

**Bergen Volunteer Medical Initiative, Inc.**

Financial Statements and Supplementary Information  
Together With Independent Auditors' Reports

December 31, 2021 and 2020

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December 31, 2021 and 2020

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## Independent Auditors' Report

**To the Board of Trustees  
Bergen Volunteer Medical Initiative, Inc.**

### Opinion

We have audited the accompanying financial statements of the Bergen Volunteer Medical Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020 and the related statements of activities and cash flows 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 of the Bergen Volunteer Medical Initiative, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Bergen Volunteer Medical Initiative, 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 opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bergen Volunteer Medical Initiative, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities 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 opinion. 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 GAAS and *Government 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, including omissions, 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 GAAS and *Government 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 the Bergen Volunteer Medical Initiative, 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; and
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bergen Volunteer Medical Initiative, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by the New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are presented on pages 18 and 19 for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information are fairly stated, in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022 on our consideration of the Bergen Volunteer Medical Initiative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bergen Volunteer Medical Initiative, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bergen Volunteer Medical Initiative, Inc.'s internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

April 22, 2022

**Bergen Volunteer Medical Initiative, Inc.**

Statements of Financial Position

	December 31,	
	2021	2020
<b>ASSETS</b>		
Cash	\$1,313,400	\$1,065,893
Contributions receivable, net	764,550	383,995
Grants receivable	308,417	81,106
Prepaid expenses	26,571	25,964
Inventory - supplies	3,049	3,930
Property and equipment, net	243,254	277,223
Security deposit	<u>13,678</u>	<u>13,678</u>
	<u>\$2,672,919</u>	<u>\$1,851,789</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 13,339	\$ 5,885
Accrued expenses	113,406	96,746
Paycheck Protection Program loan payable	-	216,495
Deferred revenue	2,500	-
Deferred rent liability	<u>51,211</u>	<u>55,535</u>
	<u>180,456</u>	<u>374,661</u>
<b>Net Assets</b>		
Without donor restrictions	1,356,432	1,080,600
With donor restrictions	<u>1,136,031</u>	<u>396,528</u>
Total Net Assets	<u>2,492,463</u>	<u>1,477,128</u>
	<u>\$2,672,919</u>	<u>\$1,851,789</u>

See notes to financial statements

**Bergen Volunteer Medical Initiative, Inc.**

Statements of Activities

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>						
Contributions	\$ 885,071	\$ 1,121,383	\$ 2,006,454	\$ 1,224,562	\$ 233,169	\$ 1,457,731
Government grants	612,539	-	612,539	81,106	-	81,106
In-kind contributions	703,346	-	703,346	855,179	-	855,179
Special events (net of expenses of \$64,332 and \$41,350)	303,879	-	303,879	278,764	-	278,764
Paycheck Protection Program loan forgiveness	216,495	-	216,495	-	-	-
Miscellaneous income	3,471	-	3,471	4,767	-	4,767
Net assets released from restriction	381,880	(381,880)	-	583,370	(583,370)	-
Total Revenue	<u>3,106,681</u>	<u>739,503</u>	<u>3,846,184</u>	<u>3,027,748</u>	<u>(350,201)</u>	<u>2,677,547</u>
<b>EXPENSES</b>						
Program services	2,260,917	-	2,260,917	2,089,998	-	2,089,998
Supporting Services						
Management and general	179,049	-	179,049	183,429	-	183,429
Fundraising	390,883	-	390,883	421,777	-	421,777
Total Expenses	<u>2,830,849</u>	<u>-</u>	<u>2,830,849</u>	<u>2,695,204</u>	<u>-</u>	<u>2,695,204</u>
Change in Net Assets	275,832	739,503	1,015,335	332,544	(350,201)	(17,657)
<b>NET ASSETS</b>						
Beginning of Year	<u>1,080,600</u>	<u>396,528</u>	<u>1,477,128</u>	<u>748,056</u>	<u>746,729</u>	<u>1,494,785</u>
End of Year	<u>\$ 1,356,432</u>	<u>\$ 1,136,031</u>	<u>\$ 2,492,463</u>	<u>\$ 1,080,600</u>	<u>\$ 396,528</u>	<u>\$ 1,477,128</u>

See notes to financial statements

**Bergen Volunteer Medical Initiative, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 1,165,300	\$ 71,645	\$ 124,431	\$ 196,076	\$ 1,361,376
Payroll taxes	72,890	5,947	48,879	54,826	127,716
Employee benefits	41,959	110	6,751	6,861	48,820
Total Salaries and Related Expenses	1,280,149	77,702	180,061	257,763	1,537,912
Medical supplies	169,064	505	2,201	2,706	171,770
Professional services	485,795	19,935	-	19,935	505,730
Accounting	-	13,000	-	13,000	13,000
Insurance	5,885	6,868	685	7,553	13,438
Office expense/supplies	16,056	3,776	3,037	6,813	22,869
Programmatic assistance	1,655	-	-	-	1,655
Postage and delivery	2,167	274	2,646	2,920	5,087
Registration, fees and taxes	9,083	3,783	53	3,836	12,919
Printing and reproduction	19,032	1,767	20,793	22,560	41,592
Rent	77,219	7,354	7,354	14,708	91,927
Repairs and maintenance	12,225	1,128	4,054	5,182	17,407
Utilities	7,344	3,753	335	4,088	11,432
Computer and technology	56,536	1,367	12,668	14,035	70,571
Telephone	4,679	463	4,166	4,629	9,308
Fundraising	-	-	64,332	64,332	64,332
Bank charges	-	6,238	-	6,238	6,238
Consulting fees	87,616	28,638	145,794	174,432	262,048
Advertising	1,683	-	478	478	2,161
Meetings and conferences	(359)	150	25	175	(184)
Total Expenses Before Depreciation and Amortization	2,235,829	176,701	448,682	625,383	2,861,212
Depreciation and amortization	25,088	2,348	6,533	8,881	33,969
Total Expenses Before Special Events	2,260,917	179,049	455,215	634,264	2,895,181
Less expenses included with special events revenue in the statements of activities	-	-	64,332	64,332	64,332
Total Expenses	<u>\$ 2,260,917</u>	<u>\$ 179,049</u>	<u>\$ 390,883</u>	<u>\$ 569,932</u>	<u>\$ 2,830,849</u>

See notes to financial statements



**Bergen Volunteer Medical Initiative, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2020

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 972,929	\$ 68,583	\$ 171,110	\$ 239,693	\$ 1,212,622
Payroll taxes	53,037	5,392	47,523	52,915	105,952
Employee benefits	38,207	-	6,843	6,843	45,050
Total Salaries and Related Expenses	1,064,173	73,975	225,476	299,451	1,363,624
Medical supplies	358,703	180	-	180	358,883
Professional services	347,328	16,267	16,267	32,534	379,862
Accounting	-	9,500	-	9,500	9,500
Insurance	5,404	7,164	-	7,164	12,568
Office expense/supplies	6,438	510	3,477	3,987	10,425
Programmatic assistance	98,530	-	-	-	98,530
Postage and delivery	4,461	493	3,822	4,315	8,776
Registration, fees and taxes	9,161	333	-	333	9,494
Printing and reproduction	17,319	1,664	19,705	21,369	38,688
Rent	79,038	7,537	9,127	16,664	95,702
Repairs and maintenance	16,755	1,523	4,588	6,111	22,866
Utilities	7,853	3,679	426	4,105	11,958
Computer and technology	37,634	36,785	12,330	49,115	86,749
Telephone	5,202	515	4,637	5,152	10,354
Fundraising	-	-	41,350	41,350	41,350
Bank charges	-	5,337	-	5,337	5,337
Consulting fees	3,250	15,454	115,116	130,570	133,820
Advertising	2,380	-	32	32	2,412
Meetings and conferences	999	137	-	137	1,136
Total Expenses Before Depreciation and Amortization	2,064,628	181,053	456,353	637,406	2,702,034
Depreciation and amortization	25,370	2,376	6,774	9,150	34,520
Total Expenses Before Special Events	2,089,998	183,429	463,127	646,556	2,736,554
Less expenses included with special events revenue in the statements of activities	-	-	41,350	41,350	41,350
Total Expenses	<u>\$ 2,089,998</u>	<u>\$ 183,429</u>	<u>\$ 421,777</u>	<u>\$ 605,206</u>	<u>\$ 2,695,204</u>

**Bergen Volunteer Medical Initiative, Inc.**

Statements of Cash Flows

	Year Ended December 31	
	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,015,335	\$ (17,657)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	33,969	34,520
Paycheck Protection Program loan forgiveness	(216,495)	-
Changes in operating assets and liabilities		
Contribution receivables	(380,555)	359,882
Grants receivable	(227,311)	(81,106)
Prepaid expenses	(607)	(5,264)
Inventory - supplies	881	(735)
Accounts payable	7,454	666
Accrued Expenses	16,660	17,653
Deferred revenue	2,500	(10,000)
Deferred rent liability	<u>(4,324)</u>	<u>(1,868)</u>
Net Cash from Operating Activities	247,507	296,091
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>216,495</u>
Net Change in Cash	247,507	512,586
<b>CASH</b>		
Beginning of year	<u>1,065,893</u>	<u>553,307</u>
End of year	<u>\$ 1,313,400</u>	<u>\$ 1,065,893</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Noncash operating and financing activities		
Paycheck Protection Program loan forgiveness	\$ 216,495	\$ -

See notes to financial statements

## **Bergen Volunteer Medical Initiative, Inc.**

Notes to Financial Statements  
December 31, 2021 and 2020

### **1. Nature of Organization**

The mission of the Bergen Volunteer Medical Initiative, Inc. (“BVMI”) is to provide free primary medical care and, where possible, referrals to specialty care for working, low-income Bergen County residents who have no health insurance. BVMI was established in March 2005, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and New Jersey income tax under state regulations.

### **2. Summary of Significant Accounting Policies**

#### ***Financial Statement Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of BVMI and changes therein are classified and reported as follows:

- *Without donor restrictions* – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.
- *With donor restrictions* – net assets subject to donor-imposed stipulations that would be met by actions of BVMI and/or the passage of time.

#### ***Basis of Accounting and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support and revenue and expenses during the reporting period. Actual results may differ significantly from those estimates.

#### ***Change in Accounting Principle***

Effective January 1, 2021, BVMI adopted new U.S. GAAP guidance which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and grants are recognized, as they are specifically scoped out of the new guidance. Adoption of this new standard had an immaterial impact on BVMI’s financial statements.

## **Bergen Volunteer Medical Initiative, Inc.**

Notes to Financial Statements  
December 31, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Revenue Recognition***

Contributions and grants received are recorded as without or with donor restricted support, depending on the existence or nature of any donor restrictions. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases those net asset classes. If a restriction is fulfilled in the same time period in which the contribution is received, BVMI reports the contributions as without donor restrictions. Grants are reported as with donor restricted support if they are received with grantor stipulations that limit the use of the grant funds.

BVMI recognizes revenue from government grants, which are treated as conditional contributions, in the period in which the services are provided. Revenue is recognized for cost-reimbursement grants when the related costs are incurred and the related services are provided. If funds are remitted to BVMI prior to the incurrence of costs, these funds are recognized as refundable advances until expenses are incurred.

#### ***Fair Value Measurements***

BVMI follows US GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Grants Receivable***

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual grants. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in grants receivable.

## **Bergen Volunteer Medical Initiative, Inc.**

Notes to Financial Statements  
December 31, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Contributions Receivable***

Unconditional contributions receivable that are expected to be collected in future periods are recorded at fair value. Contributions receivable are reflected net of an allowance for uncollectible amounts based on management's judgment and analysis of the creditworthiness of the donors, past payment experience, and other relevant factors and have been discounted, when contributions are due in more than one year. The applicable rate for contributions due in more than one year at December 31, 2020 was 2.25%. There was no discount for contributions receivable at December 31, 2021. Amortization of the discount is reported in the Statement of Activities as a contribution.

#### ***Allowance for Uncollectible Grants and Contributions Receivable***

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specifically known troubled accounts. Management believes all receivables are fully collectible, therefore, no allowance for doubtful accounts is recognized as of December 31, 2021 and 2020.

#### ***Inventory***

Inventories consist of medical supplies used in the operations of BVMI. They are stated at the lower of cost (first-in, first-out basis) or net realizable value. Medical supplies received in-kind are recorded at their fair value in the period received.

#### ***Property and Equipment***

Property and equipment are stated at cost or, if acquired by gift, at the fair value at the date of the gift. BVMI follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$2,500. Depreciation is provided using the straight-line method over the useful lives of the respective assets which range from 3 to 15 years. Leasehold improvements will be amortized using the straight-line method over the life of the lease, or fifteen years.

#### ***Contributions and Promises to Give***

BVMI recognizes contributions when they are received or unconditionally contributed and reports this support as with or without donor restrictions according to donor stipulations that may limit the use of these assets due to time or purpose restrictions. When a donor restriction expires or is otherwise satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

## **Bergen Volunteer Medical Initiative, Inc.**

Notes to Financial Statements  
December 31, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Special Events***

Revenues and expenses incurred relative to special events are recognized upon occurrence of the respective event which is when BVMI has completed its performance obligation. Revenues are shown net of costs of direct benefits to donors.

#### ***In-kind Contributions***

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. The value of contributed time for medical care was \$536,126 and \$390,809 for the years ended December 31, 2021 and 2020. The value of donated non-cash assets was \$167,220 and \$464,370 for the years ended December 31, 2021 and 2020.

#### ***Functional Allocation of Expenses***

The cost of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### ***Accounting for Uncertainty in Income Taxes***

BVMI recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that BVMI had no uncertain tax positions that require financial statement recognition or disclosure. BVMI is no longer subject to examination by the applicable taxing jurisdictions for periods prior to 2018.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 22, 2022.

## Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements  
December 31, 2021 and 2020

### 3. Liquidity and Availability

BVMI monitors the availability of resources to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, BVMI considers all expenditures related to its ongoing mission-related activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

	<u>2021</u>	<u>2020</u>
Cash	\$1,313,400	\$1,065,893
Contributions receivable, net	<u>764,550</u>	<u>383,995</u>
	2,077,950	1,449,888
Less: contributions receivable due in one year or more	<u>(206,666)</u>	<u>(239,000)</u>
	<u>\$1,871,284</u>	<u>\$1,210,888</u>

BVMI manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. As an additional part of its liquidity plan, BVMI has an available line of credit in the amount of \$50,000 of which the full amount remains available at December 31, 2021 and 2020 to meet cash flow needs.

### 4. Contributions Receivable

Contributions receivable as of December 31 consisted of the following:

	<u>2021</u>	<u>2020</u>
Contributions	\$ 764,550	\$ 395,600
Less present value discount	<u>-</u>	<u>(11,605)</u>
	<u>\$ 764,550</u>	<u>\$ 383,995</u>

Contributions receivables are due as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Due in less than one year	\$ 557,884	\$ 156,600
Due in one to five years	<u>206,666</u>	<u>239,000</u>
	<u>\$ 764,550</u>	<u>\$ 395,600</u>

## Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements  
December 31, 2021 and 2020

### 4. Contributions Receivable *(continued)*

Conditional promises to give for 2020 which are not reflected in the accompanying statements of financial position are \$18,784. There were no conditional promises to give as of December 31, 2021.

### 5. Fair Value Measurements

Fair value of assets includes a contribution receivable that is valued on an annual basis due to the payment schedule as defined in the donor's agreement relates to the span of the donor's life. Fair value is determined using the expected contribution payment per year per the donor's agreement and actuarial life expectancy as published by the U.S. Social Security Administration. The fair value of this contributions receivable at December 31, 2020 is \$258,000 and is considered a Level 3 input. There was no calculation required at December 31, 2021. Revenue recognized for the year ended December 31, 2021 and 2020 as a result of re-measurement is \$18,783 and \$40,132.

BVMI recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. A transfer out of Level 3 is deemed to have taken place upon receipt of a contribution receivable payment.

The table below presents information about fair value measurements that use significant unobservable inputs (Level 3):

Balance - January 1, 2020	\$ 317,868
Change in value of pledge receivable	40,132
Transfer out of Level 3	<u>(100,000)</u>
Balance - December 31, 2020	258,000
Change in value of pledge receivable	18,783
Transfer out of Level 3	<u>(276,783)</u>
Balance - December 31, 2021	<u>\$ -</u>



## Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements  
December 31, 2021 and 2020

### 6. Property and Equipment

At December 31, property and equipment consisted of:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 87,354	\$ 87,354
Leasehold improvements	<u>342,474</u>	<u>342,474</u>
	429,828	429,828
Accumulated depreciation and amortization	<u>(186,574)</u>	<u>(152,605)</u>
	<u>\$ 243,254</u>	<u>\$ 277,223</u>

### 7. Paycheck Protection Program Loan Payable

In April 2020, BVMI received loan proceeds in the amount of \$216,495 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period").

On July 20, 2021, the SBA has reviewed and approved BVMI's PPP forgiveness application and no loan proceeds are to be returned.

### 8. Line of Credit

BVMI had a \$50,000 line of credit with TD Bank, N.A. which was unused at December 31, 2021 and 2020. The credit line will automatically renew on September 24, 2022 and is secured by all of BVMI's assets.

### 9. Leased Facilities

On January 29, 2016 BVMI signed a lease with 75 Essex Street Associates, LLC, which commenced on May 1, 2016. BVMI will pay rent plus utilities monthly with rent escalations each year. BVMI has a fifteen-year term with two five-year renewal options incorporated into the lease. On March 7, 2022, BVMI signed a lease amendment for additional space at the existing location. The term for the additional space expires on April 30, 2025, with the option to renew for one three-year term.

Rent expense for the years ended December 31, 2021 and 2020 were \$91,927 and \$95,702.

## Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements  
December 31, 2021 and 2020

### 9. Leased Facilities *(continued)*

The minimum future lease payments which are shown net of a \$60,000 rental abatement over 21 months are as follows:

Year	Amount
2022	\$ 89,827
2023	89,827
2024	89,827
2025	89,827
2026	<u>29,942</u>
	<u>\$ 389,250</u>

### 10. Net Assets

Net assets at December 31 include:

	<u>2021</u>	<u>2020</u>
Without Donor Restrictions		
Undesignated	<u>\$1,356,432</u>	<u>\$1,080,600</u>
With Donor Restrictions		
Time or purpose	<u>\$1,136,031</u>	<u>\$ 396,528</u>

Net assets were released from donor restrictions for the years ended December 31 as follows:

	<u>2021</u>	<u>2020</u>
Net assets released from restrictions		
Due to Program Expenses	\$ 378,136	\$ 549,320
Due to Time Restrictions	<u>3,744</u>	<u>34,050</u>
	<u>\$ 381,880</u>	<u>\$ 583,370</u>

### 11. Risk Concentrations

Financial instruments that potentially subject BVMI to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions and contribution receivables. From time to time, deposits may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. BVMI does not believe that a significant risk of loss due to the failure of a financial institution presently exists. At December 31, 2021 and 2020, the Organization held funds at financial institutions exceeding FDIC limits of \$341,219 and \$0.

## **Bergen Volunteer Medical Initiative, Inc.**

Notes to Financial Statements  
December 31, 2021 and 2020

### **11. Risk Concentrations (continued)**

Total contributions and private grants revenue received from two and three donors aggregated to 24% during 2021 and 89% during 2020. In addition, contributions and grants receivable from three donors in 2021 aggregated to 82% of total contribution and grants receivable. There was no concentration of donors for the year ended December 31, 2020.

### **12. Pension Plan**

BVMI provides a 403(b) Thrift Plan to its employees. The plan provides the employees the opportunity to make salary reduction contributions (including Roth contributions) to the plan. The plan administrator shall determine the employees eligible to become participants. There were no employer contributions made to the plan for the years ended December 31, 2021 and 2020.

### **13. Risks and Uncertainties**

BVMI's operations have been affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitations on the conduct of business. Given the uncertainty around the extent and timing of the potential future spread of mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future changes in net assets, financial position and cash flows.

\* \* \* \* \*

**Bergen Volunteer Medical Initiative, Inc.**

Supplementary Information

December 31, 2021

**Bergen Volunteer Medical Initiative, Inc.**

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Other Federal Awards:				
Indirect Programs:				
U.S. Department of Health and Human Services, Centers for Disease Control and Prevention Bergen County Division of Community Development Telehealth Program	14.218	CDBGCV-BVMI09-20	\$ -	\$ 214,361
The National Alliance for Hispanic Health Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	NH23IP922642	-	<u>22,820</u>
 Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 237,181</u>

See independent auditors' report and notes to schedules of expenditures of federal awards and state financial assistance

**Bergen Volunteer Medical Initiative, Inc.**

Schedule of Expenditures of State Financial Assistance  
Year Ended December 31, 2021

New Jersey State Grantor Department/ Program Title/Name	State Grant Award Number	Grant Award Period	Fiscal Year Grant Expenditures	Total Grant Expenditures to Date
State of New Jersey, Department of Health Dedicated Grant-in-Aid 2021 Dedicated Grant-in-Aid 2022	MGMT21GIA010 MGMT22GIA006	October 1, 2020 - June 30, 2021 July 1, 2021 - June 30, 2022	\$ 218,894 <u>156,464</u>	\$ 300,000 <u>156,464</u>
Total Expenditures of State Awards			<u>\$ 375,358</u>	<u>\$ 456,464</u>

## **Bergen Volunteer Medical Initiative, Inc.**

### Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2021

#### **1. Basis of Presentation**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") includes the federal and state award activity of the Bergen Volunteer Medical Initiative, Inc. under programs of the federal and New Jersey state government for the year ended December 31, 2021. The information in the Schedules are presented in accordance with the requirements of Uniform Guidance and New Jersey Office of Management and Budget Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* ("New Jersey OMB Circular Letter 15-08"). Because the Schedules present only a selected portion of the operations of the Bergen Volunteer Medical Initiative, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Bergen Volunteer Medical Initiative, Inc.

#### **2. Summary of Significant Accounting Policies**

Expenditures are reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular Letter 15-08, wherein certain types of expenditures are not allowable or limited as to reimbursement.

#### **3. Indirect Cost Rate**

The Organization has elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.



**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

**To the Board of Trustees  
Bergen Volunteer Medical Initiative, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bergen Volunteer Medical Initiative, Inc.'s (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bergen Volunteer Medical Initiatives, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bergen Volunteer Medical Initiatives, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Bergen Volunteer Medical Initiatives, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bergen Volunteer Medical Initiatives, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

April 22, 2022

**Bergen Volunteer Medical Initiative, Inc.**

Schedule of Findings and Responses

Year Ended December 31, 2021

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  no

Noncompliance material to financial statements noted?

yes  no

Section II – Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Audit Standards*.

Section III – Status of Prior Year’s Findings

There were no prior year findings.