

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
REVIEWED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

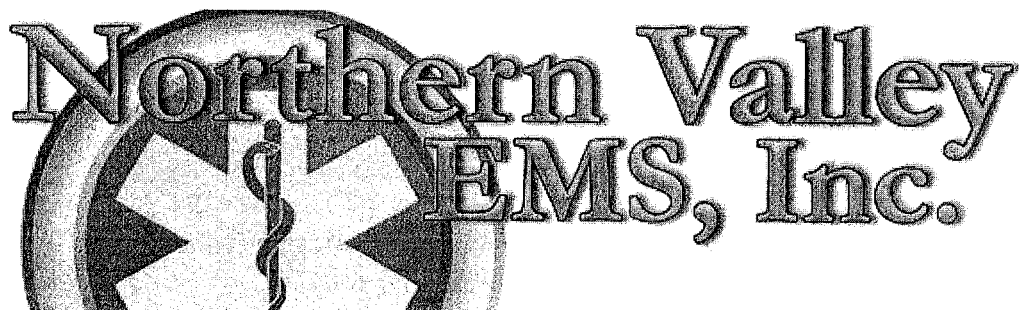


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GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Northern Valley Emergency Medical Services, Inc.
Coplay, Pennsylvania

We have reviewed the accompanying financial statements of Northern Valley Emergency Medical Services, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of December 31, 2022 and 2021, and the related statements of functional expenses—modified cash basis, revenues, expenses, and other changes in net assets—modified cash basis, cash flows—modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Northern Valley Emergency Medical Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 conclusion is not modified with respect to this matter.

Horner & Associates, P.C.

Northampton, PA
May 19, 2023

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS
MODIFIED CASH BASIS
AS OF DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
ASSETS		
Cash & Cash Equivalents	\$ 565,972	\$ 593,884
Certificates of Deposit Restricted for Liquidity Shortfalls	591,348	582,718
Land	22,500	22,500
Property and Equipment	1,844,888	1,708,828
Construction in Progress	14,500	-
Accumulated Depreciation	(1,342,854)	(1,182,012)
Total Assets	\$ 1,696,354	\$ 1,725,918
 LIABILITIES		
Credit Card Liabilities	\$ 2,357	\$ 4,798
Current Portion of Long-Term Note Payable	62,113	53,666
Accrued Compensated Absences	3,641	2,728
Long-Term Note Payable	53,789	121,336
Total Liabilities	121,900	182,528
 NET ASSETS		
Without Donor Restrictions	983,106	960,671
With Donor Restrictions	591,348	582,719
Total Net Assets	1,574,454	1,543,390
 Total Liabilities and Net Assets	\$ 1,696,354	\$ 1,725,918

See accompanying notes and independent accountant's review report.

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Expense Category	2022				2021			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Ambulance Services	Management & General	Fund-raising	Total	Ambulance Services	Management & General	Fund-raising	Total
Payroll Wages & Taxes	\$ 1,117,641	\$ -	\$ -	\$ 1,117,641	\$ 929,154	\$ -	\$ -	\$ 929,154
Professional Fees	-	25,104	-	25,104	-	33,457	-	33,457
Supplies	84,907	10,417	-	95,324	76,590	9,082	-	85,672
Fundraising	-	-	17,264	17,264	-	-	17,846	17,846
Maintenance and Repairs	47,188	-	-	47,188	48,174	-	-	48,174
Interest Expense	-	1,291	-	1,291	-	1,954	-	1,954
Depreciation Expense	167,962	-	-	167,962	89,386	-	-	89,386
Outsourced Billing Fees	66,353	-	-	66,353	66,172	-	-	66,172
Training	17,495	-	-	17,495	9,597	-	-	9,597
Utilities	30,633	-	-	30,633	20,408	-	-	20,408
Insurance	173,095	-	-	173,095	139,909	-	-	139,909
Other	10,845	44,434	-	55,279	9,224	45,305	-	54,529
TOTAL EXPENSES	\$ 1,716,119	\$ 81,246	\$ 17,264	\$ 1,814,629	\$ 1,388,614	\$ 89,798	\$ 17,846	\$ 1,496,258

See accompanying notes and independent accountant's review report

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		2021		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
REVENUES, GAINS, AND OTHER SUPPORT					
Program Service Revenue - Net	\$ 1,166,979	\$ -	\$ 1,068,759	\$ -	\$ 1,068,759
Subscriptions	211,147	-	267,992	-	267,992
Grants	192,887	-	43,385	-	43,385
Contributions	156,286	-	143,312	-	143,312
Interest & Dividend	431	8,629	311	10,635	10,946
Fundraising	70,432	-	76,780	-	76,780
Other Income	36,027	-	35,393	-	35,393
Gain on Disposal of Fixed Assets	2,875	-	-	-	-
Net assets released from restrictions	-	-	-	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,837,064	8,629	1,635,932	10,635	1,646,567
EXPENSES					
<i>Program Service</i>					
Ambulance and Rescue	1,716,119	-	1,388,614	-	1,388,614
<i>Supporting Services</i>					
Management and General	81,246	-	89,798	-	89,798
Fund Raising	17,264	-	17,846	-	17,846
TOTAL EXPENSES	1,814,629	-	1,496,258	-	1,496,258
CHANGE IN NET ASSETS	22,435	8,629	139,674	10,635	150,309
NET ASSETS - JANUARY 1	960,671	582,719	820,997	572,084	1,393,081
Prior Period Adjustments	-	-	-	-	-
NET ASSETS - DECEMBER 31	\$ 983,106	\$ 591,348	\$ 960,671	\$ 582,719	\$ 1,543,390

See accompanying notes and independent accountant's review report

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<i>Cash Flows from Operating Activities</i>		
Change in Net Assets	\$ 31,064	\$ 150,309
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Increase (Decrease) in Accrued Liabilities	-	-
Increase (Decrease) in Compensated Absences	913	900
Increase (Decrease) in Other Liabilities	(2,441)	1,257
Increase (Decrease) in Payroll Liabilities	-	-
(Gain) Loss on Sale of Fixed Assets	(2,875)	2,179
Depreciation	167,962	89,386
<i>Net cash provided (used) by operating activities</i>	194,623	244,031
<i>Cash Flow from Investing Activities</i>		
(Increase) Decrease in Certificates of Deposit	(8,630)	(10,634)
Proceeds from Sale of Equipment	2,875	-
Purchase of Property, Plant & Equipment	(157,680)	(218,572)
<i>Net cash provided (used) by investing activities</i>	(163,435)	(229,206)
<i>Cash Flows from Financing Activities</i>		
Principal Payments on Notes payable	(59,100)	(67,971)
Proceeds from Borrowings	-	130,808
<i>Net cash provided (used) by financing activities</i>	(59,100)	62,837
Net Increase (Decrease) in Cash and Cash Equivalents	(27,912)	77,662
Cash and Cash Equivalents - January 1	593,884	516,222
Cash and Cash Equivalents - December 31	\$ 565,972	\$ 593,884
Supplemental Disclosures:		
Interest Paid	\$ 1,291	\$ 1,954

See accompanying notes and independent accountant's review report

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

1. ORGANIZATION

Northern Valley Emergency Medical Services, Inc.'s (NOVA) primary operation is as a provider of emergency advanced life support and basic life support medical transportation services to the citizens of Coplay, Pennsylvania and surrounding areas. NOVA maintains a staff of both EMTs and paramedics.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

NOVA's policy is to prepare its financial statements on the modified cash basis of accounting. Under this basis of accounting, all elements of the income statement, with the exception of depreciation expense, are recorded using the cash basis and accounts receivable are not recorded on the balance sheet. The modified cash basis records long-term balance sheet items on the accrual basis. Capital assets and long-term debt are recorded on the balance sheet, and depreciation is recorded on the income statement.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Property, Equipment, and Depreciation

Property and equipment are stated at cost. Depreciation is provided principally on the modified accelerated cost recovery system method for financial reporting and federal income tax purposes. The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income, except for gains on assets traded where no cash is received. Expenditures for maintenance and repairs are charged to income as incurred; replacements and betterments that extend the useful lives are capitalized.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions. The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Contributions

Contributions are recognized when received and are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statements of revenues, expenses, and other changes in net assets and statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. NOVA only provides one program service, ambulance transportation, therefore program costs do not need to be allocated across multiple functions.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed when incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
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Income Taxes

NOVA is exempt from federal income taxes under Internal Revenue Service code section 501(c)(3), and accordingly are not required to pay any income tax on income earned in conjunction with their not for profit mission. An informational tax return is filed each year (Form 990) to report the income and expenses of the exempt functions to ensure compliance with their intended mission. There are currently no open tax periods.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 are:

Financial Assets:	
Cash & Cash Equivalents	\$ 565,972
Certificates of Deposit	\$ 591,348
Total Financial Assets	\$ 1,157,320
Less financial assets held to meet donor-imposed restrictions:	
Donor-restricted certificates of deposit (Note 5)	\$ (591,348)
Amount available for general expenditures within one year	\$ 565,972

4. CONCENTRATION OF CREDIT RISK

NOVA has the following bank deposits which are carried at cost as of December 31, 2022 and 2021.

<u>BANK</u>	<u>TOTAL DEPOSITS</u>	
	<u>2022</u>	<u>2021</u>
NEFFS National Bank	\$ 1,143,180	\$ 1,178,718
	\$ 1,143,180	\$ 1,178,718

Custodial credit risk is the risk that in the event of a bank failure, NOVA's deposits may not be returned to it. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. NOVA's FDIC coverage for years ending 2022 and 2021 were as follows:

<u>FDIC CLASSIFICATION</u>	<u>2022</u>	<u>2021</u>
Insured	\$ 250,000	\$ 250,000
Uninsured	893,180	928,718
Total Deposits	\$ 1,143,180	\$ 1,178,718

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5. DONOR-RESTRICTED CERTIFICATES OF DEPOSIT

In 2008, NOVA received a bequest of an estate for use in the improvement and function of the organization. The Restricted Asset Advisory Group Guidelines were written to place restrictions on the money that was received. These guidelines state that earnings from the gift may be used for purchasing of equipment or up-keep, however the principal cannot be used unless needed to fund an unbudgeted liquidity shortfall. The principal was deposited into certificates of deposit. The balance of the restricted assets at the end of 2022 is \$591,348. The restriction of the assets is reviewed at the end of each year to determine whether any donor-imposed restrictions should be removed. No restrictions were released in 2022.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Land	N/A	\$ 22,500	\$ 22,500
Buildings & Improvements	10-39 Yrs.	586,621	580,839
Machinery & Equipment	5-10 Yrs.	1,253,602	1,123,324
Furniture & Fixtures	5-7 Yrs.	4,665	4,665
Construction In Progress	N/A	<u>14,500</u>	<u>-</u>
		1,881,888	1,731,328
Accumulated Depreciation		<u>(1,342,854)</u>	<u>(1,182,012)</u>
Totals		<u>\$ 539,034</u>	<u>\$ 549,316</u>
Depreciation Expense		\$ 167,962	\$ 89,386

7. RETIREMENT PLAN

NOVA sponsors a SIMPLE Plan for their employees who wish to participate. The plan has a 100% match by the employer up to 3% of a participant's wages. The employer match was \$10,845 and \$9,224 for 2022 and 2021, respectively.

8. LONG-TERM DEBT

Stryker Equipment Payable

NOVA purchased equipment from Stryker in 2021 under a sales agreement to pay off the equipment in 4 years with no interest. The equipment included stretchers, power loaders, and AEDs for a total cost of \$139,260. The balance of the payable at December 31, 2022 is \$69,630 with the current portion due being \$34,815. The amortization table below shows the scheduled payments.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	34,815	-	34,815
2024	34,815	-	34,815
	<u>\$ 69,630</u>	<u>\$ -</u>	<u>\$ 69,630</u>

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PA Emergency Management Agency (PEMA) Loans

NOVA has three loans through PEMA that were used to finance the purchase of three different ambulances. These loans are payable to PEMA on either a monthly or semi-monthly basis with interest rates of 2.00%. Two of the loans have their final payments scheduled for June of 2024 while the third loan is scheduled to be paid off in September of 2026. The balance of the PEMA loans at December 31, 2022 are \$46,272 with the current portion due being \$27,298. The table below shows the total amortization for the loans as of December 31, 2022.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 27,298	\$ 671	\$ 27,969
2024	16,210	177	16,387
2025	2,764	17	2,781
	<u>\$ 46,272</u>	<u>\$ 865</u>	<u>\$ 47,137</u>

Total interest expense for the loans was \$1,291 and \$1,954 in 2022 and 2021, respectively.

9. COMPENSATED ABSENCES

NOVA gives their employees paid time off (PTO) which is earned for hours worked. The amount is used instead of vacation and illness. PTO is accrued as a liability as the benefits are earned and the employees' rights to receive compensation are attributable to services already rendered, and it is probable NOVA will compensate the employees for the benefits through paid time off. The entire compensated absence liability is reported on the Statement of Financial Position.

10. SUBSEQUENT EVENTS

No events have taken place between year-end and the release of the financial statements on July 14, 2023 that would require adjustment or disclosure.