



FINANCIAL STATEMENTS

DECEMBER 31, 2015



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Angels of America's Fallen
Colorado Springs, Colorado

We have audited the accompanying financial statements of Angels of Americas Fallen (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statement of activities, and cash flows for the year then ended, 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.

Accountant's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Angels of Americas Fallen as of December 31, 2015, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the basic 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. This information has been subjected to the auditing procedures applied in our audit of the basic 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 basic financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
June 22, 2016

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ANGELS OF AMERICA'S FALLEN
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015



ASSETS

Cash and equivalents	\$ 171,592
Pledges receivable	44,039
Other assets	4,079
Property and equipment, net	<u>36,678</u>
Total assets	<u><u>\$ 256,388</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 4,098
Deferred revenues	<u>10,150</u>
Total liabilities	<u>14,248</u>
Net assets:	
Unrestricted:	
Equity in property and equipment	36,678
Designation for development activities	120,000
Unrestricted	<u>32,498</u>
Total unrestricted	189,176
Temporarily restricted	<u>52,964</u>
Total net assets	<u>242,140</u>
Total liabilities and net assets	<u><u>\$ 256,388</u></u>

The accompanying notes and independent auditor's report
should be read with this financial statement.



ANGELS OF AMERICA'S FALLEN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015



	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Contributions	220,854	\$ 69,489	\$ 290,343
In-kind contributions	24,259	-	24,259
Other income	23	-	23
Total support and revenues	<u>245,136</u>	<u>69,489</u>	<u>314,625</u>
<u>RECLASSIFICATIONS</u>			
Satisfaction of program restrictions	<u>42,875</u>	<u>(42,875)</u>	<u>-</u>
<u>EXPENSES</u>			
Program	184,771	-	184,771
General and administrative	10,370	-	10,370
Fundraising	21,626	-	21,626
Total expenses	<u>216,767</u>	<u>-</u>	<u>216,767</u>
Change in net assets	71,244	26,614	97,858
Net assets, beginning of year	<u>117,932</u>	<u>26,350</u>	<u>144,282</u>
Net assets, end of year	<u>\$ 189,176</u>	<u>\$ 52,964</u>	<u>\$ 242,140</u>

The accompanying notes and independent auditor's report
should be read with this financial statement.



ANGELS OF AMERICA'S FALLEN
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015



CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 97,858
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	9,774
Decrease (increase) in operating assets:	
Pledges receivable	(28,155)
Other assets	(2,414)
Decrease in operating liabilities:	
Accounts payable and accrued expenses	(6,610)
Deferred revenues	10,150
Net cash provided by operating activities	<u>80,603</u>
Net increase in cash and equivalents	80,603
Cash and equivalents, beginning of year	<u>90,989</u>
Cash and equivalents, end of year	<u><u>\$ 171,592</u></u>

The accompanying notes and independent auditor's report
should be read with this financial statement.



ANGELS OF AMERICA'S FALLEN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015



1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Angels of America's Fallen (the "Organization") is a 501(c)(3) charity that was founded in 2012 to support children; 18 years old or younger of any fallen U.S. military or first responder who passed in the line of duty. The Organization through its mission, proactively seeks to help children of fallen military and first responders develop into strong and successful adults by providing them positive mentoring and developmental activities when they are at their most crucial developmental phase of life.

Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis of presentation

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, which represent the expendable resources that are available for operations at management's discretion and the net investment in property and equipment; temporarily restricted net assets, which represent resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represent resources for which use by the Organization is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization has no permanently restricted net assets as of December 31, 2015.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments of three months or less to be cash and equivalents.

See independent auditor's report.



ANGELS OF AMERICA'S FALLEN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015



1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges receivable

Pledges receivable represent amounts pledged to the Organization by donors. Pledges that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction is met (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 activities as net assets released from restrictions. Pledges are written off once management considers the balance to be uncollectible. As of December 31, 2015, management considers all balances to be fully collectible; accordingly, no allowance for uncollectible pledges has been recorded. All pledges receivable are due within one year.

Property and equipment

Property and equipment is recorded on the basis of cost, or estimated fair value if donated. The Organization capitalizes purchases in excess of \$500, with lesser amounts expensed in the year purchased. Depreciation is computed on the straight-line basis over estimated useful lives of the related assets over 5 years, and is allocated among program services and supporting activities in the statements of activities.

Contribution revenue

In accordance with US GAAP, contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of donor restrictions, if applicable. Contribution revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organization. Donor-restricted contributions with restrictions that are met in the same reporting period as the contribution is recognized are reported as unrestricted support.

See independent auditor's report.



ANGELS OF AMERICA'S FALLEN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015



1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are recorded when costs are incurred.

Income taxes

The Organization was incorporated in the state of Colorado in 2012 and received exempt status from the IRS in March of 2012. The Organization is a non-profit organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Organization is not considered to be a private foundation under Section 509(a)(2) of the Code.

The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization. Management believes only income tax returns for the years 2012 and later are subject to examination by the applicable taxing jurisdiction.

Subsequent events

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

See independent auditor's report.



ANGELS OF AMERICA'S FALLEN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015



2. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2015:

Equipment	\$ 15,174
Vehicle	<u>33,700</u>
	\$ 48,874
Accumulated Depreciation	<u>(12,196)</u>
	<u><u>\$ 36,678</u></u>

Depreciation expense for the year ended December 31, 2015 was \$9,774.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent amounts contributed and pledged to the Organization for support of special projects and general operating expenses. Temporarily restricted net assets consist of the following funds at December 31, 2015.

Northeast Spa & Pool Association	\$ 7,033
ENT	1,742
Harry Mizer	150
Pledges Receivable	<u>44,039</u>
	<u><u>\$ 52,964</u></u>

4. DONATED SERVICES AND MATERIALS

Donated services and materials are recorded as both a revenue and expenses in the accompanying statements of activities at their estimated values.

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See independent auditor's report.

SUPPLEMENTAL INFORMATION



ANGELS OF AMERICA'S FALLEN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015



	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and promotion	\$ 6,266	\$ 226	\$ 6,950	\$ 13,442
Auto expense	41	38	74	153
Business expenses	1,860	2,811	1,695	6,366
Contract services	6,500	3,050	5,635	15,185
Depreciation expense	7,819	977	977	9,773
Event registration fees	44	-	43	87
Information technology	7,886	1,533	1,906	11,325
Meetings and conferences	691	181	1,303	2,175
Other expenses	81	1,142	162	1,385
Payroll expenses	43,060	-	-	43,060
Program services	103,707	-	-	103,707
Registration and license	225	-	1,173	1,398
Travel expenses	6,591	412	1,708	8,711
Total expenses	\$ 184,771	\$ 10,370	\$ 21,626	\$ 216,767
Percentage of total expenses	85.24%	4.78%	9.98%	100.00%

See independent auditor's report.