

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
REVIEWED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

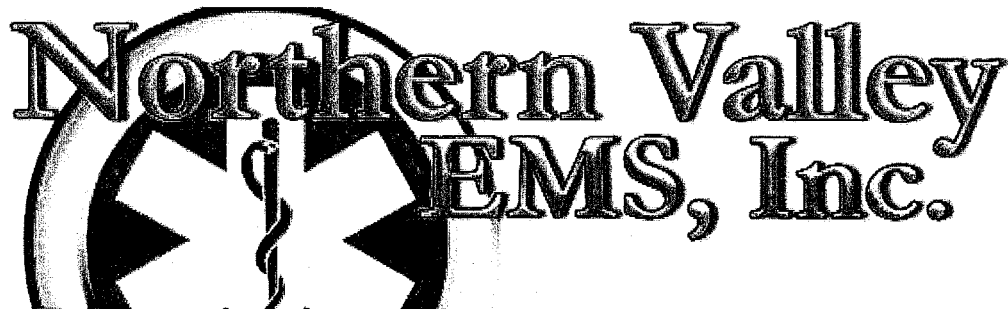


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GORMAN & ASSOCIATES, P.C.

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, 2023 and 2022, 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.

Norman Associates, P.C.

Northampton, PA
June 14, 2024

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS
MODIFIED CASH BASIS
AS OF DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
ASSETS		
Cash & Cash Equivalents	\$ 493,271	\$ 565,972
Certificates of Deposit Restricted for Liquidity Shortfalls	598,932	591,348
Land	22,500	22,500
Property and Equipment	1,891,729	1,844,888
Construction in Progress	-	14,500
Accumulated Depreciation	(1,475,342)	(1,342,854)
Total Assets	\$ 1,531,090	\$ 1,696,354
 LIABILITIES		
Credit Card Liabilities	\$ 2,856	\$ 2,357
Current Portion of Long-Term Note Payable	47,137	62,113
Accrued Compensated Absences	2,032	3,641
Long-Term Note Payable	-	53,789
Total Liabilities	52,025	121,900
 NET ASSETS		
Without Donor Restrictions	880,133	983,106
With Donor Restrictions	598,932	591,348
Total Net Assets	1,479,065	1,574,454
 Total Liabilities and Net Assets	 \$ 1,531,090	 \$ 1,696,354

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, 2023 AND 2022

Expense Category	2023				2022			
	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	\$ 1,243,409	\$ -	\$ -	\$ 1,243,409	\$ 1,117,641	\$ -	\$ -	\$ 1,117,641
Professional Fees	-	26,104	-	26,104	-	25,104	-	25,104
Supplies	75,090	15,863	-	90,953	84,907	10,417	-	95,324
Fundraising	-	-	17,998	17,998	-	-	17,264	17,264
Maintenance and Repairs	30,614	-	-	30,614	47,188	-	-	47,188
Interest Expense	-	619	-	619	-	1,291	-	1,291
Depreciation Expense	132,488	-	-	132,488	167,962	-	-	167,962
Outsourced Billing Fees	97,412	-	-	97,412	66,353	-	-	66,353
Training	12,144	-	-	12,144	17,495	-	-	17,495
Utilities	25,799	-	-	25,799	30,633	-	-	30,633
Insurance	215,272	-	-	215,272	173,095	-	-	173,095
Other	9,463	55,752	-	65,215	10,845	44,434	-	55,279
TOTAL EXPENSES	\$ 1,841,691	\$ 98,338	\$ 17,998	\$ 1,958,027	\$ 1,716,119	\$ 81,246	\$ 17,264	\$ 1,814,629

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, 2023 AND 2022

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
REVENUES, GAINS, AND OTHER SUPPORT				
Program Service Revenue - Net	\$ 1,344,433	\$ -	\$ 1,166,979	\$ -
Subscriptions	218,319	-	211,147	-
Grants	10,000	-	192,887	-
Contributions	140,399	-	156,286	-
Interest & Dividend	849	7,584	431	8,629
Fundraising	71,875	-	70,432	-
Other Income	69,179	-	36,027	-
Gain on Disposal of Fixed Assets	-	-	2,875	-
Net assets released from restrictions	-	-	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,855,054	7,584	1,837,064	8,629
EXPENSES				
<i>Program Service</i>				
Ambulance and Rescue	1,841,691	-	1,716,119	-
<i>Supporting Services</i>				
Management and General	98,338	-	81,246	-
Fund Raising	17,998	-	17,264	-
TOTAL EXPENSES	1,958,027	-	1,814,629	-
CHANGE IN NET ASSETS	(102,973)	7,584	22,435	8,629
NET ASSETS - JANUARY 1	983,106	591,348	960,671	582,719
Prior Period Adjustments	-	-	-	-
NET ASSETS - DECEMBER 31	\$ 880,133	\$ 598,932	\$ 983,106	\$ 591,348
				\$ 1,574,454

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, 2023 AND 2022

	2023	2022
<i>Cash Flows from Operating Activities</i>		
Change in Net Assets	\$ (95,389)	\$ 31,064
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Increase (Decrease) in Accrued Liabilities	-	-
Increase (Decrease) in Compensated Absences	(1,609)	913
Increase (Decrease) in Other Liabilities	499	(2,441)
Increase (Decrease) in Payroll Liabilities	-	-
(Gain) Loss on Sale of Fixed Assets	-	(2,875)
Depreciation	132,488	167,962
<i>Net cash provided (used) by operating activities</i>	35,989	194,623
<i>Cash Flow from Investing Activities</i>		
(Increase) Decrease in Certificates of Deposit	(7,584)	(8,630)
Proceeds from Sale of Equipment	-	2,875
Purchase of Property, Plant & Equipment	(32,341)	(157,680)
<i>Net cash provided (used) by investing activities</i>	(39,925)	(163,435)
<i>Cash Flows from Financing Activities</i>		
Principal Payments on Notes payable	(68,765)	(59,100)
Proceeds from Borrowings	-	-
<i>Net cash provided (used) by financing activities</i>	(68,765)	(59,100)
Net Increase (Decrease) in Cash and Cash Equivalents	(72,701)	(27,912)
Cash and Cash Equivalents - January 1	565,972	593,884
Cash and Cash Equivalents - December 31	\$ 493,271	\$ 565,972
Supplemental Disclosures:		
Interest Paid	\$ 619	\$ 1,291

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, 2023 AND 2022

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, 2023 AND 2022

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.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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, 2023 are:

Financial Assets:	
Cash & Cash Equivalents	\$ 493,271
Certificates of Deposit	\$ 598,932
Total Financial Assets	\$ 1,092,203
Less financial assets held to meet donor-imposed restrictions:	
Donor-restricted certificates of deposit (Note 5)	\$ (598,932)
Amount available for general expenditures within one year	\$ 493,271

4. CONCENTRATION OF CREDIT RISK

NOVA has the following bank deposits which are carried at cost as of December 31, 2023 and 2022.

<u>BANK</u>	<u>TOTAL DEPOSITS</u>	
	<u>2023</u>	<u>2022</u>
NEFFS National Bank	\$ 1,128,150	\$ 1,143,180
	\$ 1,128,150	\$ 1,143,180

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 2023 and 2022 were as follows:

<u>FDIC CLASSIFICATION</u>	<u>2023</u>	<u>2022</u>
Insured	\$ 250,000	\$ 250,000
Uninsured	878,150	893,180
Total Deposits	\$ 1,128,150	\$ 1,143,180

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
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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 2023 is \$598,832. 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 2023.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>Life</u>	<u>2023</u>	<u>2022</u>
Land	N/A	\$ 22,500	\$ 22,500
Buildings & Improvements	10-39 Yrs.	597,133	586,621
Machinery & Equipment	5-10 Yrs.	1,289,932	1,253,602
Furniture & Fixtures	5-7 Yrs.	4,665	4,665
Construction In Progress	N/A	-	14,500
		1,914,230	1,881,888
Accumulated Depreciation		(1,475,342)	(1,342,854)
Totals		<u>\$ 438,888</u>	<u>\$ 539,034</u>
Depreciation Expense		\$ 132,488	\$ 167,962

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 \$9,463 and \$10,845 for 2023 and 2022, 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, 2023 is \$34,815 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>
2024	34,815	-	34,815
	<u>\$ 34,815</u>	<u>\$ -</u>	<u>\$ 34,815</u>

NORTHERN VALLEY EMERGENCY MEDICAL SERVICES, INC.
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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%. The balance of the PEMA loans at December 31, 2023 are \$12,322 with the current portion due being \$12,322. The table below shows the total amortization for the loans as of December 31, 2023.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	12,322	68	12,390
	\$ 12,322	\$ 68	\$ 12,390

Total interest expense for the loans was \$619 and \$1,291 in 2023 and 2022, 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 10, 2024 that would require adjustment or disclosure.