

HAITI AIR AMBULANCE SERVICE, INC.

FINANCIAL STATEMENTS

**YEAR ENDED DECEMBER 31, 2014 AND THE
PERIOD JUNE 14, 2013 (DATE OF INCEPTION)
TO DECEMBER 31, 2013**

HAITI AIR AMBULANCE SERVICE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Haiti Air Ambulance Service, Inc.
Woodbury, NY

We have audited the accompanying financial statements of Haiti Air Ambulance Service, Inc. (a not-for-profit company), 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 year ended December 31, 2014 and the period June 14, 2013 (date of inception) to December 31, 2013, 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 Haiti Air Ambulance Service, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the year ended December 31, 2014 and the period June 14, 2013 (date of inception) to December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Weiss & Company LLP

WEISS & COMPANY LLP

Glenview, Illinois
November 4, 2015

HAITI AIR AMBULANCE SERVICE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2014 AND DECEMBER 31, 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ 406,541	\$ -
Prepaid expenses	<u>200,778</u>	<u>-</u>
Total current assets	<u>607,319</u>	<u>-</u>
Property and equipment:		
Buildings	350,913	148,553
Vehicles	110,157	55,000
Furniture and equipment	<u>165,648</u>	<u>-</u>
Total property and equipment	626,718	203,553
Accumulated depreciation	<u>(42,523)</u>	<u>-</u>
Property and equipment, net	<u>584,195</u>	<u>203,553</u>
Other assets:		
Security deposit	<u>455,140</u>	<u>22,600</u>
Total assets	<u>\$ 1,646,654</u>	<u>\$ 226,153</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accrued expenses	\$ 36,117	\$ -
Unrestricted net assets	<u>1,610,537</u>	<u>226,153</u>
Total liabilities and net assets	<u>\$ 1,646,654</u>	<u>\$ 226,153</u>

The accompanying notes are an integral part of these financial statements.

HAITI AIR AMBULANCE SERVICE, INC.

STATEMENTS OF ACTIVITIES

**FOR THE YEAR ENDED DECEMBER 31, 2014
AND PERIOD JUNE 14, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
Revenue:		
Contributions	\$ 4,127,032	\$ 659,652
Expenses:		
Program services	2,625,769	412,933
Management and general	68,439	20,566
Fundraising	<u>48,440</u>	<u>-</u>
Total expenses	<u>2,742,648</u>	<u>433,499</u>
Increase in unrestricted net assets	1,384,384	226,153
Net assets:		
Beginning of period	<u>226,153</u>	<u>-</u>
End of period	<u>\$ 1,610,537</u>	<u>\$ 226,153</u>

The accompanying notes are an integral part of these financial statements.

HAITI AIR AMBULANCE SERVICE, INC.

STATEMENTS OF CASH FLOWS

**FOR THE YEAR ENDED DECEMBER 31, 2014
AND PERIOD JUNE 14, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase in unrestricted net assets	\$ 1,384,384	\$ 226,153
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:		
Depreciation	42,523	-
Increase in operating assets:		
Prepaid expenses	(200,778)	-
Security deposit	(432,540)	(22,600)
Increase in operating liabilities:		
Accrued expenses	<u>36,117</u>	<u>-</u>
Net cash provided by operating activities	<u>829,706</u>	<u>203,553</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(423,165)</u>	<u>(203,553)</u>
Net increase in cash	406,541	-
Cash, beginning of period	<u>-</u>	<u>-</u>
Cash, end of period	<u>\$ 406,541</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

HAITI AIR AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Note 1 – Nature of Activities and Summary of Significant Policies

Organization and Nature of Activities

Haiti Air Ambulance Service, Inc. (the Company) is a not-for-profit company under U.S. 501 (c) (3), and is registered in Haiti as a private non-profit foundation. The Company's team includes aviation professionals, skilled medical personnel and other supporters providing a HEMS (Helicopter Emergency Medical Services) and Medical Evacuation program in Haiti.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting as required by accounting principles generally accepted in the United States of America.

Property and Equipment

Depreciable assets and replacements of major assets are recorded at cost. Maintenance, repairs and minor replacements are expensed. The cost and accumulated depreciation of property sold or retired is removed from the property and related accumulated depreciation accounts and the resultant gain or loss is recorded. The Organization reviews its property and equipment for impairment whenever events indicate the carrying amount of such assets may not be recoverable. Depreciation is computed using straight line methods over estimated useful lives.

Support and Revenue

The Company received a majority of its support from a single contributor, the President of the Company, during 2014 and 2013. The President contributed \$4,042,032 and \$659,653 in 2014 and 2013, respectfully.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company has received a favorable determination letter from the Internal Revenue Service and therefore is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Functional Expenses

Expenses directly identified with a functional area are charged to such area and, where such expenses effect more than one area, they are allocated to the respective programs and management functions.

HAITI AIR AMBULANCE SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Note 2 – Commitments

The Company leases facilities for living space located in Haiti under operating leases expiring through November 30, 2015. Noncancelable leases at December 31, 2014 require monthly payments totaling \$10,750. Rent expense was \$153,000 and \$44,350 for the year ended December 31, 2014 and the period June 14, 2013 (date of inception) to December 31, 2013, respectively.

The Company entered into a helicopter equipment and service lease beginning on March 1, 2014 and expiring February 28, 2017. The lease requires monthly payments of \$148,767 plus flight hourly rates. Rent expense was \$1,307,550 for the year ended December 31, 2014.

Future minimum commitments for both living space and helicopter equipment as of December 31, 2014 are as follows:

2015	\$ 1,887,450
2016	1,785,200
2017	<u>297,533</u>
Total	<u>\$ 3,970,183</u>

Note 3 – Income Taxes

The Company files information returns in the U.S. federal and state jurisdictions. Income tax years open for examination by federal and state taxing authorities are 2013 and 2014.

Note 4 – Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is November 4, 2015, which is the date on which the financial statements were available to be issued.

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Haiti Air Ambulance Service, Inc.
Woodbury, NY

We have audited the financial statements of Haiti Air Ambulance Service, Inc. as of December 31, 2014 and 2013, and for the year ended December 31, 2014 and period June 14, 2013 (date of inception) to December 31, 2013, and our report thereon dated November 4, 2015, which expressed an unmodified opinion on those statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Weiss & Company LLP

WEISS & COMPANY LLP

Glenview, Illinois
November 4, 2015

HAITI AIR AMBULANCE SERVICE, INC.

SCHEDULES OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED DECEMBER 31, 2014
AND JUNE 13, 2014 (DATE OF INCEPTION) TO DECEMBER 31, 2013**

	2014			2013				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Consultants	\$ 214,017	\$ -	\$ 48,440	\$ 262,457	\$ 292,218	\$ -	\$ -	\$ 292,218
Attorney fees	-	-	-	-	-	6,790	-	6,790
Advertising and promotion	-	2,737	-	2,737	-	900	-	900
Occupancy	153,318	-	-	153,318	57,402	-	-	57,402
Dues and subscriptions	-	8,689	-	8,689	-	-	-	-
Bank Fees	-	1,890	-	1,890	-	-	-	-
Postage	-	1,725	-	1,725	-	-	-	-
Vehicle rent	50,056	-	-	50,056	-	-	-	-
Helicopter rent	1,307,546	-	-	1,307,546	-	-	-	-
Salaries and wages	422,041	-	-	422,041	-	-	-	-
Medical expenses	98,199	-	-	98,199	-	-	-	-
Supplies	49,161	18,237	-	67,398	-	-	-	-
Uniforms	10,222	-	-	10,222	-	-	-	-
Maintenance	23,684	-	-	23,684	-	-	-	-
Fuel and oil	71,642	-	-	71,642	-	-	-	-
Insurance	36,566	-	-	36,566	-	-	-	-
Security	2,516	-	-	2,516	-	-	-	-
Depreciation	42,523	-	-	42,523	-	-	-	-
Telephone	23,663	520	-	24,183	-	-	-	-
Travel and entertainment	120,615	34,176	-	154,791	63,313	-	-	63,313
Other expenses	-	465	-	465	-	12,876	-	12,876
Total expenses	\$ 2,625,769	\$ 68,439	\$ 48,440	\$ 2,742,648	\$ 412,933	\$ 20,566	\$ -	\$ 433,499