

***OLD DOMINION EMERGENCY MEDICAL
SERVICES ALLIANCE, INC.***

FINANCIAL STATEMENTS

***For the years ended
June 30, 2022 and 2021***

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Independent Auditor's Report

Board of Directors
Old Dominion Emergency Medical Services Alliance, Inc.
Richmond, VA 23294

Opinion

We have audited the accompanying financial statements of Old Dominion Emergency Medical Services Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities 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 Old Dominion Emergency Medical Services Alliance, Inc. as of June 30, 2022 and 2021, 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. 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 Old Dominion Emergency Services Alliance, 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 opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individual 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 generally accepted 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 ABC Organization'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 the organization'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.

Stephen M. Ragland, CPA

Stephen M. Ragland, CPA
December 28, 2022

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2022 and 2021

ASSETS		
	<u>FYE 06/30/22</u>	<u>FYE 06/30/21</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 114,733	\$ 192,510
Restricted cash	3,099	3,099
Accounts receivable, net of allowance for doubtful accounts of \$ 0 and \$0	219,160	165,942
Other receivables	-	1,140
Prepaid expenses and other current assets	<u>18,268</u>	<u>2,441</u>
Total Current Assets	355,260	365,132
CAPITAL ASSETS		
Furniture, fixtures and equipment	893,087	824,224
Accumulated depreciation	<u>(832,543)</u>	<u>(817,792)</u>
Total Capital Assets	<u>60,544</u>	<u>6,432</u>
TOTAL ASSETS	<u><u>\$ 415,804</u></u>	<u><u>\$ 371,564</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 25,297	\$ 11,719
Accrued salaries and PTO	46,001	49,129
Accrued expenses	6,533	-
Deferred revenue	840	16,920
PPP loan payable	<u>-</u>	<u>-</u>
Total Current Liabilities	78,671	77,768
NET ASSETS		
Net assets without donor restrictions	320,381	277,044
Net assets with self-imposed restrictions	13,653	13,653
Net assets with donor restrictions	<u>3,099</u>	<u>3,099</u>
Total Net Assets	<u>337,133</u>	<u>293,796</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 415,804</u></u>	<u><u>\$ 371,564</u></u>

The Auditor's report and accompanying notes are an integral part of these statements.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
STATEMENT OF ACTIVITIES
As of June 30, 2022 and 2021

	FYE 06/30/2022			FYE 06/30/2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
PUBLIC SUPPORT						
Contributions	\$ 2,520	\$ -	\$ 2,520	\$ 4,370	\$ -	\$ 4,370
In-kind contributions	198,480	-	198,480	162,000	-	162,000
State grant	513,087	-	513,087	443,524	-	443,524
Emergency preparedness grant	616,555	-	616,555	567,634	-	567,634
Net assets released from restricti	-	-	-	-	-	-
Total Public Support	1,330,642	-	1,330,642	1,177,528	-	1,177,528
REVENUE						
Testing income students	-	-	-	-	-	-
Student fees	10,180	-	10,180	56,845	-	56,845
Other income	4,372	-	4,372	3,280	-	3,280
Total Revenue	14,552	-	14,552	60,125	-	60,125
TOTAL SUPPORT AND REVENUE	1,345,194	-	1,345,194	1,237,653	-	1,237,653
EXPENSES						
Program services	1,068,782	-	1,068,782	892,918	-	892,918
General and administrative	233,075	-	233,075	360,188	-	360,188
TOTAL EXPENSES	1,301,857	-	1,301,857	1,253,106	-	1,253,106
OTHER INCOME						
PPP Loan forgiven	-	-	-	128,000	-	128,000
TOTAL OTHER INCOME	-	-	-	128,000	-	128,000
CHANGE IN NET ASSETS	43,337	-	43,337	112,547	-	112,547
NET ASSETS, BEGINNING OF YEAR	290,697	3,099	293,796	178,150	3,099	181,249
NET ASSETS, END OF YEAR	\$ 334,034	\$ 3,099	\$ 337,133	\$ 290,697	\$ 3,099	\$ 293,796

The Auditor's report and accompanying notes are an integral part of these statements.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.

STATEMENT OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	<u>FYE 06/30/22</u>	<u>FYE 06/30/21</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 43,337	\$ 112,547
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	14,751	23,618
Bad debts	1,921	-
PPP loan forgiveness	-	(128,000)
Change in:		
Accounts receivable	(55,139)	(22,654)
Prepaid expenses and other current assets	(14,687)	2,863
Accounts payable	13,578	1,170
Accrued salaries and PTO	(3,128)	
Unearned revenue	(16,080)	3,896
Accrued expenses	6,533	(1,884)
Net Cash Provided by Operating Activities	(8,914)	(8,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of capital assets	(68,863)	-
Net Cash Provided by (for) Investing Activities	(68,863)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP loan borrowings	-	-
Line of credit borrowings	-	-
Line of credit repayments	-	-
Net Cash Provided by (for) Financing Activities	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(77,777)	(8,444)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	195,609	204,053
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 117,832	\$ 195,609
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 114,733	\$ 192,510
Restricted cash	3,099	3,099
TOTAL CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 117,832	\$ 195,609
SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for loan interest	\$ -	\$ 3,256

The Auditor's report and accompanying notes are an integral part of these statements.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Years Ended June 30, 2022 and 2021

	FYE 06/30/2022			FYE 06/30/2021		
	Program Services	General & Administrative	Total	Program Services	General & Administrative	Total
Salaries	\$ 654,492	\$ 134,053	\$ 788,545	\$ 549,866	\$ 203,375	\$ 753,241
Payroll taxes and benefits	167,050	22,779	189,829	140,491	51,963	192,454
Teaching fees	1,302	-	1,302	12,240	-	12,240
Communications	7,135	973	8,108	6,990	2,585	9,575
Professional fees	-	47,892	47,892	-	46,825	46,825
Travel	7,620	1,039	8,659	2,175	805	2,980
Facility fees	173,100	23,604	196,704	118,260	43,740	162,000
Insurance	5,796	790	6,586	3,573	1,322	4,895
Vehicle and related	1,246	170	1,416	1,325	490	1,815
Training materials/supplies	24,937	-	24,937	33,348	-	33,348
Depreciation	14,349	402	14,751	18,659	4,959	23,618
Interest	2,443	333	2,776	-	3,256	3,256
Miscellaneous	7,622	1,040	8,662	5,170	868	6,038
Books	-	-	-	-	-	-
Awards	1,690	-	1,690	821	-	821
TOTAL	\$ 1,068,782	\$ 233,075	\$ 1,301,857	\$ 892,918	\$ 360,188	\$ 1,253,106

The Auditor's report and accompanying notes are an integral part of these statements.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Business

Old Dominion Emergency Medical Services Alliance, Inc. (the "Alliance"), located in Richmond, Virginia is a non-profit organization formed under provisions of the Emergency Medical Services System Act. A vital role of the Alliance is to assist in training and providing continuing education programs to establish and upgrade knowledge and skills of health personnel providing emergency medical services. The Alliance is funded primarily through grants issued by the Office of Emergency Medical Services of the Commonwealth of Virginia, from area hospitals and localities that indirectly benefit from the training provided by the Alliance, and emergency medical service providers who pay for education classes from the Alliance. The Alliance also provides instruction courses for Auxiliary and CE training courses for the Virginia Department of Health. Additionally, under a contract with the Virginia Hospital & Healthcare Association, the Alliance assists the Commonwealth of Virginia with implementing the Hospital Preparedness Program. The objective of the Hospital Preparedness Program is to enhance the capabilities of Virginia hospitals and healthcare systems to respond and recover from a wide range of public health and healthcare emergencies.

Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments which are readily convertible into cash within ninety days of purchase.

Receivables

Receivables that are expected to be collected within a year are recognized at cost. Receivables that are expected to be collected beyond that date are discounted to reflect present value. Management reviews accounts that are significantly past due in the determination of its allowance for doubtful accounts. When attempts at collection of a significantly past due account have been unsuccessful, the Alliance considers whether to charge off the account as uncollectible.

Inventory

When inventories of training materials exist at year end, they are recorded at cost.

Property and Equipment

Assets with a cost in excess of \$500, with an estimated useful life exceeding one year are capitalized as property and equipment. Property and equipment are recorded at cost, or at fair market value for donated assets, and are depreciated over the estimated useful life of each asset. Annual depreciation is computed using the straight-line method. Training equipment is purchased through grants from the Commonwealth of Virginia's Office of EMS after receiving approval from the Office of EMS.

Contributions

All contributions 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 are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Alliance recognizes revenues in accordance with Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The Alliance's primary source of revenues is from classes offered and testing performed. Revenues from these activities are recognized when the class or testing is done. Payments received in advance of these activities are recognized as unearned income.

Income Taxes

Old Dominion Emergency Medical Services Alliance, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State Code. The Alliance has also been classified as an entity that is not a private foundation within the meaning of Section 509(a). Therefore, no provision for income taxes has been made.

Fair Value of Financial Instruments

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Alliance's significant financial instruments are cash, accounts receivable, promises to give, other short-term assets and liabilities, and notes payable. For these financial instruments, with the exception of promises to give, carrying values approximate fair value.

Shipping and Handling Costs

Shipping billed to customers is considered sales revenue, and the related shipping expense as a shipping expense.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain 2021 amounts have been reclassified to conform with the 2022 financial statement presentation.

Note 2 - Liquidity and Availability of Financial Assets

The Alliance has \$333,893 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of unrestricted cash in the amount of \$14,733, and receivables of \$219,160. Additionally, the Alliance has a line of credit in the amount of \$35,000 upon which they can draw funds, if needed.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

Note 3 – Accounts Receivable

Accounts receivable at June 30, 2022 and 2021 are considered to be collectible within the year, and accordingly, have been recorded at cost. As of dates indicated, accounts receivable consisted of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Balance due from OEMS	\$ 149,556	\$ 107,625
Balance due from VA Hospital and Health Care	67,266	47,764
Others	2,338	10,553
Total Accounts Receivable	<u>\$ 219,160</u>	<u>\$ 165,942</u>

Accounts receivable at June 30, 2022 and 2021 with balances in excess of ninety days were \$38,606 and \$9,242, respectively.

Note 4 – Accrued Salaries and PTO

Accrued salaries represent amounts payable to its full-time employees for paid time off (PTO) and other employee earnings. As of June 30, 2022, and 2021, accrued salaries relating to PTO earned but not paid was \$33,909 and \$37,926. The Alliance's policy is to accrue PTO based on the employee's length of employment with the maximum carryover of PTO at 240 hours.

Note 5 – Deferred Revenue

During the fiscal year ended June 30, 2021, the Alliance's grant with Virginia's Office of EMS included \$56,863 of funds, with the condition that the funds be used to purchase certain capital assets. During the year, the Alliance received \$16,470 towards, this portion of the grant. As of June 30, 2021, these assets had not been purchased, resulting in deferred income of \$16,470 for the fiscal year ended June 30, 2021. This equipment was received during the fiscal year ended June 30, 2022. Additionally, for the fiscal years ended June 30, 2022 and 2021, the Alliance received advance registrations for classes offered in the following fiscal year, which have been classified as deferred revenue, in the amounts of \$840 and \$450 respectively.

Note 6 – Debt

The Alliance has a line of credit with a bank for a maximum borrowing of \$35,000 with an interest rate of prime plus 6.75%. At June 30, 2022 and 2021, there were no amounts outstanding under the line of credit.

During fiscal year ending June 30, 2021, in response to the COVID pandemic, the Alliance applied for and received a Payroll Protection Program loan offered by the Small Business Administration in the amount of \$128,000. If the loan recipient meets certain requirements, it can apply for forgiveness of this debt. During the year ended June 30, 2021, the Alliance applied for, and received, full forgiveness of this obligation.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

Note 7 – Net Assets with Donor Restrictions

The Alliance holds cash on behalf of its planning districts. These amounts are restricted for use by those planning districts. At June 30, 2022 and 2021, these amounts were \$3,099 and \$3,099, respectively.

The Board has set aside \$13,653 from previous grants as a self-imposed restriction of net assets, to be spent in future years.

Note 8 – Grants

The Alliance received the following grants from Commonwealth of Virginia’s Office of EMS (OEMS) and Virginia Hospital & Healthcare Association (VHHA) in furtherance of its exempt purposes:

Fiscal Year Ended	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OEMS Annual grant for operations	\$ 452,025	\$ 430,500
OEMS Grants for training courses/testing	3,883	-
OEMS Grants for EMS training funds	107,132	56,863
VHHA Emergency Preparedness Grant	<u>616,555</u>	<u>567,634</u>
Total Grants	1,179,595	1,054,997
Less conditional grant funds	(39,157)	(56,863)
Less unbilled grants for training funds	(10,796)	-
Plus prior year deferred grant revenue	-	13,024
Net Grant Income	<u><u>\$ 1,129,642</u></u>	<u><u>\$ 1,011,158</u></u>

The OEMS Annual grant renews each year, through July 31, 2022. The VHHA Emergency Preparedness Grant is an annual grant with a June 30 year-end date, which can be renewed each fiscal year. The Office of EMS is developing the grant for the year ended June 30, 2023 and future years.

Generally, all grants and governmental support are subject to audit or other review by the granting or awarding entity. In addition, during the normal course of business, the Alliance has issues that may or may not result in litigation or changes to its way of conducting business. Management has evaluated these items and concluded that it has complied with all terms and conditions, including the proper use of funds, the reporting requirements and other matters to be in compliance with grants or governmental support and no conditions exist that could result in a material adverse effect on the Alliance’s financial position.

Note 9 - Concentrations

As described in Note 1 to the financial statements, the Alliance was formed under provisions of the Emergency Medical Service System Act. Consequently, The Alliance receives a significant amount of its funding through grants from the Commonwealth of Virginia. The amount of these grants for fiscal years ended June 30, 2022 and 2021 were \$513,087 and \$443,524, respectively. These amounts represent 45% and 43% of the Alliance’s total support and revenue (before consideration of in-kind revenue). Accounts receivable from the Commonwealth of Virginia at June 30, 2022 and 2021 were \$149,556 and \$107,625, respectively.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

Note 10 – Contributions in Kind

Contributions in kind represent nonmonetary donations of space, materials, services and capital assets which have been received by the Alliance. The Alliance's policy related to contributions in kind is to utilize the assets given to carry out its mission. For the years ended June 30, 2022 and 2021, the Alliance used office space donated by a local hospital. Additionally, training services and assets, discounted software and meeting space were also provided to the Alliance during the year ended June 30, 2022 at a reduced amount or free of charge. The Alliance has valued these assets using comparable fees and prices, and office rental rates comparable to the size and type of property being used. The fair market value of these in-kind contributions was \$198,480 and \$162,000 for fiscal years June 30, 2022 and 2021.

Note 12 – Functional Allocation of Expenses

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are communications, travel, facility fees, insurance, vehicle expense, and miscellaneous expenses. These expenses are allocated based on an analysis of hours spent by staff in programs, and general and administrative.

Note 13 – Retirement Plan

The Alliance has a simplified employee pension plan for its employees to which the Alliance contributes eight percent of each employee's salary to the plan. The plan is available to all employees and is effective immediately upon hire. The pension plan expense for this plan was \$61,952 and \$59,070, for fiscal years ended June 30, 2022 and 2021, respectively.

Note 14 – Operating Leases

Effective October 1, 2004, The Alliance entered into a lease for occupancy of space for its operations with Chippenham Johnston-Willis Hospital. The terms of the lease are year-to-year, with the Alliance paying \$1 per year, until such time as one or both parties decide to enter into a long-term lease agreement. On September 30, 2020, the Alliance terminated this lease and moved its operations to another location. There is no lease associated with this occupancy, and no rent is being charged by the lessor, again a local hospital.

For the years ended June 30, 2022 and 2021, the Alliance recognized in-kind rents relating to the above activities in the amounts of \$196,704 and \$162,000, respectively.

Note 15 – Other Matters

In March 2020, a pandemic significantly affected the Alliance's operations. This pandemic continued through the Alliance's fiscal year end, and is still present. The pandemic's continued presence has limited the Alliance's ability to offer many of the classes and testing, as compared to years before the pandemic began.

OLD DOMINION EMERGENCY MEDICAL SERVICES ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

Note 16 - Subsequent Events

Subsequent events were evaluated through December 28, 2022, which is the date the financial statements were available to be issued.