payroll Taxes	21,404			21,404
Workers Compensation Insurance	27,175			27,175
ALS Intercept Fees	300			300
License and Filing Fees	-	\$ 170		170
Direct Fundraising Expenses	-	-	\$ 200	200
Medical Supplies	10,514	-	-	10,514
Professional Fees	-	2,450	-	2,450
Telephone	-	1,565	-	1,565
Office Supplies	-	289	-	289
Utilities	-	5,246	-	5,246
Repairs	1,117	-	-	1,117
Vehicle Expenses	12,555	-	-	12,555
Insurance	7,185	-	-	7,185
Supplies	674	-	-	674
Miscellaneous	-	2,350	-	2,350
Service Charges	-	12	-	12
Expenses Before Depreciation	\$ 346,478	\$ 12,082	\$ 200	\$ 358,760
Depreciation	12,169	-	-	12,169
Total Expenses	<u>\$ 358,647</u>	<u>\$ 12,082</u>	<u>\$ 200</u>	<u>\$ 370,929</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 1. NATURE OF OPERATIONS

Bunker Hill Area Ambulance Service, Inc. 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

The financial statements of the Service are presented on the modified cash basis of accounting, in which revenue is recognized when received and expenditures are recognized when paid.

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 the not-for-profit entities. The most significant change to the Service's financial statements and the 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, 2023, there was no 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.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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

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 records the value of donated foods and services when there is an objective basis to measure the value. No amount has been reflected in these financial statements for donated services, as no objective basis is available to measure the value of the service.

Bunker Hill Area Ambulance Service, Inc. is exempt from federal income taxes under Section 501(c) of the Internal Revenue Code.

The cost 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 October 26, 2023, the date on which the financial statements were available to be issued.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 3. PLANT, PROPERTY AND EQUIPMENT

Plant, property and equipment activity, resulting from cash transactions, for the year ended June 30, 2023 was as follows:

	Balance at <u>7/1/22</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>6/30/23</u>
Building/Improvements	\$ 113,568			\$ 113,568
Vehicles	37,422	\$ 15,000	\$ 37,422	15,000
Equipment	<u>46,800</u>	<u>-</u>	<u>-</u>	<u>46,800</u>
Total Capital Assets at Historical Cost	<u>\$ 197,790</u>	<u>\$ 15,000</u>	<u>\$ 37,422</u>	<u>\$ 175,368</u>
Less: Accum. Depreciation	<u>\$ 116,879</u>	<u>\$ 12,169</u>	<u>\$ 37,422</u>	<u>\$ 91,626</u>
Plant, Property and Equipment, Net	<u>\$ 80,911</u>	<u>\$ 2,831</u>	<u>\$ -</u>	<u>\$ 83,742</u>

Depreciation expense for June 30, 2023 is \$12,169.

NOTE 4. LONG-TERM DEBT

In 2022, the Service consolidated debt and borrowed some additional capital to purchase medical equipment required to best serve the community. The total borrowed was \$28,330. Yearly payments of \$9,443 are required.

The following is a summary of changes in long-term debt , for the year ended June 30, 2023:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>
Note Payable	<u>\$ 18,887</u>	<u>\$ -</u>	<u>\$ 9,443</u>	<u>\$ 9,443</u>

The annual requirements to retire the note payable as of June 30, 2023 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>
2024	<u>\$ 9,443</u>
	<u>\$ 9,443</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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 (FDIC) up to \$250,000. Balances of cash and cash equivalents of the Service did not exceed the amount insured by FDIC, as of June 30, 2023.

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, 2023.

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 2019. 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 \$367,039 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 \$371,000. The Service's financial assets equal approximately ninety-nine 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.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, 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.