

Patient AirLift Services, Inc.
Financial Statements
and Independent Auditor's Report
December 31, 2014 and 2013

Patient AirLift Services, Inc.

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Independent Auditor's Report

To the Board of Directors
Patient AirLift Services, Inc.

We have audited the accompanying financial statements of Patient AirLift Services, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Patient AirLift Services, Inc. as of December 31, 2014 and 2013, 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.



Roseland, New Jersey
March 19, 2015

Patient AirLift Services, Inc.

**Statements of Financial Position
December 31, 2014 and 2013**

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 1,747,122	\$ 1,565,212
Contributions receivable, net of allowance for doubtful accounts of \$500 and \$900	26,082	19,211
Prepaid expenses and other current assets	<u>23,499</u>	<u>23,528</u>
Total current assets	1,796,703	1,607,951
 Furniture and equipment, net	 <u>5,166</u>	 <u>9,328</u>
 Totals	 <u><u>\$ 1,801,869</u></u>	 <u><u>\$ 1,617,279</u></u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 35,889</u>	<u>\$ 37,464</u>
Total liabilities	35,889	37,464
 Commitments		
 Net assets - unrestricted	 <u>1,765,980</u>	 <u>1,579,815</u>
 Totals	 <u><u>\$ 1,801,869</u></u>	 <u><u>\$ 1,617,279</u></u>

See Notes to Financial Statements.

Patient AirLift Services, Inc.

Statements of Activities
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Public support and revenue:		
Contributions	\$ 1,358,397	\$ 1,226,951
Special events revenue	383,546	767,842
Other income	10,012	2,804
Total public support and revenue	<u>1,751,955</u>	<u>1,997,597</u>
Expenses:		
Program	1,413,210	1,491,153
Special events expenses	84,859	131,191
General and administrative	67,721	64,164
Loss on disposal of asset	-	6,353
Total expenses	<u>1,565,790</u>	<u>1,692,861</u>
Change in unrestricted net assets	186,165	304,736
Unrestricted net assets, beginning of year	<u>1,579,815</u>	<u>1,275,079</u>
Unrestricted net assets, end of year	<u>\$ 1,765,980</u>	<u>\$ 1,579,815</u>

See Notes to Financial Statements.

Patient AirLift Services, Inc.

**Statements of Cash Flows
Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Operating activities:		
Change in unrestricted net assets	\$ 186,165	\$ 304,736
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	4,162	17,321
Net realized (gain) loss on investments	39	(54)
Donated securities	(14,871)	(16,090)
Proceeds from sale of donated securities	14,832	16,144
Bad debt expense (recovery)	(400)	900
Loss on disposal of asset	-	10,471
Contribution of furniture and equipment	-	(2,824)
Changes in operating assets and liabilities:		
Contributions receivable	(6,471)	(13,126)
Prepaid expenses and other current assets	29	11,872
Deferred revenue	-	(44,400)
Accounts payable and accrued expenses	(1,575)	1,977
Net cash provided by operating activities	<u>181,910</u>	<u>286,927</u>
Investing activities:		
Acquisition of furniture and equipment	-	(1,946)
Proceeds from sale of equipment	-	45,883
Net cash provided by investing activities	<u>-</u>	<u>43,937</u>
Net increase in cash and cash equivalents	181,910	330,864
Cash and cash equivalents, beginning of year	<u>1,565,212</u>	<u>1,234,348</u>
Cash and cash equivalents, end of year	<u>\$ 1,747,122</u>	<u>\$ 1,565,212</u>

See Notes to Financial Statements.

Patient AirLift Services, Inc.

**Notes to Financial Statements
December 31, 2014 and 2013**

Note 1 - Organization

Patient AirLift Services, Inc. (the "Organization") is a charitable nonprofit organization whose purpose is to arrange free air transportation within the entire northeast United States, as far west as Ohio and as far south as Virginia, to individuals requiring medical care and for other humanitarian purposes.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of estimates

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

Concentrations of credit risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. Cash equivalents include highly liquid investments with a maturity of three months or less when acquired. The Organization places its cash and cash equivalents with high credit quality financial institutions. At December 31, 2014, the Organization did not have cash in excess of Federally insured limits.

Contributions receivable

Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on management's analysis of specific promises made.

Contributions

Contributions are recognized when unconditional promises to give are made. For the years ended December 31, 2014 and 2013, there were two donors whose contributions comprised 30% and 28%, respectively, of total public support revenue.

Patient AirLift Services, Inc.

Notes to Financial Statements December 31, 2014 and 2013

Allocation of expenses

Expenses by function have been allocated among program and general and administrative services on the basis of time records and estimates made by management.

Income taxes

The Organization is incorporated in the State of New York as a nonprofit organization and is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal or state income taxes is required.

The Organization has no unrecognized tax benefits as of December 31, 2014 and 2013. The Organization's Federal income tax returns prior to fiscal 2011 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. All tax years are currently open for state income tax returns as the Organization commenced operations in April 2010.

If applicable, the Organization would recognize interest and penalties associated with tax matters as general and administrative expenses and include accrued interest and penalties with accrued expenses in the statements of financial position. There were no interest or penalties paid for the years ended December 31, 2014 or 2013.

Financial statement presentation

The financial statements are presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets. Unrestricted net assets represent expendable funds available for operations that are not otherwise limited by donor restrictions. Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported as net assets released from restrictions. Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity, usually for the purpose of generating investment income to fund current operations.

Contributions received with donor restrictions, where the restriction expires in the period of receipt, are recorded as unrestricted contributions. As of December 31, 2014 and 2013, the Organization had no temporarily or permanently restricted net assets.

Furniture and equipment

Furniture and equipment is recorded at cost if purchased or at fair value on the date of donation. Depreciation is provided on the straight-line basis over the estimated useful life of the asset (3 - 7 years). Expenditures for repairs and maintenance are expensed as incurred.

Patient AirLift Services, Inc.

**Notes to Financial Statements
December 31, 2014 and 2013**

Donated investments

The Organization received donations of stocks valued at \$14,871 and \$16,090 for the years ended December 31, 2014 and 2013, respectively. The Organization's policy is to liquidate donated securities immediately upon their receipt. The Organization realized a net loss on these sales of \$39 and a net gain on these sales of \$54 for the years ended December 31, 2014 and 2013, respectively.

Subsequent events

The Organization has evaluated subsequent events through March 19, 2015, which is the date the financial statements were available to be issued.

Note 3 - Furniture and equipment

Furniture and equipment are comprised of the following:

	<u>2014</u>	<u>2013</u>
Office equipment	\$ 19,110	\$ 19,110
Furniture	<u>7,010</u>	<u>7,010</u>
Totals	26,120	26,120
Less accumulated depreciation	<u>20,954</u>	<u>16,792</u>
Totals	<u>\$ 5,166</u>	<u>\$ 9,328</u>

Note 4 - Related party transactions

The Organization received contributions from related parties that totaled \$68,679 and \$109,673 for the years ended December 31, 2014 and 2013, respectively. The Organization did not have any related party receivables as of December 31, 2014. The Organization had related party receivables of \$13,161 as of December 31, 2013, which are included in contributions receivable. Donated services received from related parties totaled \$379,297 and \$496,854 for the years ended December 31, 2014 and 2013, respectively. There were no donated airline tickets from related parties for the year ended December 31, 2014. Donated airline tickets received from related parties totaled \$2,221 for the year ended December 31, 2013.

Note 5 - Lease commitments

As of December 31, 2014, the Organization has operating lease commitments that expire on August 31, 2015. Lease commitments subsequent to December 31, 2014 amount to \$16,280 for 2015. Rent expense amounted to \$27,410 and \$21,450 in 2014 and 2013, respectively.

Patient AirLift Services, Inc.

**Notes to Financial Statements
December 31, 2014 and 2013**

Note 6 - In-kind contributions

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to furniture and equipment.

The Organization received the following donated services and items during the years ended December 31, 2014 and 2013 with fair values as follows:

	<u>2014</u>	<u>2013</u>
Pilot services	\$ 674,606	\$ 855,251
Donated securities	14,871	16,090
Office equipment	-	2,824
Donated supplies	923	-
Airline tickets	103,100	72,500
Donated apparel	<u>-</u>	<u>33,035</u>
Totals	<u>\$ 793,500</u>	<u>\$ 979,700</u>