



Patient AirLift Services, Inc.
**Financial Statements
and Independent Auditor's Report**
December 31, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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 24, 2016

Patient AirLift Services, Inc.

**Statements of Financial Position
December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 1,829,351	\$ 1,747,122
Contributions receivable, net of allowance for doubtful accounts of \$7,125 and \$500	8,767	26,082
Prepaid expenses and other current assets	<u>23,945</u>	<u>23,499</u>
Total current assets	1,862,063	1,796,703
Furniture and equipment, net	<u>2,520</u>	<u>5,166</u>
Total	<u>\$ 1,864,583</u>	<u>\$ 1,801,869</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	<u>\$ 47,676</u>	<u>\$ 35,889</u>
Total liabilities	47,676	35,889
Commitments	-	-
Net assets - unrestricted	<u>1,816,907</u>	<u>1,765,980</u>
Total	<u>\$ 1,864,583</u>	<u>\$ 1,801,869</u>

See Notes to Financial Statements.

Patient AirLift Services, Inc.

**Statements of Activities
Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Public support and revenue		
Contributions	\$ 2,846,130	\$ 1,358,397
Special events revenue	276,504	383,546
Other income	<u>1,537</u>	<u>10,051</u>
Total public support and revenue	<u>3,124,171</u>	<u>1,751,994</u>
Expenses		
Program	2,832,422	1,383,891
Special events expenses	60,842	84,859
Fundraising expenses	81,384	29,319
Loss on investments	2,806	39
General and administrative	<u>95,790</u>	<u>67,721</u>
Total expenses	<u>3,073,244</u>	<u>1,565,829</u>
Change in unrestricted net assets	50,927	186,165
Unrestricted net assets, beginning of year	<u>1,765,980</u>	<u>1,579,815</u>
Unrestricted net assets, end of year	<u>\$ 1,816,907</u>	<u>\$ 1,765,980</u>

See Notes to Financial Statements.

Patient AirLift Services, Inc.

Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating activities		
Change in unrestricted net assets	\$ 50,927	\$ 186,165
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Depreciation	2,646	4,162
Net realized loss on investments	2,806	39
Donated securities	(36,675)	(14,871)
Proceeds from sale of donated securities	33,869	14,832
Bad debt expense (recovery)	6,625	(400)
Changes in operating assets and liabilities		
Contributions receivable	10,690	(6,471)
Prepaid expenses and other current assets	(446)	29
Accounts payable and accrued expenses	11,787	(1,575)
	<u>82,229</u>	<u>181,910</u>
Net cash provided by operating activities	<u>82,229</u>	<u>181,910</u>
Net increase in cash and cash equivalents	82,229	181,910
Cash and cash equivalents, beginning of year	<u>1,747,122</u>	<u>1,565,212</u>
Cash and cash equivalents, end of year	<u>\$ 1,829,351</u>	<u>\$ 1,747,122</u>

See Notes to Financial Statements.

Patient AirLift Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

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. The Organization had cash in excess of federally insured limits totaling \$79,270 as of December 31, 2015.

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, 2015 and 2014, there were two donors whose contributions comprised 18% and 30%, respectively, of total public support revenue.

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, 2015 and 2014. The Organization's federal and state income tax returns prior to fiscal 2012 and 2011, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Patient AirLift Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

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, 2015 or 2014.

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, 2015 and 2014, 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.

Donated investments

The Organization received donations of stocks valued at \$36,675 and \$14,871 for the years ended December 31, 2015 and 2014, respectively. The Organization's policy is to liquidate donated securities immediately upon their receipt. The Organization realized a net loss on these sales of \$2,806 and \$39 for the years ended December 31, 2015 and 2014, respectively.

Reclassifications

Certain amounts in the accompanying 2014 financial statements have been reclassified to conform with the 2015 presentation.

Subsequent events

The Organization has evaluated subsequent events through March 24, 2016, which is the date the financial statements were available to be issued.

Patient AirLift Services, Inc.

**Notes to Financial Statements
December 31, 2015 and 2014**

Note 3 - Furniture and equipment

Furniture and equipment are comprised of the following:

	<u>2015</u>	<u>2014</u>
Office equipment	\$ 19,110	\$ 19,110
Furniture	<u>7,010</u>	<u>7,010</u>
Total	26,120	26,120
Less accumulated depreciation	<u>23,600</u>	<u>20,954</u>
Total	<u>\$ 2,520</u>	<u>\$ 5,166</u>

Note 4 - Related party transactions

The Organization received contributions from related parties that totaled \$95,994 and \$68,679 for the years ended December 31, 2015 and 2014, respectively. The Organization had a related party receivable of \$5,000 as of December 31, 2015, which is included in contributions receivable. The Organization did not have any related party receivables as of December 31, 2014. Donated services received from related parties totaled \$978,044 and \$379,297 for the years ended December 31, 2015 and 2014, respectively. Donated airline tickets received from related parties totaled \$557 for the year ended December 31, 2015. There were no donated airline tickets from related parties for the year ended December 31, 2014.

Note 5 - Lease commitments

The Organization had operating lease commitments that expired on April 30, 2015 and August 31, 2015. The Organization remained on a month-to-month lease extensions since these expiration dates and has no signed commitments pertaining to the period subsequent to December 31, 2015. Rent expense amounted to \$27,390 and \$27,410 in 2015 and 2014, respectively.

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.

Patient AirLift Services, Inc.

**Notes to Financial Statements
December 31, 2015 and 2014**

The Organization received the following donated services and items during the years ended December 31, 2015 and 2014 with fair values as follows:

	<u>2015</u>	<u>2014</u>
Pilot services	\$ 2,113,963	\$ 674,606
Donated securities	36,675	14,871
Donated supplies	-	923
Airline tickets	<u>99,892</u>	<u>103,100</u>
Total	<u>\$ 2,250,530</u>	<u>\$ 793,500</u>

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