



LOY MILLER TALLEY, PC

Certified Public Accountants

Integrity ★ Vision ★ Results

January 20, 2025

Bunker Hill Area Ambulance Service, Inc.
123 S. Washington St.
Bunker Hill, IL 62014

President and Board of Trustees,

During our regular examination of the financial statements of Bunker Hill Area Ambulance Service, Inc. for the period ended June 30, 2024, we reviewed the Service's accounting procedures and system of internal control. Our primary purpose in making the examination was to enable us to form an opinion concerning the Service's accounts. Consequently, we would not necessarily discover all weaknesses that might exist in the system. However, our examination did reveal the following areas where we believe significant improvements could be made.

- We recommend that the board review and approval the annual payroll journal for wages paid to the EMTs. Currently no one is reviewing the payroll journal and ensuring all paychecks appear to be accurate. This will prevent any unauthorized or errors in the payroll checks to go unnoticed.

These items do not affect our report dated January 20, 2025, on the financial statements of Bunker Hill Area Ambulance Service Inc.

We will review the status of these comments during our next audit engagement. It would be our pleasure to discuss these items in further detail at your convenience, or to assist you in implementing these recommendations.

Very Truly Yours,

LOY MILLER TALLEY, PC

Michelle L. Brannan, C.P.A.

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BUNKER HILL AREA AMBULANCE SERVICE, INC.
P.O. BOX 309
BUNKER HILL, IL 62014

January 31, 2025

Invoice #136015

Professional Services

ANNUAL AUDIT FOR THE FISCAL YEAR ENDED 6/30/24.

For professional services rendered

Balance due

Amount

3,250.00

\$3,250.00

\$3,250.00

PAID
2/14/25 AB

For your convenience we accept:
ELECTRONIC CHECK, VISA, MASTERCARD AND DEBIT CARDS WITH THESE LOGOS

TERM: NET 30 DAYS

A finance charge of 2% per month will be added to your account if not paid within 60 days.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

**123 S. Washington St.
BUNKER HILL, IL 62014**

**CLIENT
COPY**

January 20, 2025

Loy Miller Talley, PC
#2 Crossroads Court
Alton, IL 62002

This representation letter is provided in connection with your audit of the financial statements of Bunker Hill Area Ambulance Service, Inc., which comprise the statement of financial position-modified cash basis as of June 30, 2024, and the related statements of activities-modified cash basis and cash flows-modified cash basis for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 31, 2024 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 2, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting.
- 2) The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
- 7) All events subsequent to the date of the financial statements and for which the modified cash basis of accounting requires adjustment or disclosure have been adjusted or disclosed. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the modified cash basis of accounting.
- 9) Material concentrations have been appropriately disclosed in accordance with the modified cash basis of accounting.
- 10) Guarantees, whether written or oral, under which the Service is contingently liable, have been properly recorded or disclosed in accordance with the modified cash basis of accounting.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Service from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Service and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Service's financial statements communicated by employees, former employees, grantors, regulators, or others.

- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with the modified cash basis of accounting, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of all of the Service's related parties and all the related-party relationships and transactions of which we are aware.
- 19) The Service has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 21) Bunker Hill Area Ambulance Service, Inc., is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signature: _____

Title: _____



LOY MILLER TALLEY, PC

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January 20, 2025

Board of Directors
Bunker Hill Area Ambulance Service, Inc.

We have audited the financial statements of Bunker Hill Area Ambulance Service, Inc. for the year ended June 30, 2024, and issued our report thereon dated January 20, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 2, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bunker Hill Area Ambulance Service, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 20, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of the board of directors and, if appropriate, management of Bunker Hill Area Ambulance Service, Inc. and is not intended to be, used by anyone other than these specified parties.

Very truly yours,

Loy Miller Talley, PC

Loy Miller Talley, PC

BUNKER HILL AREA AMBULANCE SERVICE, INC.
ANNUAL FINANCIAL REPORT
JUNE 30, 2024

BUNKER HILL AREA AMBULANCE SERVICE, INC.

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INDEPENDENT AUDITORS' REPORT

January 20, 2025

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, 2024, 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, 2024, and the changes in its net assets and its cash flows-modified cash basis 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.

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.

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS
JUNE 30, 2024ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 421,160
Total Current Assets	<u>\$ 421,160</u>

PROPERTY, PLANT AND EQUIPMENT:

Building and Improvements	\$ 117,439
Vehicles	15,000
Equipment	<u>55,795</u>
Total	\$ 188,234
Less: Accumulated Depreciation	<u>(103,832)</u>
Net Property, Plant and Equipment	<u>\$ 84,402</u>

OTHER ASSETS:

Deposits	\$ 77
Total Other Assets	<u>\$ 77</u>

Total Assets	<u>\$ 505,639</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll Liabilities	\$ 65
Reimbursement Payable	<u>8,995</u>
Total Current Liabilities	<u>\$ 9,060</u>
Total Liabilities	<u>\$ 9,060</u>

NET ASSETS:

Without Donor Restrictions	<u>\$ 496,579</u>
Total Net Assets	<u>\$ 496,579</u>
Total Liabilities and Net Assets	<u>\$ 505,639</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS
JUNE 30, 2024ASSETS

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Total Liabilities and Net Assets	<u>\$ 505,639</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS- MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

SUPPORT AND REVENUES:	
Program Revenue	\$ 99,039
Property Taxes	374,850
Donations	802
Other Income	<u>6,894</u>
Total Support and Revenues	<u>\$ 481,585</u>
EXPENSES:	
Program Services	\$ 398,287
Fundraising	287
Management and General	<u>20,696</u>
Total Expenses	<u>\$ 419,270</u>
CHANGE IN NET ASSETS	\$ 62,315
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>434,264</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 496,579</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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 62,315
Adjustment to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	12,206
Increase in Reimbursement Payable	8,995
Decrease in Payroll Liabilities	<u>(7,087)</u>
Total Net Cash Provided By Operating Activities	<u>\$ 76,429</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:	
Purchase of Fixed Assets	<u>\$ (12,866)</u>
Total Net Cash (Used) By Operating Activities	<u>\$ (12,866)</u>
CASH FLOWS (USED) BY FINANCING ACTIVITIES:	
Repayment of Notes Payable	<u>\$ (9,442)</u>
Total Net Cash (Used) By Operating Activities	<u>\$ (9,442)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 54,121
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>367,039</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 421,160</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, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 301,193			\$ 301,193
Payroll Taxes	24,157			24,157
Workers Compensation Insurance	20,084			20,084
ALS Intercept Fees	100			100
License and Filing Fees	-	\$ 1,030		1,030
Direct Fundraising Expenses	-	-	\$ 287	287
Medical Supplies	7,973	-	-	7,973
Professional Fees	-	10,626	-	10,626
Telephone	-	1,911	-	1,911
Office Supplies	-	233	-	233
Utilities	-	5,176	-	5,176
Repairs	2,134	-	-	2,134
Vehicle Expenses	17,307	-	-	17,307
Insurance	8,124	-	-	8,124
Supplies	5,009	-	-	5,009
Miscellaneous	-	1,210	-	1,210
Bank Fees	-	510	-	510
Expenses Before Depreciation	\$ 386,081	\$ 20,696	\$ 287	\$ 407,064
Depreciation	12,206	-	-	12,206
Total Expenses	\$ 398,287	\$ 20,696	\$ 287	\$ 419,270

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

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, 2024, 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, 2024

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 January 20, 2025, the date on which the financial statements were available to be issued.

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 3. PLANT, PROPERTY AND EQUIPMENT

Plant, property and equipment activity, resulting from cash transactions, for the year ended June 30, 2024 was as follows:

	Balance at <u>7/1/23</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>6/30/24</u>
Building/Improvements	\$ 113,568	\$ 3,871		\$ 117,439
Vehicles	15,000	-		15,000
Equipment	<u>46,800</u>	<u>8,995</u>	<u>\$ -</u>	<u>55,795</u>
Total Capital Assets at Historical Cost	<u>\$ 175,368</u>	<u>\$ 12,866</u>	<u>\$ -</u>	<u>\$ 188,234</u>
Less: Accum. Depreciation	<u>\$ 91,626</u>	<u>\$ 12,206</u>	<u>\$ -</u>	<u>\$ 103,832</u>
Plant, Property and Equipment, Net	<u>\$ 83,742</u>	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ 84,402</u>

Depreciation expense for the year ended June 30, 2024 was \$12,206.

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, 2024:

	Beginning Balance <u>7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>6/30/2024</u>
Note Payable	<u>\$ 9,442</u>	<u>\$ -</u>	<u>\$ 9,442</u>	<u>\$ -</u>

BUNKER HILL AREA AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

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, \$250,000 was fully insured by FDIC limits and \$171,160 was uninsured, as of June 30, 2024.

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, 2024.

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 2020. 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 \$421,160 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 \$420,000. The Service's financial assets equal approximately one hundred 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.