



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Angels of America's Fallen (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

### **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 audits 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 America's Fallen as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
March 26, 2021



**ANGELS OF AMERICA'S FALLEN**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**



	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
Cash and equivalents	\$ 487,580	\$ 242,337
Pledges receivable	151,000	58,000
Other assets	15,161	860
Property and equipment, net	160	5,135
Total assets	<u>\$ 653,901</u>	<u>\$ 306,332</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable	\$ 8,675	\$ 4,704
Deferred revenues	77,060	68,375
Total liabilities	<u>85,735</u>	<u>73,079</u>
Net assets:		
Without donor restrictions:		
Net equity in property and equipment	160	5,135
Operating	285,828	153,638
Total net assets without donor restrictions	285,988	158,773
With donor restrictions	282,178	74,480
Total net assets	<u>568,166</u>	<u>233,253</u>
Total liabilities and net assets	<u>\$ 653,901</u>	<u>\$ 306,332</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.



**ANGELS OF AMERICA'S FALLEN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**



	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 238,022	\$ 352,750	\$ 590,772
In-kind contributions	46,876	-	46,876
Other income	40,271	-	40,271
Fundraising events, net	179,975	-	179,975
Total support and revenues	<u>505,144</u>	<u>352,750</u>	<u>857,894</u>
<b><u>RECLASSIFICATIONS</u></b>			
Satisfaction of program restrictions	<u>145,052</u>	<u>(145,052)</u>	<u>-</u>
<b><u>EXPENSES</u></b>			
Program	433,117	-	433,117
General and administrative	29,950	-	29,950
Fundraising	59,914	-	59,914
Total expenses	<u>522,981</u>	<u>-</u>	<u>522,981</u>
Change in net assets	127,215	207,698	334,913
Net assets, beginning of year	<u>158,773</u>	<u>74,480</u>	<u>233,253</u>
Net assets, end of year	<u>\$ 285,988</u>	<u>\$ 282,178</u>	<u>\$ 568,166</u>

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**ANGELS OF AMERICA'S FALLEN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**



	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 315,244	\$ 106,801	\$ 422,045
In-kind contributions	51,759	-	51,759
Other income	1,509	-	1,509
Fundraising events, net	114,530	-	114,530
Total support and revenues	483,042	106,801	589,843
<b><u>RECLASSIFICATIONS</u></b>			
Satisfaction of program restrictions	92,847	(92,847)	-
<b><u>EXPENSES</u></b>			
Program	403,253	-	403,253
General and administrative	23,827	-	23,827
Fundraising	19,823	-	19,823
Total expenses	446,903	-	446,903
Change in net assets	128,986	13,954	142,940
Net assets, beginning of year	29,787	60,526	90,313
Net assets, end of year	<u>\$ 158,773</u>	<u>\$ 74,480</u>	<u>\$ 233,253</u>

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**ANGELS OF AMERICA'S FALLEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**



	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and promotion	\$ 24,993	\$ -	\$ 6,248	\$ 31,241
Business expenses	14,917	2,176	1,837	18,930
Community partnerships	178,206	-	-	178,206
Contract services	27,543	19,961	1,380	48,884
Depreciation	4,228	249	498	4,975
Information technology	6,121	380	727	7,228
Interest	-	26	-	26
Other	1,454	2,228	-	3,682
Payroll	173,509	4,855	48,855	227,219
Travel	2,146	75	369	2,590
<b>Total expenses</b>	<b><u>\$ 433,117</u></b>	<b><u>\$ 29,950</u></b>	<b><u>\$ 59,914</u></b>	<b><u>\$ 522,981</u></b>
<b>Percentage of total expenses</b>	<b><u>82.82%</u></b>	<b><u>5.73%</u></b>	<b><u>11.45%</u></b>	<b><u>100.00%</u></b>

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**ANGELS OF AMERICA'S FALLEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**



	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and promotion	\$ 19,597	\$ -	\$ 4,899	\$ 24,496
Auto expenses	1,787	105	210	2,102
Business expenses	13,447	1,528	1,536	16,511
Community partnerships	182,774	-	-	182,774
Contract services	23,636	16,379	2,390	42,405
Depreciation	3,143	185	370	3,698
Information technology	10,636	628	1,292	12,556
Other	14,909	1,043	828	16,780
Payroll	124,370	3,959	6,059	134,388
Travel	8,954	-	2,239	11,193
<b>Total expenses</b>	<b><u>\$ 403,253</u></b>	<b><u>\$ 23,827</u></b>	<b><u>\$ 19,823</u></b>	<b><u>\$ 446,903</u></b>
<b>Percentage of total expenses</b>	<b><u>90.23%</u></b>	<b><u>5.33%</u></b>	<b><u>4.44%</u></b>	<b><u>100.00%</u></b>

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**ANGELS OF AMERICA'S FALLEN**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**



	<u>2020</u>	<u>2019</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 334,913	\$ 142,940
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation	4,975	3,698
Loss on disposition of assets	-	933
Recognition of pledges receivable	(151,000)	(58,000)
Decrease (increase) in operating assets:		
Other assets	(14,301)	4,557
Decrease in operating liabilities:		
Accounts payable	3,971	(16,450)
Deferred revenues	8,685	12,375
Net cash flows from operating activities	<u>187,243</u>	<u>90,053</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Collection of pledges receivable	<u>58,000</u>	<u>37,004</u>
Net cash flows from financing activities	<u>58,000</u>	<u>37,004</u>
Net change in cash and equivalents	245,243	127,057
Cash and equivalents, beginning of year	<u>242,337</u>	<u>115,280</u>
Cash and equivalents, end of year	<u>\$ 487,580</u>	<u>\$ 242,337</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.



# ANGELS OF AMERICA'S FALLEN

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

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## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

Angels of America's fallen (the "Organization") is a 501(c)(3) charity founded to support children of our fallen military and first responders. The Organization proactively empowers children who face their most crucial formative years without the guidance and support of their hero. This is done through covering the cost of participation in healthy outlets for their grief like sports, music, and arts. More than just writing a check to pay for activities, the Organization follows up with and engages the children to ensure they are in an activity that is the right fit for them the entire year, every year, without having to reapply all the way through 18 years old.

In 2020 the Organization supported 389 children nationwide in 14,646 activity sessions, an increase of 11% more sessions than the previous year, and doubled the number of children moved off the waiting list. Because of COVID-19 lockdowns and changes, the Organization pivoted to virtual activities, calling activity providers and asking them to provide virtual sessions for the children and creating opportunities for the children to engage at home. The Organization provided virtual art lessons and paid for art supplies, and even had one of the Organization's supported Angels provide virtual hula dance lessons.

In 2019 the Organization supported 402 children nationwide, following up with them and sharing in their successes. Outcomes show a positive trend. Compared to a survey before enrollment and another survey after participation, the children were reported to be more outgoing after entering the program. Assessments of the child's happiness increased by 60%, and confidence by 55%.

The Organization intends to continue growing to empower and encourage many more children whose parent volunteered to serve and gave all, regardless of the cause of death.

### 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").

See independent auditor's report.



# ANGELS OF AMERICA'S FALLEN

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

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

##### 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.

The Organization maintains its cash and equivalents in financial institutions that at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2020, the Organization had approximately \$141,000 in excess of FDIC limits. The Organization does not anticipate nonperformance by these financial institutions.

##### Pledges receivable

Pledges receivable represent amounts pledged to the Organization by donors. Pledges that are restricted by the donor are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions. Pledges are written off once management considers the balance to be uncollectible. As of December 31, 2020 and 2019, management considers all balances to be fully collectible; accordingly, no allowance for uncollectible pledges has been recorded. Of the total pledges receivable as of December 31, 2020, \$76,000 is expected to be collected in 2021 and \$75,000 is expected to be collected in 2022. Management has determined that any present value discount of future collections is not material to the financial statements.

##### 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 \$5,000, 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.

See independent auditor's report.



# ANGELS OF AMERICA'S FALLEN

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

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

##### Deferred revenues

Deferred revenues are related to sponsorship revenues that the Organization receives before year-end. Amounts will be recognized as revenue when the event is held.

##### Net assets

The financial statements present information regarding the financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time.

##### Contribution revenue

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised, or when ownership of donated assets is transferred to the Organization. Contributions restricted by the donor for specific purposes are recorded as support in the net assets with donor restrictions class of net assets until a stipulated time restriction ends or the purpose restriction has been met. Upon satisfaction of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

##### Functional allocation of expenses

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

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

See independent auditor's report.



# ANGELS OF AMERICA'S FALLEN

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

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

##### Advertising

Advertising costs are expensed when 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.

##### Reclassifications

Certain prior year balances have been reclassified to conform with the current year presentation.

##### Subsequent events

Management has evaluated subsequent events through the date of the attached independent auditor's report, the date on which the financial statements were available to be issued.

See independent auditor's report.



**ANGELS OF AMERICA'S FALLEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**



**2. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following on December 31:

	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 487,580	\$ 242,337
Pledges receivable	<u>151,000</u>	<u>58,000</u>
Total financial assets	638,580	300,337
Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	<u>(282,178)</u>	<u>(74,480)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 356,402</u></u>	<u><u>\$ 225,857</u></u>

As part of the organization's liquidity management plan, there is a policy to structure financial assets to be available as general expenditures, liabilities and other obligations come due. In addition to financial assets available to meet general expenditures over the next twelve months in the table above, the Organization also operates in accordance with a board approved budget and anticipates collecting sufficient revenue to cover general expenditures.

**3. PROPERTY AND EQUIPMENT**

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

	<u>2020</u>	<u>2019</u>
Equipment	\$ 13,246	\$ 13,889
Vehicle	<u>33,700</u>	<u>33,700</u>
	46,946	47,589
Accumulated depreciation	<u>(46,786)</u>	<u>(42,454)</u>
	<u><u>\$ 160</u></u>	<u><u>\$ 5,135</u></u>

See independent auditor's report.



**ANGELS OF AMERICA'S FALLEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**



**3. PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$4,975 and \$3,698, respectively.

**4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent amounts contributed and pledged to the Organization for support of special projects and general operating expenses. Net assets with donor restrictions consist of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Pledges receivable	\$ 151,000	\$ 58,000
Gary Sinise	56,894	-
Lumsden Foundation	36,191	-
USAA	16,068	-
Holes for Heroes	-	13,124
Other	22,025	3,356
	<u>\$ 282,178</u>	<u>\$ 74,480</u>

**5. PAYCHECK PROTECTION PROGRAM LOAN**

The Organization applied for and received a \$38,500 forgivable loan from the Small Business Administration (SBA) as part of the Paycheck Protection Program (PPP), which is part of the federal government's Coronavirus Aid, Relief, and Economic Security (CARES) Act. This loan was forgiven during the year ended December 31, 2020 and, accordingly, this amount has been included in other income in the accompanying financial statements.

**6. 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.

See independent auditor's report.





**ANGELS OF AMERICA'S FALLEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**7. CONCENTRATIONS**

The Organization receives grants and contributions from individuals, foundations and organizations. For the year ended December 31, 2020, approximately 51% of contribution revenue was received from two donors. For the year ended December 31, 2019, approximately 12% of contribution revenue was received from one donor.

**8. FUNDRAISING**

Fundraising consists of annual gala, golf tournament and other small events during the year and consisted of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Gross revenue from fundraising events	\$ 325,180	\$ 205,086
Direct cost of fundraising events	<u>(145,205)</u>	<u>(90,556)</u>
Fundraising events, net	<u>\$ 179,975</u>	<u>\$ 114,530</u>

**9. RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization characterized an outbreak of novel strain of coronavirus ("COVID-19") as a pandemic and on March 13, 2020, the United States declared a national emergency. As a result, the current economic environment has presented companies and organizations with unprecedented circumstances and challenges. Potential impacts to the Organization include disruptions and restrictions on the ability of employees to work, as well as travel and other restrictions imposed by governments. COVID-19 is also expected to adversely affect economies and financial markets in the United States and throughout the world. The extent of the impact on the Organization's financial position, operating results and cash flows will depend on future developments, including the duration and spread of the outbreak, which are highly uncertain and cannot be predicted.

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See independent auditor's report.