

Mercy Medical Airlift®

Annual Report

Calendar Year 2010

Prepared
March 21, 2011



Angel Flight



Annual Report

Calendar Year 2010

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Mercy Medical Airlift Overview

Our History

Mercy Medical Airlift traces its roots to 1977 when four men – all of them pilots – from Manassas, Virginia, bought a Beechcraft Bonanza A-36 aircraft and used it for charitable flights, some medical and others, to fly dignitaries and church leaders to conferences and other events. A nonprofit organization was formed, and it became clear to its leaders that medical flights for needy patients was to be the group’s mission.

“A new niche was carved in the realm of volunteerism,” wrote John B. Bruce in his article, “Flights of Mercy.” That niche is called charitable, medical air transportation. MMA purchased a Cessna 421C and equipped it for air ambulance service. Eventually, costs became prohibitive, the Cessna was sold, and the service was discontinued. The board decided instead to develop the Angel Flight program, utilizing volunteer pilots who use their own small aircraft for patient flights. In 1997, headquarters were established in Virginia Beach, and Angel Flight was incorporated the following year to serve the mid-Atlantic region, including Virginia, Maryland, Washington, D.C., West Virginia, Kentucky, Delaware, Ohio, Pennsylvania, and Michigan. Tennessee and North Carolina are included in the region but operate under the name Airlift Hope.

Since 1984, MMA has continued to evolve and develop other methods of providing patient transport. From working with commercial airlines and their frequent flyer miles donation programs, to developing HSEATS, a program dedicated to assistance in disaster relief, MMA strives to make sure that everyone that needs medical treatment doesn’t let transportation challenges stand in the way of receiving it.

Mercy Medical’s Mission

MMA functions to ensure that no financially needy patient is denied access to essential distant specialized medical evaluation, diagnosis, treatment or care for lack of a means of long-distance medical air or ground transportation. To achieve that goal MMA operates several components of the national charitable medical transportation system. MMA provides a means of charitable or charitably assisted long-distance patient (and escort) transportation via private aircraft, commercial airlines, fixed-wing long-distance air ambulance and ground transport.



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Program Overview



[National Patient Travel Helpline](#): The National Patient Travel Helpline provides information about all forms of charitable, long-distance medical transportation and provides referrals to all sources of help available in the national charitable medical transportation network.



[Air Compassion for Veterans](#): Provides free air transportation for our wounded warriors and their families to access the services and programs that will provide them healing and restoration.



[Angel Flight Mid-Atlantic](#): Coordinates a volunteer pilot operation in the mid-Atlantic region. Pilots fly their own planes, using their own fuel, to transport patients less than 1000 miles for treatment.



[Air Compassion America](#): Patient advocate resource for those searching for Air Ambulance transportation. Coordinates flights with vendors, and through various outlets, is able to obtain a discount averaging 38%.



[Homeland Security Air Transportation System](#): HSEATS is the United States civil aviation response to disasters. It is a jointly coordinated program that utilizes aircraft owned and flown by volunteer pilots, corporate business jets, air ambulance services through Air Compassion America and donated airline tickets through Mercy Medical Airlift.



[Angel Bus](#): Angel Bus is a nonprofit corporation dedicated to providing compassionate, non-emergency long-distance ground transportation to patients in need. Angel Bus utilizes motor coaches and their volunteer drivers as well as commercial bus service to fulfill our mission.



MMA also coordinates hundreds of commercial airline flights each month for several organizations such as the American Cancer Society, via air miles donated by the public and tickets provided by several major airlines.



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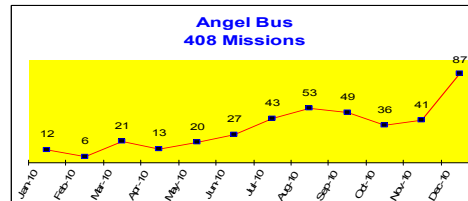
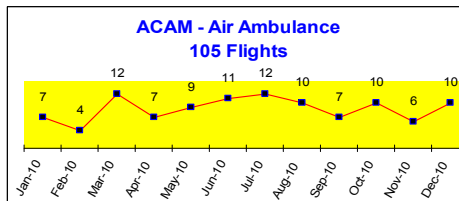
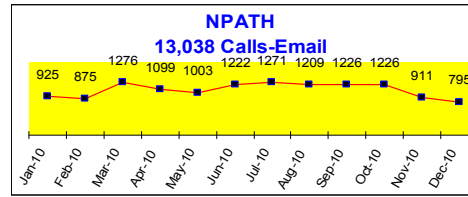
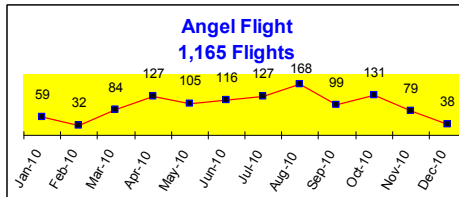
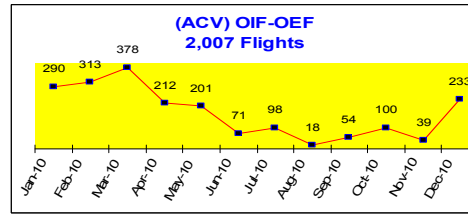
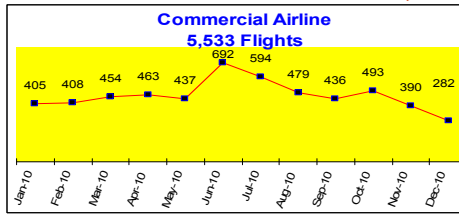
2010 Program Review



CY 2010 PROGRAM REPORT

TOTAL SERVICE

22,256 Clients





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Governance

Mercy Medical Airlift has an independent Board of Directors, as well as a National Advisory Committee.

2011 Board of Directors

Col Norman E. Johnson, USAF (Ret)
Chairman (2014)
Serving Since 2002

C.R. (Bud) Harper
Vice Chairman (2012)
Serving Since 2002

Kenneth (Skipp) Maiden
Treasurer (2014)
Serving Since 2001

Lt Col Grant (Nick) Nicolai, USAF (Ret)
Secretary (2014)
Serving Since 2005

Harry Beaver, MD
Director (2013)
Serving Since 1984

John Jackson
Director (2012)
Serving Since 2000

William W. (Bill) Edmunds, Jr.
Director (2013)
Serving Since 2006

Louis J. Sabatini
Director (2014)
Serving Since 1996

Col Rand Brandt, USAF (Ret)
Director (2012)
Serving Since 2008

Maj Gen Jack Catton, USAF (Ret)
Director (2012)
Serving Since 2009

Lt Col Kelly Martin, USAF
Director (2013)
Serving Since 2010

LTG Teddy G. Allen, USA (Ret)
Director (2012) Serving Since 2009

Rev. John W. Hoffmann
Director (2014)
Serving Since 2007

RADM J. B. "Gib" Godwin, III, USN (Ret)
Director (2012)
Serving Since 2009

CAPT Tom McMahon, USN (Ret)
Director (2013)
Serving Since 2010

2011 National Advisory Committee

Peter W. Stacpoole, Chairman
Ph.D., M.D., FRCP

The Honorable Mark L. Earley

Brig Gen Dick Abel,
USAF (Ret)

Brig Gen Charles M. Duke, Jr.,
USAF (Ret)

Kenneth Rowe

The Honorable Frank R. Wolf



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Financial Review

The following financial statements reflect our Fiscal Year 2010, which ended June 30, 2010.

Statements of Financial Position

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 113,989	\$ 692,822
Endowment Fund	183,651	168,156
Grants, Pledges, and Accounts Receivable, current	1,029,630	813,116
Donated Airfare Inventory	22,033	-
Prepaid Expenses	14,022	29,096
Notes Receivable	<u>-</u>	<u>135,000</u>
Total Current Assets	1,363,325	1,838,190
Property and Equipment		
Furniture and Equipment, net of depreciation	51,990	88,920
Building, net of depreciation	307,568	318,685
Building Improvements, net of amortization	63,113	60,516
Land	<u>391,500</u>	<u>391,500</u>
Total Property and Equipment	814,171	859,621
Total Assets	<u>\$ 2,177,496</u>	<u>\$ 2,697,811</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 121,569	\$ 94,155
Payroll Liabilities	80,688	73,098
Deposits	550	550
Notes Payable, current	<u>6,824</u>	<u>6,376</u>
Total Current Liabilities	209,631	174,179
Long Term Notes Payable	<u>357,031</u>	<u>363,723</u>
Total Liabilities	566,662	537,902
Net Assets		
Unrestricted Net Assets	588,306	617,625
Temporarily Restricted Net Assets	<u>1,022,528</u>	<u>1,542,284</u>
Total Net Assets	<u>1,610,834</u>	<u>2,159,909</u>
Total Liabilities and Net Assets	<u>\$ 2,177,496</u>	<u>\$ 2,697,811</u>



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Statement of Activities

	Unrestricted	Temporarily Restricted	Total
CONTRIBUTIONS AND REVENUE:			
Contributions:			
Donations and Grants	\$ 1,060,530	\$ 1,018,418	\$ 2,078,948
In Kind Donations - Services	<u>1,343,267</u>	<u>-</u>	<u>1,343,267</u>
Total Contributions	2,403,797	1,018,418	3,422,215
Revenues:			
Unrealized Gain/(Loss) on Investment	16,576	-	16,576
Rental Income	15,858	-	15,858
Reimbursed Expenses	15,006	-	15,006
Interest Income	2,456	-	2,456
Gain/(Loss) on Disposal of Assets	<u>(329)</u>	<u>-</u>	<u>(329)</u>
Total Revenue	49,567	-	49,567
Net Assets Released from Restrictions:	<u>1,538,174</u>	<u>(1,538,174)</u>	<u>-</u>
Total Contributions and Revenues	3,991,538	(519,756)	3,471,782
EXPENSES:			
Program:			
Airline Support	1,205,830	-	1,205,830
IADIF/ACV	1,100,022	-	1,100,022
Angel Flights	637,950	-	637,950
Public Education	364,092	-	364,092
Air Compassion America	179,348	-	179,348
Bonanza Aircraft Operation	131,014	-	131,014
NPATH	128,397	-	128,397
NIH	111,540	-	111,540
Homeland Security Program	44,791	-	44,791
Child Lift/Special Lift	27,417	-	27,417
Air Charity Network	<u>24,141</u>	<u>-</u>	<u>24,141</u>
Total Program Services	3,954,542	-	3,954,542
Supporting Services:			
General & Administrative	42,231	-	42,231
Fundraising	<u>24,084</u>	<u>-</u>	<u>24,084</u>
Total Supporting Services	<u>66,315</u>	<u>-</u>	<u>66,315</u>
Total Expenses	<u>4,020,857</u>	<u>-</u>	<u>4,020,857</u>
Change in Net Assets	(29,319)	(519,756)	(549,075)
Net Assets, Beginning of Year	<u>617,625</u>	<u>1,542,284</u>	<u>2,159,909</u>
Net Assets, End of Year	<u>\$ 588,306</u>	<u>\$ 1,022,528</u>	<u>\$ 1,610,834</u>



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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
CONTRIBUTIONS AND REVENUE			
Contributions			
Donations and Grants	\$ 513,441	\$ 807,855	\$ 1,321,296
In Kind Donations - Services	<u>931,177</u>	<u>-</u>	<u>931,177</u>
Total Contributions	1,444,618	807,855	2,252,473
Revenues			
Reimbursed Expenses	47,565	-	47,565
Rental Income	17,158	-	17,158
Interest Income	8,681	-	8,681
Unrealized Gain/(Loss) on Investment	<u>(43,354)</u>	<u>-</u>	<u>(43,354)</u>
Total Revenue	30,050	-	30,050
			-
Net Assets Released from Restrictions	<u>1,586,970</u>	<u>(1,586,970)</u>	<u>-</u>
			-
Total Contributions and Revenues	3,061,638	(779,115)	2,282,523
EXPENSES			
Program			
Airline Support	1,123,373	-	1,123,373
IADIF/ACV	1,004,286	-	1,004,286
Public Education	304,344	-	304,344
Angel Flights	247,815	-	247,815
Air Compassion America	171,196	-	171,196
NIH	100,309	-	100,309
NPATH	98,234	-	98,234
Bonanza Aircraft Operation	92,163	-	92,163
Homeland Security Program	59,219	-	59,219
Child Lift/Special Lift	36,499	-	36,499
Air Charity Network	<u>13,642</u>	<u>-</u>	<u>13,642</u>
Total Program Services	3,251,080	-	3,251,080
Supporting Services			
General & Administrative	119,586	-	119,586
Fundraising	<u>23,287</u>	<u>-</u>	<u>23,287</u>
Total Supporting Services	<u>142,873</u>	<u>-</u>	<u>142,873</u>
			-
Total Expenses	<u>3,393,953</u>	<u>-</u>	<u>3,393,953</u>
			-
Change in Net Assets	(332,315)	(779,115)	(1,111,430)
Net Assets, Beginning of Year	<u>949,940</u>	<u>2,321,399</u>	<u>3,271,339</u>
Net Assets, End of Year	<u>\$ 617,625</u>	<u>\$ 1,542,284</u>	<u>\$ 2,159,909</u>



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Statements of Cash Flows

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (549,075)	\$ (1,111,430)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	51,220	59,907
(Increase)/Decrease in Grants and Pledges Receivable	(81,514)	765,595
(Increase)/Decrease in Prepaid Expenses and Deposits	15,074	(16,266)
(Increase)/Decrease in Donated Airfare Inventory	(22,033)	-
Increase/(Decrease) in Accounts Payable and Accrued Expenses	<u>35,004</u>	<u>26,137</u>
Net Cash (used by)/provided by Operating Activities	(551,324)	(276,057)
CASH FLOWS FROM INVESTING ACTIVITIES		
Unrealized (Gain)/Loss on Investment	(16,576)	43,354
(Purchase)/Sale of Investments, net	1,080	(996)
(Purchase)/Disposal of Fixed Assets, net	<u>(5,769)</u>	<u>(13,355)</u>
Net Cash (used by)/provided by Investing Activities	(21,265)	29,003
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments of)/Increase in Notes Payable	<u>(6,244)</u>	<u>47,488</u>
Net Cash (used by)/provided by Financing Activities	(6,244)	47,488
NET CHANGE IN CASH	(578,833)	(199,566)
CASH, BEGINNING OF YEAR	<u>692,822</u>	<u>892,388</u>
CASH, END OF YEAR	<u>\$ 113,989</u>	<u>\$ 692,822</u>
Interest Paid	<u>\$ 25,211</u>	<u>\$ 24,844</u>



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Statement of Functional Expenses

	Airline Support	IADH/ACVET	Public Education	Angel Flights	Air Compassion America	NIH	NPATH	Bonanza	Homeland Security	Child Lift Special Lift	Air Charity Network	Total Programs	G&A	Fundraising	Support Services	Total
In-kind Service Expense	\$ 903,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,261	\$ -	\$ -	\$ -	\$ 931,177	\$ -	\$ -	\$ -	\$ 931,177
Salaries	86,943	147,881	154,530	127,471	69,798	86,575	62,561	-	29,149	16,792	8,707	790,407	87,000	9,182	96,182	886,589
Airline Travel-Patients	2,260	785,129	-	-	-	-	-	-	-	11,410	-	798,799	-	-	-	798,799
Contract Services	45,366	13,313	44,610	20,030	7,172	416	7,618	-	3,032	1,792	211	143,560	10,292	7,979	18,271	161,831
Grant Expense	48,970	-	-	36,205	60,580	-	6,275	-	-	-	-	152,030	-	-	-	152,030
Payroll Taxes	6,326	10,967	9,382	5,699	3,598	1,145	4,615	-	2,283	1,257	839	58,112	5,056	676	5,732	63,844
Depreciation Expense	4,271	6,092	7,693	6,146	3,433	1,149	3,175	14,334	7,849	799	427	55,368	4,088	451	4,539	59,907
Travel	1,729	7,460	17,507	2,093	855	393	274	146	3,061	835	1,405	35,758	-	704	704	36,462
Communications	3,231	5,051	5,463	4,782	6,132	1,212	2,408	649	4,425	617	431	34,401	18	321	339	34,740
Benefits	4,847	5,458	10,981	3,939	3,598	1,145	473	-	556	139	12	31,148	745	493	1,238	32,386
Repairs and Maintenance	342	717	421	454	530	164	252	22,069	212	76	32	25,269	-	85	85	25,354
Interest Expense	2,643	4,399	4,518	3,931	2,392	834	1,956	-	985	550	362	22,570	1,999	275	2,274	24,844
Supplies - Office	2,408	3,519	6,091	3,392	2,025	645	1,782	-	860	427	272	21,421	2,457	212	2,669	24,090
Training and Conferences	136	2,649	12,253	328	580	8	198	-	1,181	29	170	17,532	179	300	479	18,011
License and Fees	2,725	1,030	4,792	1,185	1,013	175	2,214	18	1,176	829	89	15,246	1,956	286	2,242	17,488
Office Utilities	1,569	2,569	2,798	2,242	1,575	465	1,155	931	564	290	177	14,335	1,030	185	1,215	15,550
Insurance Expense	438	778	727	4,944	690	160	306	6,447	192	78	49	14,809	1	65	66	14,875
Postage and Delivery	1,642	2,258	3,774	2,068	2,067	402	1,179	30	586	272	152	14,430	108	265	373	14,803
Promotional Materials	-	666	1,683	8,000	909	-	490	-	-	-	-	11,748	-	-	-	11,748
Media	-	250	8,135	-	445	-	-	-	-	-	-	8,830	1,000	-	1,000	9,830
Fuel-All Aircraft	-	-	-	-	-	-	-	8,748	-	-	-	8,748	-	-	-	8,748
Volunteer Expense	16	65	329	7,370	-	-	13	215	7	4	-	8,019	12	-	12	8,031
Miscellaneous Expense	709	431	981	740	196	37	156	-	91	49	12	3,402	3,112	15	3,127	6,529
N7709R Lease	-	-	-	-	-	-	-	6,221	-	-	-	6,221	-	-	-	6,221
Printing and Reproduction	818	2,558	978	1,467	21	45	-	-	20	12	1	5,923	158	1	159	6,082
Memberships	850	50	1,549	300	-	-	275	-	1,715	-	-	4,739	62	1,124	1,186	5,925
Office Rent	-	-	-	-	-	-	-	4,800	-	-	-	4,800	-	-	-	4,800
Internet Expense	345	329	604	322	373	94	285	-	298	91	221	2,962	-	27	27	2,989
Operating Supplies	191	357	524	325	380	61	154	5	769	51	30	2,847	80	24	104	2,951
Storage Rent	252	404	414	356	216	74	181	-	91	46	29	2,083	161	24	185	2,268
Computer Expenses	175	247	669	172	204	51	138	-	89	40	10	1,795	-	240	240	2,035
Publications & Subscriptions	199	-	307	-	250	-	-	289	-	-	-	1,045	72	350	422	1,467
Pilot Recruitment/Advertising	-	-	935	95	-	-	-	-	-	-	-	1,030	-	-	-	1,030
Security	56	114	91	76	63	14	56	-	28	14	4	516	-	3	3	519
Total Expenses	\$ 1,123,373	\$ 1,604,286	\$ 304,344	\$ 247,815	\$ 171,196	\$ 100,309	\$ 98,234	\$ 92,163	\$ 59,219	\$ 36,499	\$ 13,642	\$ 3,251,080	\$ 119,586	\$ 23,287	\$ 142,873	\$ 3,393,953

	Airline Support	IADH/ACVET	Angel Flights	Public Education	Air Compassion America	Bonanza	NPATH	NIH	Homeland Security	Child Lift Special Lift	Air Charity Network	Total Programs	G&A	Fundraising	Support Services	Total
In-kind Service Expense	\$ 949,967	\$ 98,066	\$ 229,723	\$ -	\$ -	\$ 40,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,318,235	\$ -	\$ -	\$ -	\$ 1,318,235
Salaries	112,307	161,247	174,148	140,259	52,848	-	60,951	90,206	22,485	12,195	8,452	835,098	14,662	9,873	24,535	859,633
Patient Travel	1,606	640,724	-	-	-	-	-	-	-	11,653	-	653,983	-	-	-	653,983
Grant Expense	88,390	43,000	92,200	90,600	92,072	3,100	49,125	-	6,050	-	-	465,987	-	-	-	465,987
Accounting Fees	2,569	3,425	46,195	-	6,551	-	268	-	214	-	-	53,522	16,509	-	16,509	70,031
Communications	5,377	12,432	10,213	22,289	3,860	487	2,999	4,206	3,771	724	385	66,743	497	1,291	1,788	68,531
Payroll Taxes	7,896	11,109	10,595	13,255	3,724	-	4,392	6,461	1,652	897	577	60,558	2,217	622	2,839	63,397
Depreciation Expense	4,359	6,235	6,893	5,202	2,051	15,909	2,360	3,863	2,672	472	330	50,346	487	387	874	51,220
Travel	7	19,542	3,231	16,498	777	-	1	2,134	2,779	-	1,504	46,473	59	-	59	46,532
Repairs and Maintenance	1,762	2,501	2,358	2,756	1,292	32,355	952	366	335	183	123	44,983	409	133	542	45,525
Event Expense	-	45,358	-	-	-	-	-	-	-	-	-	45,358	-	-	-	45,358
Benefits	13,100	6,661	8,031	7,763	3,390	-	103	1,078	38	15	10	40,189	153	2,615	2,768	42,957
Technology Project	3,400	-	3,400	8,401	-	-	-	-	-	-	-	11,714	26,915	-	-	26,915
Interest Expense	3,365	4,805	4,529	5,681	2,016	-	1,866	766	689	380	253	24,350	573	288	861	25,211
Insurance Expense	1,698	2,597	5,708	2,652	1,227	6,195	922	378	413	183	118	21,891	265	139	404	22,895
License and Fees	1,008	1,471	6,698	1,230	1,398	5	443	181	194	91	71	12,790	3,644	2,811	6,455	19,245
Fuel-All Aircraft	-	475	-	-	-	18,699	-	-	-	-	-	19,174	-	-	-	19,174
Consulting	-	17,576	-	-	-	-	-	-	-	-	-	17,576	-	-	-	17,576
Legal Fees	1,913	817	9,746	-	1,633	-	64	-	51	-	-	14,224	-	3,169	3,169	17,393
Supplies - Office	2,041	3,265	2,729	4,491	1,066	-	1,127	507	461	231	157	16,075	834	167	1,001	17,076
Conferences and Training	-	2,901	240	10,771	339	-	-	-	525	-	189	14,965	104	-	104	15,069
Promotional Materials	732	1,992	7,040	4,117	353	-	100	600	-	-	-	14,934	-	-	-	14,934
Advertising and Outreach	227	1,302	3,548	7,474	605	-	24	-	19	-	-	13,199	-	1,385	1,385	14,584
Office Utilities	1,742	2,175	2,295	2,914	732	822	942	371	322	186	130	12,631	1,305	140	1,445	14,076
Postage and Delivery	1,339	2,293	2,314	2,693	1,087	-	746	334	315	167	103	11,391	114	234	348	11,739
Volunteer Expense	11	82	9,600	435	28	-	-	-	1	-	-	10,157	-	-	-	10,157
Media	-	965	-	9,022	-	-	-	-	-	-	-	9,987	-	-	-	9,987
N7709R Lease	-	-	-	-	-	8,163	-	-	-	-	-	8,163	-	-	-	8,163
Printing and Reproduction	22	3,926	1,310	1,167	58	-	452	-	-	-	-	6,935	140	-	140	7,075
Rent Expense	317	426	410	494	148	4,800	172	70	55	34	25	6,949	90	27	117	7,066
Memberships	122	53	29	2,805	1,330	-	275	-	1,720	-	-	6,334	-	300	300	6,634
Miscellaneous Expense	553	801	717	1,723	463	-	113	19	30	6	2	4,427	169	503	672	5,099
Total Expenses	\$ 1,205,830	\$ 1,100,022	\$ 637,950	\$ 364,092	\$ 179,348	\$ 131,014	\$ 128,397	\$ 111,540	\$ 44,791	\$ 27,417	\$ 24,141	\$ 3,954,542	\$ 42,231	\$ 24,084	\$ 66,315	\$ 4,020,857