

Bergen Volunteer Medical Initiative, Inc.

Financial Statements and Supplementary Information
Together With Independent Auditors' Reports

December 31, 2025 and 2024

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, 2025 and 2024 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 present fairly, in all material respects, the financial position of Bergen Volunteer Medical Initiative, Inc. as of December 31, 2025 and 2024, 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 Federal Awards and State Financial Assistance, presented under New Jersey OMB Circular Letter 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* is presented on pages 17 and 18 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 15, 2026 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 15, 2026

Bergen Volunteer Medical Initiative, Inc.

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$2,126,434	\$2,038,752
Contributions receivable, net	2,493,519	1,237,787
Grants receivable	200,500	180,284
Prepaid expenses	23,975	25,950
Inventory - supplies	3,736	3,736
Property and equipment, net	593,962	231,726
Operating leases - right of use asset, net	1,870,361	1,558,021
Funds held by others	48,141	47,402
Security deposit	<u>27,489</u>	<u>21,352</u>
	<u>\$7,388,117</u>	<u>\$5,345,010</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 16,445	\$ 16,802
Accrued expenses	86,218	102,546
Deferred revenue	-	1,000
Operating leases liability	2,001,190	1,745,984
Annuities payable	<u>42,428</u>	<u>44,610</u>
Total Liabilities	<u>2,146,281</u>	<u>1,910,942</u>
 Net Assets		
Without donor restrictions	2,618,349	1,463,097
With donor restrictions	<u>2,623,487</u>	<u>1,970,971</u>
Total Net Assets	<u>5,241,836</u>	<u>3,434,068</u>
	<u>\$7,388,117</u>	<u>\$5,345,010</u>

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statements of Activities

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 1,656,954	\$ 2,123,000	\$ 3,779,954	\$ 974,231	\$ 2,022,841	\$ 2,997,072
Government grants	1,125,726	-	1,125,726	511,321	-	511,321
Donated services	688,451	-	688,451	738,382	-	738,382
Donated goods	267,377	-	267,377	171,576	-	171,576
Special events (net of expenses of \$119,967 and \$136,375)	268,767	-	268,767	366,715	-	366,715
Miscellaneous income	70,796	-	70,796	30,080	-	30,080
Net assets released from restriction	<u>1,470,484</u>	<u>(1,470,484)</u>	<u>-</u>	<u>972,117</u>	<u>(972,117)</u>	<u>-</u>
Total Support and Revenue	<u>5,548,555</u>	<u>652,516</u>	<u>6,201,071</u>	<u>3,764,422</u>	<u>1,050,724</u>	<u>4,815,146</u>
EXPENSES						
Program services	3,590,542	-	3,590,542	3,217,596	-	3,217,596
Supporting Services						
Management and general	363,872	-	363,872	294,310	-	294,310
Fundraising	<u>438,889</u>	<u>-</u>	<u>438,889</u>	<u>441,680</u>	<u>-</u>	<u>441,680</u>
Total Expenses	<u>4,393,303</u>	<u>-</u>	<u>4,393,303</u>	<u>3,953,586</u>	<u>-</u>	<u>3,953,586</u>
Change in Net Assets	1,155,252	652,516	1,807,768	(189,164)	1,050,724	861,560
NET ASSETS						
Beginning of Year	<u>1,463,097</u>	<u>1,970,971</u>	<u>3,434,068</u>	<u>1,652,261</u>	<u>920,247</u>	<u>2,572,508</u>
End of Year	<u>\$ 2,618,349</u>	<u>\$ 2,623,487</u>	<u>\$ 5,241,836</u>	<u>\$ 1,463,097</u>	<u>\$ 1,970,971</u>	<u>\$ 3,434,068</u>

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statements of Functional Expenses

	Year Ended December 31, 2025					Year Ended December 31, 2024				
	Supporting Services				Total Expenses	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services		Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 2,050,961	\$ 128,716	\$ 158,982	\$ 287,698	\$ 2,338,659	\$ 1,706,423	\$ 142,671	\$ 172,255	\$ 314,926	\$ 2,021,349
Payroll taxes	181,418	11,377	14,067	25,444	206,862	96,421	9,566	86,186	95,752	192,173
Employee benefits	45,122	9,252	14,355	23,607	68,729	39,943	1,019	25,731	26,750	66,693
Total Salaries and Related Expenses	2,277,501	149,345	187,404	336,749	2,614,250	1,842,787	153,256	284,172	437,428	2,280,215
Donated services	642,338	37,559	8,554	46,113	688,451	717,397	17,985	3,000	20,985	738,382
Donated goods	259,276	-	8,101	8,101	267,377	159,346	200	12,030	12,230	171,576
Medical supplies	4,507	-	-	-	4,507	28,883	-	-	-	28,883
Accounting	-	42,420	-	42,420	42,420	-	26,250	-	26,250	26,250
Insurance	23,042	3,474	-	3,474	26,516	8,293	10,992	-	10,992	19,285
Office expense/supplies	55,136	73,007	2,564	75,571	130,707	18,887	32,592	12,791	45,383	64,270
Postage and delivery	-	2,622	-	2,622	2,622	984	804	1,541	2,345	3,329
Registration, fees and taxes	4,758	4,919	4,481	9,400	14,158	9,886	297	4,327	4,624	14,510
Printing and reproduction	16,659	1,262	17,058	18,320	34,979	18,845	1,884	20,810	22,694	41,539
Rent	81,012	1,667	7,098	8,765	89,777	194,573	11,939	12,758	24,697	219,270
Repairs and maintenance	26,389	1,488	1,964	3,452	29,841	11,882	2,775	7,784	10,559	22,441
Utilities	23,048	6,460	949	7,409	30,457	13,119	1,983	107	2,090	15,209
Computer and technology	47,487	11,927	19,828	31,755	79,242	32,412	863	18,551	19,414	51,826
Telephone	16,149	2,195	5,717	7,912	24,061	14,323	463	3,674	4,137	18,460
Fundraising	-	-	119,967	119,967	119,967	-	-	136,375	136,375	136,375
Bank charges	-	26	4,729	4,755	4,755	-	8,383	1,924	10,307	10,307
Consulting fees	89,016	23,109	168,106	191,215	280,231	118,925	21,568	54,835	76,403	195,328
Advertising	-	-	-	-	-	2,810	-	1,047	1,047	3,857
Meetings and conferences	2,736	321	6	327	3,063	3,791	-	98	98	3,889
Total Expenses Before Depreciation and Amortization	3,569,054	361,801	556,526	918,327	4,487,381	3,197,143	292,234	575,824	868,058	4,065,201
Depreciation and amortization	21,488	2,071	2,330	4,401	25,889	20,453	2,076	2,231	4,307	24,760
Total Expenses Before Special Events	3,590,542	363,872	558,856	922,728	4,513,270	3,217,596	294,310	578,055	872,365	4,089,961
Less expenses included with special events revenue in the statements of activities	-	-	119,967	119,967	119,967	-	-	136,375	136,375	136,375
Total Expenses	\$ 3,590,542	\$ 363,872	\$ 438,889	\$ 802,761	\$ 4,393,303	\$ 3,217,596	\$ 294,310	\$ 441,680	\$ 735,990	\$ 3,953,586

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Statements of Cash Flows

	Year Ended December 31	
	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,807,768	\$ 861,560
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	25,889	24,760
Discount on contributions receivable	27,772	35,063
Realized (gain) on sale of investments	(810)	-
Amortization of operating leases - right of use asset	249,742	157,672
Bad debt expense	12,500	-
Changes in operating assets and liabilities		
Contributions receivable	(1,296,004)	(855,160)
Grants receivable	(20,216)	(30,284)
Prepaid expenses	1,975	4,816
Inventory - supplies	-	(511)
Funds held by others	(739)	(47,402)
Security deposit	(6,137)	(6,949)
Accounts payable	(357)	3,625
Accrued expenses	(16,328)	(26,519)
Deferred revenue	(1,000)	-
Operating leases liability	(306,876)	(62,357)
Annuities payable	(2,182)	44,610
Net Cash from Operating Activities	<u>474,997</u>	<u>102,924</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of sales of investments	72,868	-
Purchases of investments	(72,058)	-
Acquisition of property and equipment	(388,125)	(29,041)
Net Cash from Investing Activities	<u>(387,315)</u>	<u>(29,041)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	25,000	-
Repayments of line of credit	(25,000)	-
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	87,682	73,883
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,038,752</u>	<u>1,964,869</u>
End of year	<u>\$ 2,126,434</u>	<u>\$ 2,038,752</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right of use asset obtained in exchange for lease obligations	\$ 317,280	\$ 30,120

See notes to financial statements

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

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, 2025 and 2024

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.

Cash Equivalents

Cash equivalents include all cash and highlight liquid debt instruments with a maturity of 90 days or less at the time of purchase.

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, 2025 and 2024 was 3.47% and 4.25%. Amortization of the discount is reported in the statements of activities as a contribution.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

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, 2025 and 2024.

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.

Funds Held by Others and Annuities Payable

Included in the assets of BVMI are investments in annuity income funds arising from contributions which are subject to agreements to pay donors a fixed annuity over the remainder of their lives. These funds are managed by an external party who acts as custodian of the assets. The net present value of the actuarially expected annuity payments is recorded as a liability. The liabilities are adjusted annually for accretion of the discount and changes in actuarial assumptions.

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.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

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

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 statements of activities as net assets released from restriction.

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, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Medical Supplies	\$ 259,276	\$ 62,643
Software	-	78,734
Dues and subscriptions	-	19,971
Postage	<u>8,101</u>	<u>10,228</u>
	<u>\$ 267,377</u>	<u>\$ 171,576</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, 2025 and 2024

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

In-kind Contributions (continued)

Contributed services for the years ended December 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Medical services	\$ 423,360	\$ 437,514
Medical support	218,978	248,301
Data analytics	12,215	23,452
Marketing and events	8,554	8,880
Legal services	19,794	17,985
Other supporting services	<u>5,550</u>	<u>2,250</u>
	<u>\$ 688,451</u>	<u>\$ 738,382</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 2022.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

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 15, 2026.

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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,126,434	\$ 2,038,752
Contributions receivable, net	2,493,519	1,237,787
Grants receivable	<u>200,500</u>	<u>180,284</u>
	4,820,453	3,456,823
Less: net assets with donor restrictions	<u>(2,623,487)</u>	<u>(1,970,971)</u>
	<u>\$ 2,196,966</u>	<u>\$ 1,485,852</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, 2025 and 2024 to meet cash flow needs.

4. Contributions Receivable

Contributions receivable at December 31 consisted of the following:

	<u>2025</u>	<u>2024</u>
Contributions	\$ 2,557,987	\$ 1,274,483
Less: present value discount	<u>(64,468)</u>	<u>(36,696)</u>
	<u>\$ 2,493,519</u>	<u>\$ 1,237,787</u>

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

4. Contributions Receivable *(continued)*

Contributions receivable are due as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Due in less than one year	\$ 1,306,500	\$ 737,871
Due in one to five years	<u>1,251,487</u>	<u>536,612</u>
	<u>\$ 2,557,987</u>	<u>\$ 1,274,483</u>

There were no conditional promises to give at December 31, 2025 and 2024.

5. Property and Equipment

At December 31, property and equipment consisted of:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 91,233	\$ 91,234
Leasehold improvements	379,150	375,305
Construction in progress	<u>421,186</u>	<u>36,905</u>
	891,569	503,444
Accumulated depreciation and amortization	<u>(297,607)</u>	<u>(271,718)</u>
	<u>\$ 593,962</u>	<u>\$ 231,726</u>

6. Line of Credit

BVMI had a \$50,000 line of credit with TD Bank, N.A. which had no open balance at December 31, 2025 and 2024. The credit line will automatically renew on September 24, 2025 and is secured by all of BVMI's assets.

7. 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.

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

7. Leases (continued)

BVMI's operating leases consist primarily of two real estate leases of office space located in Hackensack, New Jersey and Garfield, New Jersey. In 2016, BVMI signed a fifteen-year lease for office space in Hackensack with two five-year renewal options incorporated into the lease. On March 7, 2022, BVMI signed a lease amendment for additional space on a different floor at the Hackensack existing location. On May 6, 2024, BVMI signed a second lease amendment, which removed the leased space added during the previous amendment and added additional office space on the same floor leased in the initial agreement. The term and renewal options remain the same as with the initial lease. Management expect to exercise all renewal options. On August 27, 2025, BVMI signed a five-year lease for office space in Garfield with an additional five-year renewal option. At present, Management cannot determine if they will exercise this renewal option.

Rent expense for the years ended December 31, 2025 and 2024 was \$89,777 and \$219,270.

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

	2025	2024
Weighted average lease term in years for operating leases	13.68	16.29
Weighted average discount rate for operating leases	4.51%	4.63%

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

	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 144,114	\$ 121,799

Future maturities of lease liabilities are as follows at December 31, 2025 for the fiscal years ended December 31:

2026	\$	204,253
2027		205,621
2028		208,379
2029		212,511
2030		199,106
Thereafter		1,714,293
		2,744,163
Less: Imputed Interest		(742,973)
		\$ 2,001,190

Bergen Volunteer Medical Initiative, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

8. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 include:

	<u>2025</u>	<u>2024</u>
With Donor Restrictions		
Purpose restrictions	\$ 1,953,487	\$ 1,772,637
Time restrictions	<u>670,000</u>	<u>198,334</u>
	<u>\$ 2,623,487</u>	<u>\$ 1,970,971</u>

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

	<u>2025</u>	<u>2024</u>
Net assets released from restrictions		
Due to program expenses	\$ 1,245,913	\$ 691,616
Due to time restrictions	<u>224,571</u>	<u>280,501</u>
	<u>\$ 1,470,484</u>	<u>\$ 972,117</u>

9. 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, 2024, BVMI's uninsured cash balances on deposit totaled approximately \$104,000. There were no uninsured cash balances on deposit at December 31, 2025.

Total contributions and private grants revenue received from two donors aggregated to 53% during 2025 and three donors approximated 41% during 2024. In addition, contributions and grants receivable from three donors aggregated to 80% of total contribution and grants receivable at December 31, 2025 and 77% at December 31, 2024.

10. 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, 2025 and 2024.

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Bergen Volunteer Medical Initiative, Inc.

Supplementary Information

December 31, 2025

Bergen Volunteer Medical Initiative, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal Expenditures
Other Federal Awards:				
American Rescue Plan Act Funding				
Passed through from the County of Bergen via County Health Infrastructure Funding Program				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	\$ -	\$ 469,215

Note - Not-for-profit organizations that expend \$1,000,000 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 25-12 for State Financial Assistance.

Bergen Volunteer Medical Initiative, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2025

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 2025	MGMT25GIA010	July 1, 2024 - June 30, 2025	\$ 398,505	\$ 750,000
Dedicated Grant-in-Aid 2026	MGMT26GIA014	July 1, 2025 - June 30, 2026	<u>250,006</u>	<u>250,006</u>
Subtotal			648,511	1,000,006
State of New Jersey, Office of the Secretary of Higher Education				
Career Accelerator Internship Grant Program	25 100 074 2400 076	May 1, 2025 - August 30, 2025	<u>8,000</u>	<u>8,000</u>
 Total Expenditures of State Financial Assistance			 <u>\$ 656,511</u>	 <u>\$ 1,008,006</u>

Note - Not-for-profit organizations that expend \$1,000,000 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 25-12 for State Financial Assistance.

Bergen Volunteer Medical Initiative, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2025

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 Bergen Volunteer Medical Initiative, Inc. under programs of the federal and New Jersey state government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance and New Jersey Office of Management and Budget Circular Letter 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* ("New Jersey OMB Circular Letter 25-12"). 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 Schedules 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 25-12, 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 and New Jersey OMB Circular Letter 25-12.

**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, 2025, 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 15, 2026.

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 15, 2026

Bergen Volunteer Medical Initiative, Inc.

Schedule of Findings and Responses
Year Ended December 31, 2025

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 none reported

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*.