

ANGEL FLIGHT OF NEW ENGLAND, INC.  
FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2012 AND 2011

ANGEL FLIGHT OF NEW ENGLAND, INC.

DECEMBER 31, 2012 AND 2011

\*\*\*\*\*

CONTENTS

	<u>PAGE</u>
Independent Auditor's Report .....	1
Statements of Financial Position - December 31, 2012 and 2011.....	2
Statement of Activities for the Years Ended December 31, 2012 and 2011 .....	3
Statement of Functional Expenses for the Year Ended December 31, 2012 .....	4
Statement of Functional Expenses for the Year Ended December 31, 2011 .....	5
Statement of Cash Flows for the Years Ended December 31, 2012 and 2011 .....	6
Notes to Financial Statements - December 31, 2012 and 2011.....	7-9

DANIEL F. FRIEL, CPA, P.C.

CERTIFIED PUBLIC ACCOUNTANT

275 WYMAN STREET – SUITE 280

WALTHAM, MA 02451-1218

(781) 890-3150 • FAX (781) 890-0268

email: [dfriel1@verizon.net](mailto:dfriel1@verizon.net)

To the Board of Directors  
Angel Flight of New England, Inc.  
North Andover, MA 01845

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying comparative statements of financial position of Angel Flight of New England, Inc. as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audit in accordance with auditing standards generally accepted in the *United States of America*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Angel Flight of New England, Inc., as of December 31, 2012 and 2011 and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the *United States of America*.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and are not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in my opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

*Daniel F. Friel, CPA, PC*

March 20, 2013

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

ASSETS		<u>2012</u>	<u>2011</u>
Current assets:			
Cash		\$726,149	\$715,124
Cash, restricted		<u>3,300</u>	<u>3,300</u>
Total current assets		<u>729,449</u>	<u>718,424</u>
Property and equipment:			
Airplane		188,900	188,900
Computers and office equipment		117,562	26,080
Furniture and fixtures		<u>1,043</u>	<u>1,043</u>
Total		307,505	216,023
Accumulated depreciation		<u>(132,417)</u>	<u>(109,629)</u>
Net property and equipment		<u>175,088</u>	<u>106,394</u>
<b>TOTAL ASSETS</b>		<u><b>\$904,537</b></u>	<u><b>\$824,818</b></u>
Current Liability:			
Accounts payable		<u>\$ 50,599</u>	<u>\$ 0</u>
Fund balances:			
Unrestricted		850,638	821,518
Permanently restricted		<u>3,300</u>	<u>3,300</u>
Total fund balances		<u>853,938</u>	<u>824,818</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u><b>\$904,537</b></u>	<u><b>\$824,818</b></u>

See accompanying notes and independent auditor's report.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Permanently Restricted</u>	<u>Unrestricted</u>	<u>Totals</u>	
			<u>2012</u>	<u>2011</u>
<b>Public support and revenue:</b>				
Contributions	\$ 0	\$259,315	\$259,315	\$ 244,417
Special events, net of costs	0	268,821	268,821	227,077
Grants	0	167,350	167,350	126,600
Computer donations	0	103,672	103,672	0
Sponsorship fee	0	15,000	15,000	50,000
Investment income	<u>0</u>	<u>1,522</u>	<u>1,522</u>	<u>8,316</u>
<b>Total</b>	<u>0</u>	<u>815,680</u>	<u>815,680</u>	<u>656,410</u>
<b>Expenses:</b>				
Flight coordination	0	255,076	255,076	226,743
Pilot resource management	0	155,046	155,046	184,558
Community Outreach	0	280,178	280,178	372,482
General and administrative	0	40,214	40,214	38,683
Fundraising costs	<u>0</u>	<u>56,046</u>	<u>56,046</u>	<u>36,160</u>
<b>Total</b>	<u>0</u>	<u>786,560</u>	<u>786,560</u>	<u>858,626</u>
<b>Excess revenues (expenses)</b>	0	29,120	29,120	(202,216)
<b>Fund balances, beginning of year</b>	<u>3,300</u>	<u>821,518</u>	<u>824,818</u>	<u>1,027,034</u>
<b>Fund balances, end of year</b>	<u>\$ 3,300</u>	<u>\$850,638</u>	<u>\$853,938</u>	<u>\$ 824,818</u>

See accompanying notes and independent auditor's report.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

	Flight Coordination	Pilot Resource Management	Community Outreach	General and Administrative	Fundraising Costs	Total
Salaries	\$163,508	\$119,501	\$ 93,884	\$ 4,141	\$ 36,091	\$417,125
Payroll taxes and fees	18,438	11,365	14,069	777	2,634	47,283
Airplane expenses:						
Maintenance & repairs	0	0	4,871	0	0	4,871
Miscellaneous	0	0	1,871	0	0	1,871
Fuel	0	0	3,085	0	0	3,085
Computer costs	0	1,101	24,339	0	0	25,440
Consultant	0	0	64,800	0	0	64,800
Depreciation	22,710	0	14,961	0	0	37,671
Insurance	20,678	12,628	12,629	2,102	0	48,037
Meals, other	0	0	1,517	0	0	1,517
Postage and delivery	0	304	8,470	2,093	1,947	12,814
Professional fees	0	0	3,121	16,052	2,464	21,637
Rent	2,246	2,746	1,246	5,358	0	11,596
Supplies and printing	8,169	4,700	22,917	3,107	7,067	45,960
Telephone	15,926	0	592	137	0	16,655
Travel and conferences	3,401	2,701	7,806	3,729	5,843	23,480
Utilities	0	0	0	2,718	0	2,718
<b>TOTALS</b>	<u>\$255,076</u>	<u>\$155,046</u>	<u>\$280,178</u>	<u>\$ 40,214</u>	<u>\$ 56,046</u>	<u>\$786,560</u>

See accompanying notes and independent auditor's report.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2011

	Flight Coordination	Pilot Resource Management	Community Outreach	General and Administrative	Fundraising Costs	Total
Salaries	\$137,891	\$132,828	\$133,940	\$ 9,550	\$ 18,349	\$432,558
Payroll taxes and fees	19,501	12,603	13,302	1,089	1,835	48,330
Airplane expenses:						
Hangar rental	0	0	6,000	0	0	6,000
Maintenance & repairs	0	0	13,253	0	0	13,253
Miscellaneous	0	0	2,543	0	0	2,543
Fuel	0	0	4,466	0	0	4,466
Computer costs	0	0	27,958	0	0	27,958
Consultant	0	0	63,826	0	9,727	73,553
Depreciation	2,448	0	34,002	0	0	36,450
Insurance	34,769	25,877	25,877	2,501	0	89,024
Meals, other	0	0	1,239	862	64	2,165
Meals & lodging, Pilot Recruitment	0	3,381	0	0	0	3,381
Postage and delivery	0	250	8,655	1,035	896	10,836
Professional fees	0	0	0	10,572	0	10,572
Rent	3,927	1,223	1,223	5,224	0	11,597
Supplies and printing	8,162	6,897	27,285	3,037	3,311	48,692
Telephone	13,962	0	0	0	0	13,962
Travel and conferences	4,278	1,499	8,913	3,075	1,978	19,743
Utilities	1,805	0	0	1,738	0	3,543
<b>TOTALS</b>	<u>\$226,743</u>	<u>\$184,558</u>	<u>\$372,482</u>	<u>\$ 38,683</u>	<u>\$ 36,160</u>	<u>\$858,626</u>

See accompanying notes and independent auditor's report.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating activities:		
Excess revenues (expenses)	\$ 29,120	\$ (202,216)
Add: Non-cash expense, depreciation	37,671	36,450
Less: computer donation	<u>(103,672)</u>	<u>0</u>
Cash provided by (applied to) operations	(36,881)	(165,766)
Increase (decrease) in other assets and liabilities:		
Contribution receivable	0	21,100
Marketable securities	0	95,903
Accounts payable	<u>50,599</u>	<u>(41,309)</u>
Net cash provided by operating activities	13,718	(90,072)
Investment activities:		
Purchase of equipment	<u>(2,693)</u>	<u>(3,292)</u>
Net increase (decrease) in cash	11,025	(93,364)
Cash - beginning of year	<u>715,124</u>	<u>808,488</u>
CASH - END OF YEAR	<u>\$726,149</u>	<u>\$ 715,124</u>

See accompanying notes and independent auditor's report.



ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

**NOTE A - ORGANIZATION AND PURPOSE:**

Angel Flight of New England, Inc. (the Organization) was established as a non profit organization in March, 1996. The organization coordinates the provision of non-emergency air transportation to individuals needing medical care. An extensive network of approximately 900 volunteer pilots, and a support staff of (6), provide this service with their own aircraft to and from destinations primarily throughout the New England area.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting.

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. Actual results could differ from those estimates.

Net Assets – The Organization reports its net assets in the statements of financial position and activities in three classes as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. The Board of Directors has discretionary control over these net assets to support the operations of the Organization.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Property and Equipment - Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. The Organization has received significant amounts of computer equipment donated by manufacturers for use in coordinating the provision of air transportation. These items have been recognized as revenue in the period received at conservative valuations based upon market value.

Depreciation is computed using the 200% declining balance method over the estimated useful lives of 5-10 years.

Income Taxes - The Organization has been determined to be an organization exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code.

See Accountants' Report

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

Grant Revenue – The Organization recognizes grant revenue and expenses as these amounts are received and incurred.

Contributions – The Organization receives cash contributions from various sources. Donations are recognized as support when received. Unless specifically restricted by the donor, all contributions are considered to be available for unrestricted use.

Vacation Pay – The Organization does not accrue vacation pay as earned. The amount is not considered material.

Functional Allocation of Expenses – The costs of providing the program and other activities have 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.

Donated Services and Equipment – The Organization recognizes in the accompanying financial statements the fair market value of donated materials. Donated services (detailed in Note C below) are not recognized in the accompanying financial statements.

**NOTE C - DONATED SERVICE:**

The Organization does not recognize the value of donated services in the accompanying statement of activities. The Board of Directors and management have calculated the following market values of services provided to the organization for the years ended December 31, 2012 and 2011.

	2012	2011
Air transport services	\$2,551,618	\$2,828,038
Legal and organization costs	\$ 35,733	\$ 31,733
Computer consulting	\$ 34,790	\$ 7,425
Public education and patient outreach	\$ 61,071	\$ 37,610
Printing costs	\$ 3,817	\$ 3,625

See Accountants' Report

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

**NOTE D - PERMANENTLY RESTRICTED FUND BALANCE:**

During 2004, the Organization received a donation from Angel Flight America for \$3,029. This principal sum is required to be invested in a separate account and the earnings only are available to fund the unrestricted activities of the Organization.

**NOTE E - CASH EXCEEDING FDIC LIMIT:**

The Organization maintains cash balances that exceed FDIC insurance limits. Management feels that the risk of loss is minimal since the financial institution where the funds are kept has a long history of sound financial performance.

**NOTE F - RELATED PARTY TRANSACTIONS:**

The Organization paid the Executive Director \$6,000 in 2012 and 2011, respectively for the rental of an airport hangar.

**NOTE G - SUBSEQUENT EVENTS:**

Transactions subsequent to the year ended December 31, 2011 have been evaluated through March 20, 2013, the date the financial statements were available to be issued. No events were noted that could have a material impact on the financial statements.

See Accountants' Report