

Bergen Volunteer Medical Initiative, Inc.

Financial Statements and Supplementary Information
Together With Independent Auditors' Reports

December 31, 2023 and 2022

Bergen Volunteer Medical Initiative, Inc.

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bergen Volunteer Medical Initiative, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years 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 Bergen Volunteer Medical Initiative, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bergen Volunteer Medical Initiative, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

Responsibilities of Management for the Financial Statements (continued)

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 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 auditors' 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 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of 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* is presented on page 19 for purposes of additional analysis and is 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 is 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 17, 2024 on our consideration of 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 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 Bergen Volunteer Medical Initiative, Inc.'s internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
April 17, 2024

Bergen Volunteer Medical Initiative, Inc.

Statements of Financial Position

	December 31,	
	2023	2022
ASSETS		
Cash	\$1,964,869	\$1,588,971
Contributions receivable, net	417,690	592,423
Grants receivable	150,000	87,609
Employee Retention Tax Credit receivable	-	676,418
Prepaid expenses	30,766	33,129
Inventory - supplies	3,225	2,656
Property and equipment, net	227,445	245,774
Operating leases - right of use asset, net	1,715,693	1,806,286
Security deposit	14,403	14,403
	<u>\$4,524,091</u>	<u>\$5,047,669</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 13,177	\$ 79,555
Accrued expenses	129,065	116,317
Deferred revenue	1,000	-
Operating leases liability	1,808,341	1,879,575
Total Liabilities	<u>1,951,583</u>	<u>2,075,447</u>
Net Assets		
Without donor restrictions	1,652,261	2,083,608
With donor restrictions	920,247	888,614
Total Net Assets	<u>2,572,508</u>	<u>2,972,222</u>
	<u>\$4,524,091</u>	<u>\$5,047,669</u>

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statements of Activities

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 507,600	\$ 1,148,029	\$ 1,655,629	\$ 584,613	\$ 885,138	\$ 1,469,751
Government grants	274,783	-	274,783	442,819	-	442,819
Donated services	692,245	-	692,245	406,472	-	406,472
Donated goods	352,980	-	352,980	317,560	-	317,560
Special events (net of expenses of \$120,601 and \$110,012)	260,367	-	260,367	299,242	-	299,242
Employee Retention Tax Credit refund	-	-	-	632,440	-	632,440
Miscellaneous income	61,337	-	61,337	52,513	-	52,513
Net assets released from restriction	<u>1,116,396</u>	<u>(1,116,396)</u>	<u>-</u>	<u>1,132,555</u>	<u>(1,132,555)</u>	<u>-</u>
Total Support and Revenue	<u>3,265,708</u>	<u>31,633</u>	<u>3,297,341</u>	<u>3,868,214</u>	<u>(247,417)</u>	<u>3,620,797</u>
EXPENSES						
Program services	2,960,381	-	2,960,381	2,555,419	-	2,555,419
Supporting Services						
Management and general	304,903	-	304,903	302,941	-	302,941
Fundraising	<u>431,771</u>	<u>-</u>	<u>431,771</u>	<u>282,678</u>	<u>-</u>	<u>282,678</u>
Total Expenses	<u>3,697,055</u>	<u>-</u>	<u>3,697,055</u>	<u>3,141,038</u>	<u>-</u>	<u>3,141,038</u>
Change in Net Assets	(431,347)	31,633	(399,714)	727,176	(247,417)	479,759
NET ASSETS						
Beginning of Year	<u>2,083,608</u>	<u>888,614</u>	<u>2,972,222</u>	<u>1,356,432</u>	<u>1,136,031</u>	<u>2,492,463</u>
End of Year	<u>\$ 1,652,261</u>	<u>\$ 920,247</u>	<u>\$ 2,572,508</u>	<u>\$ 2,083,608</u>	<u>\$ 888,614</u>	<u>\$ 2,972,222</u>

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statement of Functional Expenses
Year Ended December 31, 2023

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Payroll	\$ 1,470,014	\$ 141,208	\$ 221,545	\$ 362,753	\$ 1,832,767
Payroll taxes	83,839	8,198	73,758	81,956	165,795
Employee benefits	<u>44,522</u>	<u>100</u>	<u>15,230</u>	<u>15,330</u>	<u>59,852</u>
Total Salaries and Related Expenses	1,598,375	149,506	310,533	460,039	2,058,414
Donated services	608,976	69,489	13,780	83,269	692,245
Donated goods	343,945	84	8,951	9,035	352,980
Medical supplies	26,666	-	-	-	26,666
Accounting	-	20,000	-	20,000	20,000
Insurance	6,964	9,230	-	9,230	16,194
Office expense/supplies	16,577	11,360	6,638	17,998	34,575
Postage and delivery	1,475	142	1,725	1,867	3,342
Registration, fees and taxes	13,142	281	5,999	6,280	19,422
Printing and reproduction	13,423	1,282	14,800	16,082	29,505
Rent	117,306	2,529	10,265	12,794	130,100
Repairs and maintenance	28,451	2,236	3,258	5,494	33,945
Utilities	13,737	979	99	1,078	14,815
Computer and technology	23,848	319	10,073	10,392	34,240
Telephone	9,692	124	1,094	1,218	10,910
Fundraising	-	-	120,601	120,601	120,601
Bank charges	-	5,835	-	5,835	5,835
Consulting fees	110,699	29,037	36,174	65,211	175,910
Advertising	2,980	349	2,109	2,458	5,438
Meetings and conferences	<u>1,998</u>	<u>-</u>	<u>1,794</u>	<u>1,794</u>	<u>3,792</u>
Total Expenses Before Depreciation and Amortization	2,938,254	302,782	547,893	850,675	3,788,929
Depreciation and amortization	<u>22,127</u>	<u>2,121</u>	<u>4,479</u>	<u>6,600</u>	<u>28,727</u>
Total Expenses Before Special Events	2,960,381	304,903	552,372	857,275	3,817,656
Less expenses included with special events revenue in the statements of activities	<u>-</u>	<u>-</u>	<u>120,601</u>	<u>120,601</u>	<u>120,601</u>
Total Expenses	<u>\$ 2,960,381</u>	<u>\$ 304,903</u>	<u>\$ 431,771</u>	<u>\$ 736,674</u>	<u>\$ 3,697,055</u>

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statement of Functional Expenses
Year Ended December 31, 2022

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 1,360,184	\$ 115,060	\$ 77,003	\$ 192,063	\$ 1,552,247
Payroll taxes	75,118	8,315	65,903	74,218	149,336
Employee benefits	<u>37,694</u>	<u>55</u>	<u>7,607</u>	<u>7,662</u>	<u>45,356</u>
Total Salaries and Related Expenses	1,472,996	123,430	150,513	273,943	1,746,939
Donated services	358,056	43,566	4,850	48,416	406,472
Donated goods	313,939	1,170	2,451	3,621	317,560
Medical supplies	31,111	-	-	-	31,111
Accounting	-	16,500	-	16,500	16,500
Insurance	6,901	9,406	-	9,406	16,307
Office expense/supplies	19,743	10,785	5,365	16,150	35,893
Postage and delivery	1,040	1,208	1,682	2,890	3,930
Registration, fees and taxes	2,267	283	3,375	3,658	5,925
Printing and reproduction	12,677	1,150	15,685	16,835	29,512
Rent	121,803	1,776	3,298	5,074	126,877
Repairs and maintenance	17,866	1,457	3,038	4,495	22,361
Utilities	13,594	307	40	347	13,941
Computer and technology	25,882	748	8,086	8,834	34,716
Telephone	9,920	82	860	942	10,862
Fundraising	-	-	110,012	110,012	110,012
Bank charges	-	4,303	-	4,303	4,303
Consulting fees	116,286	84,524	76,916	161,440	277,726
Advertising	4,204	-	462	462	4,666
Meetings and conferences	<u>3,327</u>	<u>-</u>	<u>453</u>	<u>453</u>	<u>3,780</u>
Total Expenses Before					
Depreciation and Amortization	2,531,612	300,695	387,086	687,781	3,219,393
Depreciation and amortization	<u>23,807</u>	<u>2,246</u>	<u>5,604</u>	<u>7,850</u>	<u>31,657</u>
Total Expenses Before Special Events	2,555,419	302,941	392,690	695,631	3,251,050
Less expenses included with special events revenue in the statements of activities	<u>-</u>	<u>-</u>	<u>110,012</u>	<u>110,012</u>	<u>110,012</u>
Total Expenses	<u>\$ 2,555,419</u>	<u>\$ 302,941</u>	<u>\$ 282,678</u>	<u>\$ 585,619</u>	<u>\$ 3,141,038</u>

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statements of Cash Flows

	Year Ended December 31	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (399,714)	\$ 479,759
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	28,727	31,657
Amortization of operating leases - right of use asset	90,593	174,112
Changes in operating assets and liabilities		
Contribution receivables	174,733	172,127
Grants receivable	(62,391)	220,808
Employee Retention Tax Credit receivable	676,418	(676,418)
Prepaid expenses	2,363	(6,558)
Inventory - supplies	(569)	393
Accounts payable	(66,378)	66,216
Accrued expenses	12,748	2,911
Deferred revenue	1,000	(2,500)
Deferred rent liability	-	(51,211)
Lease liabilities for operating leases	<u>(71,234)</u>	<u>(101,548)</u>
Net Cash from Operating Activities	386,296	309,748
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(10,398)</u>	<u>(34,177)</u>
Net Change in Cash	375,898	275,571
 CASH		
Beginning of year	<u>1,588,971</u>	<u>1,313,400</u>
End of year	<u>\$ 1,964,869</u>	<u>\$ 1,588,971</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right of use asset obtained in exchange for lease obligations	\$ -	\$ 1,891,832

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

1. Nature of Organization

The mission of 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 as well as 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.

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.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

Revenue Recognition (continued)

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.

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, 2023 and 2022 was 4.28% and 4.73%. Amortization of the discount is reported in the statement of activities as a contribution.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

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 at December 31, 2023 and 2022.

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 are amortized using the straight-line method over the shorter of the life of the lease or fifteen years.

Leases

BVMI determines if an arrangement is or contains a lease at inception. Leases are included in the right of use ("ROU") assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. BVMI does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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, 2023 and 2022

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

Contributed, non-cash assets for the years ended December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Medical Supplies	\$ 239,292	\$ 203,337
Software	84,008	78,589
Dues and subscriptions	21,486	35,634
Postage	<u>8,194</u>	<u>-</u>
	<u>\$ 352,980</u>	<u>\$ 317,560</u>

Contributions of medical supplies are used as part of BVMI's mission to providing free medical care. Contributed software are typically licenses to use office and medical software that assist with the daily operation of the facility. Contributed dues and subscriptions are used to cover various costs related to annual fees for software and memberships in affinity groups. Contributed postage assists with shipping costs incurred with mailing out communications.

Contributions of donated non-cash assets are recorded at their fair value in the period received, on the basis of the estimated wholesale value that would be received for selling similar products in the United States.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

In-kind Contributions (continued)

Contributed services for the years ended December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Medical services	\$ 427,425	\$ 250,503
Medical support	172,810	107,553
Data analytics	40,716	43,566
Marketing and events	24,430	4,850
Legal services	26,364	-
Other supporting services	<u>500</u>	<u>-</u>
	<u>\$ 692,245</u>	<u>\$ 406,472</u>

Contributions of donated services are those 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. These are recorded at their fair value in the period received, on the basis of the market hourly rate of compensation for an employee or contractor possessing similar skills.

Functional Allocation of Expenses

The cost of providing the various programs and activities has 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. Management determines the allocation of salaries and related expenses based on time and effort. Direct costs related to programs, which consist of expenses related to providing free medical care, are allocated directly to program expenses. Rent and depreciation and amortization expenses are allocated according to the division of office space to applicable activities.

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 years prior to 2020.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

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 17, 2024.

3. Liquidity and Availability of Financial Resources

BVMI monitors the availability of financial 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>2023</u>	<u>2022</u>
Cash	\$ 1,964,869	\$ 1,588,971
Contributions receivable, net	417,690	592,423
Grants receivable	150,000	87,609
Employee Retention Tax Credit receivable	-	676,418
	<u>2,532,559</u>	<u>2,945,421</u>
Less: net assets with donor restrictions	<u>(920,247)</u>	<u>(888,614)</u>
	<u>\$ 1,612,312</u>	<u>\$ 2,056,807</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, 2023 and 2022 to meet cash flow needs.

4. Contributions Receivable

Contributions receivable at December 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Contributions	\$ 419,323	\$ 596,361
Less: present value discount	<u>(1,633)</u>	<u>(3,938)</u>
	<u>\$ 417,690</u>	<u>\$ 592,423</u>

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

4. Contributions Receivable (continued)

Contributions receivable are due as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 384,323	\$ 516,966
Due in one to five years	<u>35,000</u>	<u>79,395</u>
	<u>\$ 419,323</u>	<u>\$ 596,361</u>

There were no conditional promises to give at December 31, 2023 and 2022.

5. Property and Equipment

At December 31, property and equipment consisted of:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 87,354	\$ 87,354
Leasehold improvements	342,474	342,474
Construction in progress	<u>44,575</u>	<u>34,177</u>
	474,403	464,005
Accumulated depreciation and amortization	<u>(246,958)</u>	<u>(218,231)</u>
	<u>\$ 227,445</u>	<u>\$ 245,774</u>

6. Employee Retention Tax Credit

In 2022, BVMI qualified for the Employee Retention Tax Credit ("ERTC") and recognized \$632,440 as a receivable for the ERTC, as well as \$43,978 in interest receivable from the Internal Revenue Service related to the claim, and \$63,244 payable for professional fees related to processing the claim. The net benefit to BVMI was \$613,174 for the year ended December 31, 2022. The ERTC refunds were received in January and February 2023, and the related payable was also paid concurrently.

BVMI's claim to the ERTC is subject to audit for five years from the date of the filing of the amended payroll tax returns. If BVMI's ERTC is audited, the government may determine that the organization did not meet the criteria to apply for the ERTC. In such a circumstance, the BVMI may have to return all or a portion of the ERTC it has received.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

7. Line of Credit

BVMI had a \$50,000 line of credit with TD Bank, N.A. which was unused at December 31, 2023 and 2022. The credit line will automatically renew on September 24, 2024 and is secured by all of BVMI's assets.

8. Leases

BVMI evaluated current contracts to determine which met the criteria of a lease. The right of use ("ROU") assets represent BVMI's right to use underlying assets for the lease term, and the lease liabilities represent BVMI's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. BVMI has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

BVMI's operating leases consist primarily of real estate leases for two floors of office space located in Hackensack, New Jersey. In 2016, BVMI signed a fifteen-year lease for office space 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. Management expect to exercise all renewal options.

Rent expense for the years ended December 31, 2023 and 2022 was \$130,100 and \$126,877.

Information associated with the measurement of BVMI's operating lease obligations as of December 31 are as follows:

	2023	2022
Weighted average lease term in years for operating leases	17.01	17.95
Weighted average discount rate for operating leases	2.02%	2.03%

Supplemental cash flow information related to leases was as follows for the years ended December 31:

	2023	2022
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 108,532	\$ 101,453

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

8. Leases (continued)

Future maturities of lease liabilities as follows at December 31, 2023 for the fiscal years ended December 31:

2024	\$ 111,453
2025	114,452
2026	115,458
2027	116,283
2028	112,209
Thereafter	<u>1,587,601</u>
	2,157,456
Less: Imputed Interest	<u>(349,115)</u>
	<u>\$ 1,808,341</u>

9. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 include:

	<u>2023</u>	<u>2022</u>
With Donor Restrictions		
Purpose restrictions	\$ 721,913	\$ 691,947
Time restrictions	<u>198,334</u>	<u>196,667</u>
	<u>\$ 920,247</u>	<u>\$ 888,614</u>

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

	<u>2023</u>	<u>2022</u>
Net assets released from restrictions		
Due to program expenses	\$ 835,895	\$ 833,222
Due to time restrictions	<u>280,501</u>	<u>299,333</u>
	<u>\$ 1,116,396</u>	<u>\$ 1,132,555</u>

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

10. Concentration of Credit Risks

Financial instruments that potentially subject BVMI to concentrations of credit and market risk consist principally of cash on deposit with financial institutions. Deposits held at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, cash balances may exceed the FDIC limit. At December 31, 2023 and 2022, BVMI's uninsured cash balances on deposit totaled approximately \$94,000 and \$77,000.

Total contributions and private grants revenue received from one donor aggregated to 12% during 2023 and 10% during 2022. In addition, contributions and grants receivable from three and four donors aggregated to 45% of total contribution and grants receivable at December 31, 2023 and 67% at December 31, 2022.

11. 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, 2023 and 2022.

* * * * *

Bergen Volunteer Medical Initiative, Inc.

Supplementary Information

December 31, 2023

Bergen Volunteer Medical Initiative, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2023

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 2023	MGMT23GIA006	July 1, 2022 - June 30, 2023	\$ 124,783	\$ 300,000
Dedicated Grant-in-Aid 2024	MGMT24GIA004	July 1, 2023 - June 30, 2024	<u>150,000</u>	<u>150,000</u>
Total Expenditures of State Awards			<u>\$ 274,783</u>	<u>\$ 450,000</u>

Note - Not-for-profit organizations that expend \$750,000 or more of federal funds are required to have an audit performed in accordance with the Single Audit, Subpart F of the Uniform Guidance. The Organization did not meet that threshold, but had an audit performed in accordance with *Government Auditing Standards* and New Jersey OMB Circular Letter 15-08 for State Financial Assistance.

Bergen Volunteer Medical Initiative, Inc.

Notes to Schedule of
State Financial Assistance
Year Ended December 31, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the state award activity of Bergen Volunteer Medical Initiative, Inc. under programs of the New Jersey state government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of the 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 Schedule presents only a selected portion of the operations of 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 Bergen Volunteer Medical Initiative, Inc.

2. Summary of Significant Accounting Policies

Expenditures are reported on the Schedule on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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 New Jersey OMB Circular Letter 15-08.

**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***

Independent Auditors' Report

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 Bergen Volunteer Medical Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Bergen Volunteer Medical Initiatives, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
April 17, 2024

Bergen Volunteer Medical Initiative, Inc.

Schedule of Findings and Responses
Year Ended December 31, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

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*.