

ATLANTIC PARTNERS EMS, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

June 30, 2014 and 2013

**WITH INDEPENDENT ACCOUNTANTS'
REVIEW REPORT**

ATLANTIC PARTNERS EMS, INC.

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June 30, 2014 and 2013

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NICHOLSON, MICHAUD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Atlantic Partners EMS, Inc.
Winslow, ME 04901

We have reviewed the accompanying statements of financial position of Atlantic Partners EMS, Inc. (the Organization), a not-for-profit corporation, as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying schedules of public support and revenue - program, program expenses, and general expenses are presented only for purposes of additional analysis and have been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Waterville, Maine
December 18, 2014

ATLANTIC PARTNERS EMS, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash and cash equivalents	\$ 6,112	\$ 51,835
Accounts receivable	90,721	97,541
Total Current Assets	<u>96,833</u>	<u>149,376</u>
Marketable Securities	<u>48,969</u>	<u>35,330</u>
Property, Plant and Equipment		
Land	15,000	15,000
Buildings and improvements	101,622	101,622
Furniture and equipment	525,820	491,563
Accumulated depreciation	<u>(531,865)</u>	<u>(513,244)</u>
Net Property, Plant and Equipment	<u>110,577</u>	<u>94,941</u>
Total Assets	\$ <u>256,379</u>	\$ <u>279,647</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Credit cards payable	\$ 18,088	\$ -
Simple IRA payable	1,525	3,489
AFLAC payable	663	493
Sales tax payable	438	467
HSA Payable	10	10
Line of credit	95,336	97,354
Note payable, current portion	4,491	4,275
Total Current Liabilities	<u>120,551</u>	<u>106,088</u>
Long-Term Liabilities		
Note payable, long-term portion	1,425	7,804
Total Long-Term Liabilities	<u>1,425</u>	<u>7,804</u>
Total Liabilities	<u>121,976</u>	<u>113,892</u>
Net Assets		
Unrestricted	134,403	165,755
Total Net Assets	<u>134,403</u>	<u>165,755</u>
Total Liabilities and Net Assets	\$ <u>256,379</u>	\$ <u>279,647</u>

See Accompanying Notes and Independent Accountants' Review Report.

ATLANTIC PARTNERS EMS, INC.

STATEMENTS OF ACTIVITIES and CHANGES IN NET ASSETS

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Public Support and Revenue		
Program	\$ 992,526	\$ 982,629
Miscellaneous contributions, fees, and support	31,672	2,084
Fundraising	-	15,420
Total Public Support and Revenue	<u>1,024,198</u>	<u>1,000,133</u>
Expenses		
Program	1,016,613	969,003
General	48,988	26,399
Fundraising	-	12,389
Total Expenses	<u>1,065,601</u>	<u>1,007,791</u>
Change in Net Assets from Operating Activities	<u>(41,403)</u>	<u>(7,658)</u>
Non-Operating Activities		
Realized gain on investments	3,321	3,432
Unrealized gain on investments	7,465	4,240
Interest and dividends	2,852	638
Interest expense	<u>(3,587)</u>	<u>(3,886)</u>
Changes in Net Assets from Non-Operating Activities	<u>10,051</u>	<u>4,424</u>
Change in Net Assets	<u>(31,352)</u>	<u>(3,234)</u>
Net Assets, Beginning of Year	<u>165,755</u>	<u>168,989</u>
Net Assets, End of Year	<u>\$ 134,403</u>	<u>\$ 165,755</u>

See Accompanying Notes and Independent Accountants' Review Report.

ATLANTIC PARTNERS EMS, INC.

STATEMENTS of CASH FLOWS

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in Net Assets	\$ (31,352)	\$ (3,234)
Adjustments to reconcile increase (decrease) in net assets to net cash flows from operating activities:		
Depreciation	18,621	19,222
Bad debt	5,325	-
Net (gain) on investments	(10,786)	(7,672)
Changes in operating assets and liabilities:		
Accounts receivable	1,495	(65,754)
Payroll taxes payable	-	(554)
Credit card payable	18,088	-
Simple IRA payable	(1,964)	3,004
AFLAC payable	170	379
Sales tax payable	(29)	63
HSA payable	-	10
Net cash flows from operating activities	<u>(432)</u>	<u>(54,536)</u>
Cash flows from investing activities:		
Acquisition of fixed assets	(34,257)	(7,492)
Net proceeds from (purchases of) marketable securities	(2,853)	29,513
Net cash flows from investing activities	<u>(37,110)</u>	<u>22,021</u>
Cash flows from financing activities:		
Principal payments on note payable	(6,163)	(5,695)
Net proceeds from (payments on) line of credit	(2,018)	31,354
Net cash flows from financing activities	<u>(8,181)</u>	<u>25,659</u>
Net change in cash and cash equivalents	(45,723)	(6,856)
Cash and cash equivalents at the beginning of the year	<u>51,835</u>	<u>58,691</u>
Cash and cash equivalents at the end of the year	\$ <u>6,112</u>	\$ <u>51,835</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$ 3,587	\$ 3,886

See Accompanying Notes and Independent Accountants' Review Report.

ATLANTIC PARTNERS EMS, INC.

NOTES to FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Atlantic Partners EMS, Inc. (the Organization) is a nonprofit corporation organized under the laws of the State of Maine. The Organization is committed to serve in a leadership role for the enhancement of a comprehensive EMS and public safety system on a local level through accountability, quality improvement, collaboration and cooperation among pre-hospital providers and the development and provision of support services for emergency care providers. The Organization serves communities throughout the state of Maine.

Basis of Presentation

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Under the standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets: Unrestricted net assets are those that bear no external restrictions as to use or purpose.

Temporarily Restricted Net Assets: Temporarily restricted net assets are those whose use has been limited by donors and grantors to a specific time period or purpose. The Organization had no temporarily restricted net assets at June 30, 2014 and 2013.

Permanently Restricted Assets: Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. The Organization had no permanently restricted net assets at June 30, 2014 and 2013.

Revenue Recognition Policies

Program: Program revenue is recorded at the Organization's established rates for EMS services at the time services are rendered.

Contributions: Contributions are recognized as revenues in the period received and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash equivalents include all monies in banks, time deposits, and certificates of deposits.

Investments

The Organization's investments consist of marketable securities and are carried at fair value. Income and net (realized and unrealized) gains on investments are reported as follows:

- As increases in temporarily restricted net assets if the terms of the gift or the Organization's interpretation of relevant state law impose restrictions on the use of income; or
- As increases in permanently restricted net assets if the terms of the gift requires that they be added to the principal of the original permanently restricted gift; or
- As increases in unrestricted net assets in all other cases.

The fair value of the investments is based on quoted market prices, when available, or market prices provided by recognized broker dealers.

ATLANTIC PARTNERS EMS, INC.

NOTES to FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements. Management deemed that no allowance for uncollectible accounts was necessary at June 30, 2014 and 2013.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, if purchased, or at fair market value at the date of the gift, if donated, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of improvements and equipment ranging from 5 to 40 years.

At the time property, plant and equipment is retired or otherwise disposed of, the cost and the related accumulated depreciation are adjusted, and any gain or loss on disposal is included in the statement of activities.

Income Taxes

Atlantic Partners EMS, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements. Management evaluated the Organization's tax positions and concluded that they had taken no uncertain tax positions that required adjustment to the financial statements. The Organization's tax years from 2012 through 2014 are open and subject to examination by federal and state taxing authorities.

Contributed Services

During the years ending June 30, 2014 and 2013, volunteers contributed time and performed a variety of tasks that assisted the Organization in many areas. These services have not been recognized in the financial statements, as they do not meet the criteria for recognition under generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accept accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. Actual results could differ from those estimates.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 2 - RETIREMENT PLAN

The Organization maintains an IRA-based plan that gives small employers a simplified method to make contributions toward their employees' retirement. Under a Simple IRA plan, employees may choose to make salary reduction contributions and the employer makes matching or non-elective contributions. All contributions are made directly to an Individual Retirement Account or Individual Retirement Annuity (IRA) set up for each employee (Simple IRA). Simple IRA plans are maintained on a calendar-year basis.

ATLANTIC PARTNERS EMS, INC.

NOTES to FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 - RETIREMENT PLAN (Continued)

The Simple IRA plan was established to cover all full-time employees who elect to participate in the plan. For fiscal years ended June 30, 2014 and 2013 there were employer contributions made for eligible participants of the Simple IRA plan in the amount of \$8,574 and \$5,637, respectively.

NOTE 3 - CONCENTRATIONS

Three customers account for 56% of the Organization's accounts receivable at June 30, 2014. Two customers account for 32% of the Organizations' accounts receivable at June 30, 2013. Liability on the mortgage note is concentrated at a local bank.

NOTE 4 - LINE OF CREDIT

The Organization has a revolving line of credit with a local bank. At June 30, 2014, the interest rate on the line of credit was 5.50%. The outstanding balance at June 30, 2014 and 2013 was \$95,336 and \$97,354, respectively.

NOTE 5 - NOTE PAYABLE

Long-term debt at June 30, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
Note payable to a local bank, 5.50% interest, payable monthly at \$410.74, secured by building, due September, 2016.	\$ 5,916	\$ 12,079
Less: current portion	<u>4,491</u>	<u>4,275</u>
Total long-term debt, net of current portion	\$ <u>1,425</u>	\$ <u>7,804</u>

Maturities of long-term debt are as follows:

Year Ending <u>June 30,</u>	
2015	\$4,275
2016	1,641

ATLANTIC PARTNERS EMS, INC.

NOTES to FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 6 – INVESTMENTS

Marketable Securities

Investments in marketable equity securities with readily determinable fair values are stated at fair market value and are composed of the following, for the years ended June 30, 2014 and 2013:

		<u>2014</u>	
	<u>Cost</u>		<u>Market</u>
Mutual funds	\$ <u>34,929</u>		\$ <u>48,969</u>
Total	\$ <u>34,929</u>		\$ <u>48,969</u>
		<u>2013</u>	
	<u>Cost</u>		<u>Market</u>
Mutual funds	\$ <u>26,616</u>		\$ <u>35,330</u>
Total	\$ <u>26,616</u>		\$ <u>35,330</u>

Investment income is composed of the following, for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ <u>2,852</u>	\$ 638
Net realized gain	<u>3,321</u>	3,432
Net unrealized gain	<u>7,465</u>	<u>4,240</u>
Total	\$ <u>13,638</u>	\$ <u>8,310</u>

NOTE 7 – SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to, and including, the date of the independent accountants' review report, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

ATLANTIC PARTNERS EMS, INC.

SCHEDULES OF PUBLIC SUPPORT AND REVENUE - PROGRAM

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Education - licenses	\$ 213,498	\$ 255,442
Education - seminars	140,232	127,668
Maine EMS	139,175	161,754
Education - AHA	117,178	97,918
Education - other	103,731	1,752
Education - specialty	81,615	92,307
Contracts/BHS	60,265	63,634
Assessment - service	59,559	64,658
Assessment - hospital	54,147	57,764
Grants	19,568	49,215
EMS Week	3,523	4,430
Scholarships	35	6,087
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Total Program Income	\$ <u>992,526</u>	\$ <u>982,629</u>

See Accompany Notes and Independent Accountants' Review Report

ATLANTIC PARTNERS EMS, INC.

SCHEDULES OF PROGRAM EXPENSES

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Salaries and wages	\$ 368,099	\$ 394,013
Education - seminars and conferences	129,915	96,520
EMS memorial	96,774	-
Education - AHA	72,409	72,627
Licensure program - BLS	62,789	61,922
Education - specialty	53,927	80,859
Employee benefits	45,321	50,080
Licensure program - ALS	44,268	61,429
Payroll taxes	34,046	33,365
Travel	22,494	18,855
Depreciation	18,621	19,222
Subcontracted labor	17,729	37,743
EMS Week	10,589	7,226
Office expenses	9,836	12,432
Staff education	9,027	-
BHS	5,539	4,795
Accounting fees	4,196	4,194
Insurance	4,115	3,903
Utilities	3,752	2,486
Occupancy	2,335	5,022
Quality assurance	750	-
CISD	82	-
Miscellaneous	-	1,877
Sales tax	-	433
	<hr/>	<hr/>
Total Program Expenses	<u>\$ 1,016,613</u>	<u>\$ 969,003</u>

See Accompanying Notes and Independent Accountants' Review Report

ATLANTIC PARTNERS EMS, INC.

SCHEDULES OF GENERAL EXPENSES

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Office expenses	\$ 27,312	\$ 7,546
Equipment lease	5,510	5,173
Bad debt	5,325	-
Insurance	5,163	9,133
Banking	2,687	1,576
Repairs and maintenance	1,758	2,261
Dues and subscriptions	686	575
Legal fees	547	135
	<hr/>	<hr/>
Total General Expenses	\$ <u>48,988</u>	\$ <u>26,399</u>

See Accompanying Notes and Independent Accountants' Review Report