

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

Financial Statements

June 30, 2014

(With Accountant's Review Report Thereon)

WILLIAM W. DEAN CPA

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Southern Maine Emergency Medical
Services Council, Inc.

I have reviewed the accompanying statement of financial position of Southern Maine Emergency Medical Services Council, Inc., (a nonprofit organization) as of June 30, 2014, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to the Council's financial data and making inquiries of Organization 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 taken as a whole. Accordingly, I 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.

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

Based on my review, I am 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.

William W. Dean CPA

December 24, 2014

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

Statement of Financial Position

June 30, 2014

Assets

Current assets:

Cash	\$ 69,168
Accounts receivable	<u>29,859</u>
Total current assets	<u>99,027</u>

Property and equipment, at cost

Timeshare units	3,584
Leasehold improvements and signage	15,195
Vehicle	19,553
Training and equipment	109,844
Office equipment	<u>78,804</u>
	226,980
Less accumulated depreciation	<u>207,719</u>
	<u>19,261</u>

Total assets \$ 118,288

Liabilities and Net Assets

Current liabilities:

Bank line of credit	14,500
Accounts payable	13,166
Honor guard funds payable	<u>1,670</u>
Total current liabilities	29,336

Long term liabilities

Total liabilities	<u>-</u>
	<u>29,336</u>

Net assets:

Unrestricted	74,882
Temporarily restricted	<u>14,070</u>
Total net assets	<u>88,952</u>

Total liabilities and net assets \$ 118,288

See accompanying notes and accountant's review report.

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

Statement of Activities

For the year ended June 30, 2014

Changes in Unrestricted Net Assets

Unrestricted support:	
Grants	\$ 90,313
Contributions	157,164
Fundraising	<u>0</u>
Total unrestricted support	<u>247,477</u>
Other unrestricted revenues:	
Tuition and testing income	64,003
Investment income	126
Other income	<u>1,807</u>
Total unrestricted revenue	<u>65,936</u>
Total unrestricted revenue and other support, net	313,413
Net assets released from restrictions – reclassification	<u>-</u>
Total unrestricted revenues and other support	<u>313,413</u>
Expenses:	
Program expenses	137,494
Management and general	110,491
Fundraising expenses	<u>844</u>
Total expenses	<u>248,829</u>
Increase (decrease) in unrestricted net assets	<u>64,584</u>
Changes in Temporarily Restricted Net Assets	
Contributions and grants	10,000
Unrealized gain on marketable equity securities	-
Net assets released from restrictions – reclassification	<u>-</u>
Increase (decrease) in temporarily restricted net assets	<u>10,000</u>
Increase in Net Assets	74,584
Net Assets at beginning of year	<u>14,368</u>
Net Assets at end of year	\$ <u>88,952</u>

See accompanying notes and review accountant's report.

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

Statement of Cash Flows

For the year ended June 30, 2014

Cash flows from operating activities:	
Increase in net assets	\$ 74,584
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,628
(Increase) decrease in current assets:	
Accounts receivable	28,426
Due from employee	5,754
Increase (decrease) in current liabilities:	
Accounts payable	4,098
Honor guard funds payable	<u>(784)</u>
Net cash provided by operating activities	<u>116,706</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(3,474)</u>
Net cash used in investing activities	<u>(3,474)</u>
Cash flows from financing activities:	
Line of credit repayment	(45,000)
Repayment of capital lease obligations	<u>(3,407)</u>
Net cash used in financing activities	<u>(48,407)</u>
Increase in cash	64,825
Cash at beginning of year	<u>4,343</u>
Cash at end of year	\$ <u>69,168</u>
Supplemental schedule of cash paid during the year:	
Interest expense	\$ <u>2,112</u>
Supplemental schedule of noncash investing and financing activities:	
Equipment acquired by direct financing – capital lease	\$ <u>-0-</u>

See accompanying notes and accountant's review report.

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

Statement of Functional Expenses

For the year ended June 30, 2014

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 21,026	36,793	-	57,819
Benefits and payroll taxes	2,879	9,265	-	12,144
Staff education	2,050	-	-	2,050
Temporary help	-	3,082	-	3,082
Administrative expenses	-	5,754	-	5,754
Instructional course expenses	51,936	-	-	51,936
Testing expenses	6,075	-	-	6,075
Maintenance expenses	171	171	742	1,084
Advertising/sponsorships	1,157	-	-	1,157
Vehicle expenses	289	2,604	-	2,893
Rent	4,550	4,550	-	9,100
Accounting fees	-	3,215	-	3,215
Legal and other professional fees	-	3,272	-	3,272
Utilities	4,178	4,178	-	8,356
Telephone and internet	3,124	3,123	-	6,247
Insurance	7,241	2,656	-	9,897
Property taxes	775	775	-	1,550
Postage	724	725	-	1,449
Office supplies and expenses	5,628	5,628	-	11,256
Lab, paramedic & training supplies	9,522	-	-	9,522
Bank/credit card charges	-	49	-	49
Payroll fees	-	4,173	-	4,173
Regional Medical Director – contracted	1,667	-	-	1,667
QC Coordinator	9,366	-	-	9,366
CISM expenses	287	-	-	287
Travel and meetings	2,092	-	-	2,092
Membership dues	-	325	-	325
Interest expense	110	2,002	-	2,112
Total expenses before depreciation	134,847	92,340	742	227,929
Bad debt expense	-	16,272	-	16,272
Depreciation	2,647	1,879	102	4,628
Total expenses	\$ 137,494	110,491	844	248,829

See accompanying notes and accountant's review report.

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

Notes to Financial Statements

June 30, 2014

(See accountant's review report.)

1. Significant Accounting Policies

Organization

The Southern Maine Emergency Medical Services Council, Inc. was organized on February 27, 1980 as a nonprofit corporation under the laws of the State of Maine for the purpose of preserving life and reducing the risk of future harm by coordinating the activities between regional hospitals and pre-hospital personnel providing on-scene care.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Council reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Council reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are defined as cash deposits and certificates of deposit with original maturities of less than 90 days.

Property and Equipment

Material additions, replacements and betterments are capitalized at cost. Donated assets are recorded at their appraised value at the time of donation.

Depreciation

Costs of property and equipment are expensed over the estimated useful lives of the assets (six years for the vehicle; five to ten years for the equipment; ten to fifteen years for the leasehold improvements; and thirty-five years for the timeshare units), using the straight-line method. When assets are retired or disposed of, their costs and related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income.

Income Taxes

The Southern Maine Emergency Medical Services Council, Inc., is organized as a nonprofit corporation in accordance with Internal Revenue Code Section 501(c)(3), and therefore is exempt from income taxes.

The Council's federal tax exempt organization income tax returns for June 30, 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

SOUTHERN MAINE EMERGENCY MEDICAL SERVICES COUNCIL, INC.

1. Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through December 24, 2014, the date on which the financial statements were available to be issued.

2. Accounts Receivable

All accounts are considered collectible and therefore, no provision has been made for losses on uncollectible accounts. The Council operates in the Southern Maine area and grants credit mainly to local emergency medical technicians and rescue squads.

3. Line of Credit

The Council has an approved line of credit with a local bank in the amount of \$50,000, at the bank's prime rate of interest, plus 0.75% (currently 4.25%). Borrowings under this line are secured by all business assets. \$35,500 of the line was unused as of June 30, 2014.

4. Operating Lease

Southern Maine Emergency Medical Services Council, Inc., leases office space in Gorham, Maine under a lease agreement effective January 1, 2013. Monthly rent under the agreement is \$700 through December 31, 2013, with an option by the Organization to extend the lease at the same rate for four consecutive years. The lease has been extended through December 31, 2015.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2014 consist of the following:

Joseph Bradley Scholarship for EMS students	\$ 4,070
Grant to purchase Education Equipment	<u>10,000</u>
Total Temporarily Restricted Net Assets	\$ <u>14,070</u>