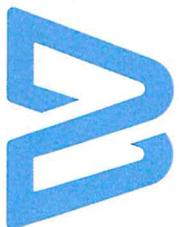


FAIRVIEW
TOWNSHIP **EMS**

YEARS ENDED
DECEMBER 31, 2023 AND 2022



Brown Plus
ACCOUNTANTS + ADVISORS

FAIRVIEW TOWNSHIP EMERGENCY MEDICAL SERVICES, INC.

YEARS ENDED DECEMBER 31, 2023 AND 2022

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Independent Auditor's Report

Officers
Fairview Township Emergency Medical Service, Inc.
New Cumberland, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fairview Township Emergency Medical Service, Inc. (the Organization), which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2023 and 2022 and the related statements of revenues, expenses and changes in net assets – modified cash basis 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 assets, liabilities and net assets of Fairview Township Emergency Medical Service, Inc. as of December 31, 2023 and 2022, and its revenues, expenses and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Organization, 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.

Emphasis of Matter — Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

FAIRVIEW TOWNSHIP EMERGENCY MEDICAL SERVICES, INC.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
(Modified cash basis)
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets, cash	<u>\$ 346,345</u>	<u>\$ 432,910</u>
Property and equipment	1,025,430	1,021,908
Accumulated depreciation	<u>(683,186)</u>	<u>(609,611)</u>
Net property and equipment	<u>342,244</u>	<u>412,297</u>
Total assets	<u>\$ 688,589</u>	<u>\$ 845,207</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Payroll withholdings	\$ 2,952	\$ 2,683
Current portion of long-term debt	<u>27,062</u>	<u>25,956</u>
Total current liabilities	30,014	28,639
Long-term liabilities, long-term debt net of current portion	<u>20,386</u>	<u>95,814</u>
Total liabilities	50,400	124,453
Net assets without donor restrictions	<u>638,189</u>	<u>720,754</u>
Total liabilities and net assets	<u>\$ 688,589</u>	<u>\$ 845,207</u>

See notes to financial statements.

FAIRVIEW TOWNSHIP EMERGENCY MEDICAL SERVICES, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (CONTINUED)
(Modified cash basis)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Expenses (continued):		
Uniforms	\$ 4,666	\$ 5,347
Training	9,140	4,337
Postage	7,401	6,908
Equipment rental	6,235	5,511
Telephone	6,105	5,639
Bank charges	14,658	10,691
Dues and subscriptions	3,084	2,104
Interest expense	1,434	1,338
Fundraising expenses	1,001	369
Utilities	1,419	1,656
	<u>1,081,995</u>	<u>1,065,805</u>
Total expenses		
Changes in net assets before loss on disposal of assets	(82,565)	(58,928)
Loss on disposal of assets		<u>1,016</u>
Changes in net assets without donor restrictions	(82,565)	(59,944)
Net assets without donor restrictions:		
Beginning of year	<u>720,754</u>	<u>780,698</u>
End of year	<u><u>\$ 638,189</u></u>	<u><u>\$ 720,754</u></u>

See notes to financial statements.

FAIRVIEW TOWNSHIP EMERGENCY MEDICAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (Modified cash basis) YEARS ENDED DECEMBER 31, 2023 AND 2022

1. Nature of organization and summary of significant accounting policies (continued):

Concentrations of risk:

The Organization's patients are mostly residents of Fairview Township which it services. The collectability of the Organization's billable services fees, therefore, are dependent upon the economic health of the residents, their employers and their medical insurance carriers, especially the federal Medicare and Medicaid programs. Revenue could be negatively affected by the regulations and laws that determine reimbursements under Medicare and other insurance programs. These policies could also jeopardize future revenue.

The Organization received approximately 17% of its 2023 and 2022 revenues from tax revenues assessed and contributions by Fairview Township as described in Note 4. The continued availability of these revenues is dependent upon the Township's ability to assess and collect the tax revenues and the Organization's compliance with Township funding requirements.

The Organization's cash deposits are held at one bank and are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time during the year, the Organization may have balances in excess of \$250,000; therefore, amounts in excess of \$250,000 are uninsured and uncollateralized. The cash balances at this financial institution at December 31, 2023 and 2022 exceeded federal insured limits by \$118,992 and \$197,982, respectively.

Property and equipment:

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over useful lives of five to ten years for property and equipment, except a 25-year life is being used for leasehold improvements. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged against income as paid; significant acquisitions and improvements are capitalized.

Donated goods and services:

The time of the many volunteers is donated to the Organization. The value of these contributed services is not included in these financial statements because it does not meet the criteria for recognition as contributed services and is not normally recognized under the modified cash basis of accounting.

Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Income taxes:

The Organization has been recognized as exempt from federal income tax, as well as federal unemployment tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax liability is incurred unless the Organization earns income considered to be unrelated business income.

FAIRVIEW TOWNSHIP EMERGENCY MEDICAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
(Modified cash basis)
YEARS ENDED DECEMBER 31, 2023 AND 2022

5. Contingencies:

The Organization is exposed to various risks of loss related to the nature of the activity performed by the Organization. The Organization maintains commercial insurance covering these risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses. Previous claims have not exceeded this commercial coverage.

6. Commitments:

The Organization executed a 25-year lease at 520 Locust Road within the Township commencing on June 1, 2005. The Organization can terminate the lease with one year's written notice. The lease is payable in monthly installments ranging from \$800 to \$1,200 per month during the term of the lease. During 2023 and 2022, the Organization paid rental expense of \$13,200 and \$13,200, respectively, on the lease.

The minimum lease rentals for the Locust Road property for the following years are as follows:

2024	\$	13,200
2025		13,900
2026		14,400
2027		14,400
2028		14,400
2029-2030		<u>20,400</u>
	<u>\$</u>	<u>90,700</u>

7. Line of credit:

During 2012, the Organization established a business line of credit with M&T Bank for \$75,000. The loan bears an interest rate of 1% above the bank's prime rate. The bank has secured all real and personal property of the Organization as collateral for the loan. As of December 31, 2023 and 2022, the line had an outstanding balance of \$0 and an interest rate of 11% at December 31, 2023.

8. Long-term debt:

The following is a summary of long-term debt:

	Outstanding balance		Outstanding balance		Outstanding balance		Due within	
	<u>1/1/2022</u>	Additions	Reductions	<u>12/31/2022</u>	Additions	Reductions	<u>12/31/2023</u>	one year
Ambulance loan	\$ 69,791		\$ (6,375)	\$ 63,416		\$ (54,870)	\$ 8,546	\$ 7,611
Loader loan	<u>77,806</u>		<u>(19,452)</u>	<u>58,354</u>		<u>(19,452)</u>	<u>38,902</u>	<u>19,451</u>
	<u>\$ 147,597</u>		<u>\$ (25,827)</u>	<u>\$ 121,770</u>		<u>\$ (74,322)</u>	<u>\$ 47,448</u>	<u>\$ 27,062</u>

In August 2019, the Organization financed half of the cost to purchase a new ambulance by borrowing \$99,876 through the Pennsylvania Volunteer Loan Assistance Program (VLAP). The loan bears an interest rate of 2.00% and requires monthly payments of principal and interest of \$643. The loan matures on December 1, 2031. The remaining principal balances at December 31, 2023 and 2022 are \$8,546 and \$63,416, respectively.

FAIRVIEW TOWNSHIP EMERGENCY MEDICAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
(Modified cash basis)
YEARS ENDED DECEMBER 31, 2023 AND 2022

11. Retirement plan:

The Organization adopted a Simple IRA plan in 2008 for all employees receiving at least \$5,000 in compensation for the previous year. The Organization makes an employer contribution equal to 3% of all participants' compensation. Total expense for the years ended December 31, 2023 and 2022 was \$12,622 and \$13,845, respectively.

12. Subsequent events:

Fairview Township Emergency Medical Service, Inc. has evaluated subsequent events through May 2, 2024, the date which the financial statements were available to be issued.