

ANGEL FLIGHT OF NEW ENGLAND, INC.
FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

ANGEL FLIGHT OF NEW ENGLAND, INC.

DECEMBER 31, 2021 AND 2020

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DANIEL F. FRIEL, CPA, P.C.

CERTIFIED PUBLIC ACCOUNTANT

404 WYMAN STREET – SUITE 380

WALTHAM, MA 02451-1212

(781) 890-3150 • FAX (781) 890-0268

email: dan@frielpapc.com

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of Angel Flight of New England, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Angel Flight of New England, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Angel Flight of New England, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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 Angel Flight of New England, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually 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 Angel Flight of New England Inc.'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 my judgement, there are conditions or events, considered in aggregate, that raise substantial doubt about Angel Flight of New England, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Daniel F. Ford CPA

August 1, 2022

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$1,299,331	\$1,082,333
Property and equipment:		
Computer equipment	105,072	105,072
Accumulated depreciation	<u>(105,072)</u>	<u>(105,072)</u>
Net property and equipment	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$1,299,331</u>	<u>\$1,082,333</u>

LIABILITIES AND NET ASSETS

Current Liability:		
Accounts payable	\$ 11,772	\$ 10,855
Net assets:		
Without donor restrictions	959,528	850,987
With donor restrictions	<u>328,031</u>	<u>220,491</u>
Total net assets	<u>1,287,559</u>	<u>1,071,478</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,299,331</u>	<u>\$1,082,333</u>

See accompanying notes.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total 2021</u>
Public support and revenue:			
Donated services	\$ -	\$2,533,783	\$2,533,783
Contributions	-	327,497	327,497
Special events, net of costs	-	226,226	226,226
Grants	307,273	215,000	522,273
Gaming activities	-	73,717	73,717
Investment income	-	751	751
<i>Net assets released from restrictions; satisfaction of program restrictions</i>	<u>(199,733)</u>	<u>199,733</u>	<u>-</u>
Total	<u>107,540</u>	<u>3,576,707</u>	<u>3,684,247</u>
Program costs:			
Medical flights:			
Air transport services	-	2,492,996	2,492,996
Flight coordination	-	381,720	381,720
Pilot resource management	-	108,049	108,049
Community Outreach	-	251,932	251,932
General and administrative	-	137,437	137,437
Fundraising costs	<u>-</u>	<u>96,032</u>	<u>96,032</u>
Total	<u>-</u>	<u>3,468,166</u>	<u>3,468,166</u>
Excess revenues (expenses)	107,540	108,541	216,081
Net assets, beginning of year	<u>220,491</u>	<u>850,987</u>	<u>1,071,478</u>
Net assets, end of year	<u>\$ 328,031</u>	<u>\$ 959,528</u>	<u>\$1,287,559</u>

See accompanying notes.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total 2020</u>
Public support and revenue:			
Donated services	\$	\$2,140,353	\$2,140,353
Contributions	-	299,954	299,954
Special events, net of costs	-	342,904	342,904
Grants	167,150	254,934	422,084
Investment income	-	1,222	1,222
<i>Net assets released from restrictions; satisfaction of program restrictions</i>	<u>(145,252)</u>	<u>145,252</u>	<u>-</u>
Total	<u>21,898</u>	<u>3,184,619</u>	<u>3,206,517</u>
Program costs:			
Medical flights:			
Air transport services	-	2,077,281	2,077,281
Flight coordination	-	293,873	293,873
Pilot resource management	-	96,284	96,284
Community Outreach	-	275,905	275,905
General and administrative	-	169,198	169,198
Fundraising costs	<u>-</u>	<u>129,316</u>	<u>129,316</u>
Total	<u>-</u>	<u>3,041,857</u>	<u>3,041,857</u>
Excess revenues (expenses)	21,898	142,762	164,660
Gain on extinguishment of debt	79,942	-	79,942
Net assets, beginning of year	<u>118,651</u>	<u>708,225</u>	<u>826,876</u>
Net assets, end of year	<u>\$220,491</u>	<u>\$ 850,987</u>	<u>\$1,071,478</u>

See accompanying notes.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

Medical Flights:

	<u>Air Transport Services</u>	<u>Flight Coordination</u>	<u>Pilot Resource Management</u>	<u>Sub-Total</u>	<u>Community Outreach</u>	<u>General and Administrative</u>	<u>Fundraising Costs</u>	<u>Total</u>
Air transport services	\$2,492,996	\$ -	\$ -	\$2,492,996	\$ -	\$ -	\$ -	\$2,492,996
Salaries	-	181,239	96,469	277,708	121,375	-	78,077	477,160
Payroll taxes and fees	-	22,564	7,233	29,797	9,816	-	6,524	46,137
Advertising	-	-	-	-	-	590	-	590
Computer services and expenses	-	3,245	325	3,570	42,179	-	-	45,749
Consultant	-	-	-	-	50,900	-	-	50,900
Dues and fees	-	-	-	-	-	3,180	193	3,373
401-K matching contribution	-	5,599	3,192	8,791	3,423	-	2,292	14,506
Fuel reimbursement	-	37,733	-	37,733	-	-	-	37,733
Grant expenses:								
Alexion	-	68,720	-	68,720	-	-	-	68,720
Maine Cancer	-	22,377	-	22,377	-	-	-	22,377
Insurance	-	8,994	-	8,994	-	23,088	-	32,082
Meals	-	-	-	-	1,960	-	-	1,960
Postage and delivery	-	506	-	506	4,739	295	-	5,540
Professional fees	-	-	-	-	-	78,355	-	78,355
Rent	-	10,000	-	10,000	-	2,858	-	12,858
Repairs	-	-	-	-	-	1,968	-	1,968
Supplies and printing	-	1,780	830	2,610	12,243	9,445	4,104	28,402
Telephone	-	6,376	-	6,376	-	9,305	-	15,681
Travel	-	12,587	-	12,587	5,297	6,041	4,842	28,767
Utilities	-	-	-	-	-	2,312	-	2,312
TOTALS	<u>\$2,492,996</u>	<u>\$381,720</u>	<u>\$108,049</u>	<u>\$2,982,765</u>	<u>\$251,932</u>	<u>\$137,437</u>	<u>\$ 96,032</u>	<u>\$3,468,166</u>

See accompanying notes.

ANGEL FLIGHT OF NEW ENGLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Medical Flights:

	Air Transport Services	Flight Coordination	Pilot Resource Management	Sub-Total	Community Outreach	General and Administrative	Fundraising Costs	Total
Air transport services	\$2,077,281	\$ -	\$ -	\$2,077,281	\$ -	\$ -	\$ -	\$2,077,281
Salaries	-	166,126	87,627	253,753	126,927	-	75,404	456,084
Payroll taxes and fees	-	20,098	6,588	26,686	9,777	-	6,222	42,685
Advertising	-	816	-	816	-	-	2,256	3,072
Airplane expenses:								
Repairs	-	-	-	-	40	-	-	40
Computer services and expenses	-	3,960	359	4,319	57,661	-	-	61,980
Consultant	-	-	-	-	51,072	-	25,550	76,622
401-K matching contribution	-	5,856	1,631	7,487	3,472	--	2,984	13,943
Fuel reimbursement	-	20,754	-	20,754	-	-	-	20,754
Insurance	-	11,806	-	11,806	-	35,308	-	47,114
Meals	-	289	79	368	2,666	90	806	3,930
Postage and delivery	-	1,126	-	1,126	1,988	1,788	986	5,888
Professional fees	-	-	-	-	-	98,270	-	98,270
Public education and outreach	-	-	-	-	4,100	-	-	4,100
Rent	-	9,950	-	9,950	-	3,118	-	13,068
Repairs	-	-	-	-	-	1,381	--	1,381
Supplies and printing	-	1,263	-	1,263	16,459	13,719	9,189	40,630
Telephone	-	7,043	-	7,043	-	9,105	-	16,148
Travel	-	44,786	-	44,786	1,743	6,084	5,919	58,532
Utilities	-	-	-	-	-	335	-	335
TOTALS	\$2,077,281	\$293,873	\$ 96,284	\$2,467,438	\$275,905	\$169,198	\$129,316	\$3,041,857

See accompanying notes.

ANGEL FLIGHT OF NEW ENGLAND, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating activities:		
Excess revenues (expenses)	\$ 216,081	\$ 244,602
Add: Non-cash items		
Gain from extinguishment of debt	<u>-</u>	<u>(79,942)</u>
Cash provided by (applied to) operations	216,081	164,660
Increase (decrease) in other assets and liabilities:		
Accounts payable	<u>917</u>	<u>(7,127)</u>
Net cash provided by (applied to) operating activities	216,998	157,533
Financing activities:		
Gain from extinguishment of debt	<u>-</u>	<u>79,942</u>
Net increase in cash	216,998	237,475
Cash - beginning of year	<u>1,082,333</u>	<u>844,858</u>
CASH - END OF YEAR	<u>\$1,299,331</u>	<u>\$1,082,333</u>

See accompanying notes.

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 400 volunteer pilots, and a support staff of (7), provide this service with their own aircraft to and from destinations primarily throughout the New England area. The Organization occupies an office as a tenant at will at the Lawrence Municipal Airport in North Andover, MA and incurred \$2,858 and \$3,118 of rent in 2021 and 2020, respectively.

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.

Revenue and Revenue Recognition – The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give- that is, those with a measurable performance or other barrier and a right of return – are not recognized until conditions on which they depend are met.

In accordance with financial accounting standards, the Organization records contributions received as without donor restrictions or with donor restrictions depending on the existence and or nature of any donor restrictions. Restricted net assets are reclassified to net assets without donor restrictions upon the satisfaction of the time or purpose restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor, grantor or other outside parties for particular operating purposes or for fixed asset acquisitions is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Property and Equipment - Property and equipment are stated at lower of cost or fair market value if received as a donation. 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. This is a departure from generally accepted accounting principles which require the straight line method. The net book value of property and equipment are immaterial; no adjustment is warranted.

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

Cash and Cash Equivalents – Cash is the sum of all checking, savings and money market accounts maintained by the Company.

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 primarily by allocating costs according to salary amounts in each functional category.

Reclassifications – Certain reclassifications have been made to the prior year amounts to conform with the current presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

NOTE C - DONATED SERVICE:

The Organization recognizes 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, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Air transport services	\$2,492,996	\$2,077,281
Legal fees	<u>40,787</u>	<u>63,072</u>
Total	<u>\$2,533,783</u>	<u>\$2,140,353</u>

NOTE D - 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 institutions where the funds are deposited have a long history of sound financial performance. The total cash at People's United Bank is \$664,967 as of December 31, 2021; \$414,967 exceeding the FDIC limit.

The Organization also has \$341,299 in a Treasury Money Mark fund that is not covered by FDIC.

NOTE E - RELATED PARTY TRANSACTIONS:

The Organization paid the Executive Director \$10,000 in 2021 and 2020, respectively for the rental of an airport hangar.

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE F - SUBSEQUENT EVENTS:

Transactions subsequent to the year ended December 31, 2021 have been evaluated through August 1, 2022, the date the financial statements were available to be issued. No events were noted that could have a material impact on the financial statements.

NOTE G - OPEN TAX YEARS:

Forms 990 filed for the years ended December 31, 2018 – 2021 remain open to audit by the Internal Revenue Service. No audit proceedings have been initiated.

NOTE H – DONOR RESTRICTED ASSETS:

1) Fuel Reimbursement

Over the last several years the Company has received funds from donors to provide fuel reimbursement to the volunteer pilots. Reimbursements to the pilots were \$37,733 and \$20,754 in 2021 and 2020, respectively. There is a balance of \$68,031 available for pilot fuel reimbursement as of December 31, 2021.

2) Grant ~ Alexion Charitable Foundation

The Organization received a grant for \$100,000 from Alexion Charitable Foundation. The funds are to be utilized to support existing programs providing air and ground transportation, lodging, community outreach and purchase of mailing and e-mail lists for organizations that are specifically addressing rare and ultra rare diseases to disseminate messaging about the Organization's services. The term of the grant is January 1, 2022 through December 31, 2022.

3) Grant ~ Hasbro Children's Fund

The Organization received a grant for \$40,000 from Hasbro Children's Fund to provide support to existing programs with an emphasis on patients needing pediatric physical or mental health programs and services. The term of the grant is January 1, 2022 through December 31, 2022.

The following is a Summary of Restricted Grant Donations Received and Released in Calendar Year 2021:

Purpose	Total	Hasbro	Pilot Fuel	Alexion	Maine Cancer
		Childrens Fund	Reimbursement	Foundation	Foundation
		Fund Existing Programs	Reimburse Fuel	Patients With RareDiseases	Maine Cancer Patients
Balance 1/1/2021	\$ 220,491	\$ 40,000	\$ 80,491	\$ 100,000	\$ 0
Grants received	\$ 307,273	\$ 40,000	\$ 25,273	\$ 200,000	\$ 40,000
Grants released after satisfying donor restrictions	\$(199,733)	\$(40,000)	\$ (37,733)	\$(100,000)	\$ (20,000)
Balance 12/31/2021	\$328,031	\$ 40,000	\$ 68,031	\$ 200,000	\$ 20,000

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE H – DONOR RESTRICTED ASSETS (continued):

The following is a Summary of Restricted Grant Donations Received and Released in Calendar Year 2020:

<u>Purpose</u>	<u>Total</u>	<u>Hasbro Childrens Fund</u>	<u>Pilot Fuel Reimburse ment</u>	<u>Alexion Foundation</u>	<u>Maine Cancer Foundation</u>	<u>Salah Foundation</u>
		<u>Fund Existing Programs</u>	<u>Reimburse Fuel</u>	<u>Patients With Rare Diseases</u>	<u>Maine Cancer Patients</u>	<u>Fuel Reimbursements</u>
Balance 1/1/2020	\$ 118,651	\$ 0	\$ 91,095	\$ 0	\$ 0	\$ 27,556
Grants received	\$ 167,150	\$ 40,000	\$ 12,150	\$100,000	\$ 15,000	\$ 0
Grants released after satisfying donor restrictions	\$ (65,310)	\$ 0	\$ (22,754)	\$ 0	\$ (15,000)	\$ (27,556)
	<u>\$ 220,491</u>	<u>\$ 40,000</u>	<u>\$ 80,491</u>	<u>\$100,000</u>	<u>\$ 0</u>	<u>\$ 0</u>

NOTE I – 401-K PLAN:

In 2018, the Organization adopted a 401-K Plan covering all full time employees. Employer matching contributions paid in 2021 and 2020 were \$14,506 and \$13,943, respectively. The matching contribution is 100% of the first 3% the employee contributes and 50% of the next 2%. The employer matching contribution is a total of 4%.

NOTE J – PAYCHECK PROTECTION PROGRAM LOAN:

On April 3, 2020, the Organization received loan proceeds in the amount of \$79,942 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES” Act”), the PPP provides for loans to qualifying organizations and businesses in amounts up to 2.5 times their average monthly payroll expenses.

PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll benefits, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1% with deferral of payments for 10 months after the end of the covered period.

ANGEL FLIGHT OF NEW ENGLAND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE J – PAYCHECK PROTECTION PROGRAM LOAN (continued):

The Organization has recorded a note payable of \$79,942 as of April 3, 2020. The Organization used their PPP loan proceeds for purposes consistent with the PPP loan program and applied for forgiveness within 10 months of the end of the covered period. The Organization was granted forgiveness of their PPP loan on December 2, 2020, and the amount is included in income during the December 31, 2020 year end.

NOTE K – ADDITIONAL ANGEL FLIGHT CHAPTERS:

The Organization has incorporated (8) other Angel Flight chapters in (6) surrounding states that management feels will be helpful if there are attractive fund raising options in a particular state. So far the New Hampshire chapter has been actively fund raising in that state.