

**ANGELS OF AMERICA'S FALLEN**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

# ANGELS OF AMERICA'S FALLEN

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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, 2022 and 2021, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the activities and 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.

### **Basis of Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Angels of America's Fallen and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Angels of America's Fallen's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

**INDEPENDENT AUDITOR'S REPORT  
(Continued)**

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Angels of America's Fallen's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Angels of America's Fallen's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Wells, CPA*

Wells CPA, LLC  
Columbus, Ohio  
April 28, 2023

**ANGELS OF AMERICA'S FALLEN  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 720,529	\$ 679,096
Cash Restricted by Donors (Note D)	147,871	82,815
Pledges Receivable	-	75,000
Prepaid Expenses	-	13,939
Total Current Assets	868,400	850,850
 Property and Equipment		
Equipment	13,246	13,246
Vehicle	33,700	33,700
Less: Accumulated Depreciation	(46,946)	(46,946)
Net Property and Equipment	-	-
 <b>TOTAL ASSETS</b>	<b>\$ 868,400</b>	<b>\$ 850,850</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 11,057	\$ 5,872
Refundable Advance	-	57,340
Total Current Liabilities	11,057	63,212
 <b>Net Assets</b>		
Without Donor Restrictions	709,472	704,823
With Donor Restrictions	147,871	82,815
Total Net Assets	857,343	787,638
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 868,400</b>	<b>\$ 850,850</b>

The accompanying notes are an integral part of the financial statements

**ANGELS OF AMERICA'S FALLEN**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>			<b>2021</b>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Contributions	\$ 368,161	\$ 194,546	\$ 562,707	\$ 410,838	\$ 166,796	\$ 577,634
In-kind contributions (Note B)	32,916	-	32,916	43,324	-	43,324
PPP Loan Forgiveness	-	-	-	43,526	-	43,526
Other income	21,922	-	21,922	6,654	-	6,654
Fundraising events, net (Note F)	437,598	-	437,598	286,890	-	286,890
Releases of restrictions	129,490	(129,490)	-	292,219	(292,219)	-
<b>Total Revenue and Support</b>	<u>990,087</u>	<u>65,056</u>	<u>1,055,143</u>	<u>1,083,451</u>	<u>(125,423)</u>	<u>958,028</u>
<b>Expenses</b>						
Program	823,229	-	823,229	581,205	-	581,205
Administrative and General	58,722	-	58,722	48,249	-	48,249
Fundraising and Development	103,487	-	103,487	35,162	-	35,162
<b>Total Expenses</b>	<u>985,438</u>	<u>-</u>	<u>985,438</u>	<u>664,616</u>	<u>-</u>	<u>664,616</u>
Change in Net Assets	4,649	65,056	69,705	418,835	(125,423)	293,412
<b>Net Assets</b>						
Beginning Net Assets	704,823	82,815	787,638	285,988	208,238	494,226
<b>Ending Net Assets</b>	<u>\$ 709,472</u>	<u>\$ 147,871</u>	<u>\$ 857,343</u>	<u>\$ 704,823</u>	<u>\$ 82,815</u>	<u>\$ 787,638</u>

The accompanying notes are an integral part of the financial statements

**ANGELS OF AMERICA'S FALLEN  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	\$ 69,705	\$ 293,412
<b>Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash (Used In) Provided by Operating Activities</b>		
Depreciation	-	160
Change In Assets and Liabilities		
Receivables	75,000	76,000
Other Assets	13,939	1,222
Accounts Payable	5,185	(2,803)
Refundable Advance	(57,340)	(93,660)
<b>Net Cash Provided by Operating Activities</b>	<u>106,489</u>	<u>274,331</u>
<b>Cash Flows From Investing Activities</b>		
<b>Net Cash Used In Investing Activities</b>	<u>-</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>		
<b>Net Cash Provided by Financing Activities</b>	<u>-</u>	<u>-</u>
Net Increase In Cash	106,489	274,331
Cash and Cash Restricted by Donors at Beginning of Year	761,911	487,580
<b>Cash and Cash Restricted by Donors at End of Year (Note D)</b>	<u><u>\$ 868,400</u></u>	<u><u>\$ 761,911</u></u>

The accompanying notes are an integral part of the financial statements

**ANGELS OF AMERICA'S FALLEN  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program</u>	<u>Administrative and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
<b>Expenses</b>				
Advertising and Promotion	\$ 12,445	\$ 661	\$ 7,796	\$ 20,902
Business Expenses	10,506	5,438	1,369	17,313
Community Partnerships	382,258	-	-	382,258
Contract Services	2,447	17,421	16,591	36,459
Information Technology	5,976	7,418	9,429	22,823
Other	4,284	2,179	17,414	23,877
Payroll Related Costs	390,281	25,510	44,767	460,558
Travel	15,032	95	6,121	21,248
<b>Totals</b>	<u>\$ 823,229</u>	<u>\$ 58,722</u>	<u>\$ 103,487</u>	<u>\$ 985,438</u>

The accompanying notes are an integral part of the financial statements



**ANGELS OF AMERICA'S FALLEN  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program</u>	<u>Administrative and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
<b>Expenses</b>				
Advertising and Promotion	\$ 11,296	\$ -	\$ 2,824	\$ 14,120
Business Expenses	10,544	7,789	1,149	19,482
Community Partnerships	278,552	-	-	278,552
Contract Services	20,911	21,089	2,308	44,308
Depreciation	-	160	-	160
Information Technology	7,176	459	868	8,503
Other	1,578	14,393	88	16,059
Payroll Related Costs	241,007	4,030	26,129	271,166
Travel	10,141	329	1,796	12,266
<b>Totals</b>	<u>\$ 581,205</u>	<u>\$ 48,249</u>	<u>\$ 35,162</u>	<u>\$ 664,616</u>

The accompanying notes are an integral part of the financial statements

**ANGELS OF AMERICA’S FALLEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE A – ORGANIZATION AND PURPOSE**

Angels of America’s Fallen (the “Organization”) is a 501(c)(3) charity that empowers children of our fallen military, police, fire, and EMS heroes, from all line of duty deaths including combat, training, illness, and PTSD suicides, by enabling the children to participate in healing positive outlets for their grief through activities such as sports, arts, and music throughout their entire childhood. It allows them to try as many outlets as required to find a passion that is a fit for them at their current stage of development, and change activities whenever their interests have changed. It supports the children not just one time, but through a commitment to see them engaged positively in activities all year, every year, all the way until 19 years old without having to reapply. This long-term engagement is crucial for creating true lasting positive impact. The Organization follows up with and encourages the children all year, and shares in celebrating their successes. In addition to the activities, Angels provides Intakes and Referrals, Outreach and individualized person-centered Case Management utilizing a strengths-based, trauma informed approach. Angels has a Peer Support Program, a platform to connect families to support one another as they redefine family life after the traumatic loss of their spouse. Through shared life experiences and circumstances, peers are better able to establish relationships of trust and support with those in need of assistance. Angels also provides a Voices Program which allows children and surviving spouses to tell their stories to honor their loved one and help others who are in similar situations. There is healing in helping, and Voices participants grow and heal as they attend conferences, fundraising events, and performances across the country to raise awareness about the issues facing families who have lost a parent in service to our country.

In 2022, the Organization supported over 557 children and their 734 parents/guardians nationwide with the children participating in 29,352 activity sessions. The Organization experienced program growth and made 261 Peer Support interactions, 4,637 Case Management interactions, and 9,168 Family Outreach interactions.

In 2021, the Organization supported over 436 children and their 280 parents/guardians nationwide with the children participating in 22,426 activity sessions. The Organization experienced program growth and moved 131 children off the waiting list, made 182 Peer Support interactions, 3,029 Case Management interactions, and 5,501 Family Outreach interactions.

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.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies followed in the preparation of these financial statements. These policies conform to accounting principles generally accepted in the United States of America and have been applied on a consistent basis.

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), which require the Organization to report

**ANGELS OF AMERICA'S FALLEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

information regarding its financial position and activities according to the following net asset classifications:

**Net Assets without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions and available to finance the general operations of the Organization. The only limits on use of net assets without donor restriction are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation.

**Net Assets with Donor Restrictions** – Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities and Changes in Net Assets. See Note D for discussion of the donor restrictions.

Cash and Cash Equivalents

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

Concentration of Credit Risk

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”) and the National Credit Union Administration (“NCUA”) up to \$250,000. The amounts more than the insured limits were \$368,328 and \$349,093 on December 31, 2022 and 2021, respectively.

Promises to Give and Receivables

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, 2021, management considers all balances to be fully collectible; accordingly, no allowance for uncollectible pledges has been recorded. Management has determined that any present value discount of future collections is not material to the financial statements. There were no outstanding promises to give as of December 31, 2022.

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.

Depreciation expense of \$0 and \$160 was recorded for the years ended December 31, 2022 and 2021, respectively.

**ANGELS OF AMERICA'S FALLEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue and Revenue Recognition

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. Conditional promises to give – that is, those with measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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.

In-kind Donations

The Organization received donated professional services and other services of \$32,916 and \$43,324 for the years ended December 31, 2022 and 2021, respectively. Such amounts, which are based upon information provided by the Organization, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and fundraising events, net on the accompanying Statements of Activities.

Several volunteers have made significant contributions of their time to furtherance of the Organization's mission. These services were not reflected in the accompanying Statements of Activities because they do not meet the necessary criteria for recognition under U.S. GAAP.

Use of Estimates

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

**ANGELS OF AMERICA'S FALLEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Functional 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 Payroll Related Costs, Contract Services, Information Technology, and Other which are allocated on the basis of estimates of time and effort.

Subsequent Events

Management has evaluated subsequent events through April 28, 2023, the date on which the financial statements were available to be issued.

**NOTE C – CASH AND RESTRICTED CASH**

Assets reserved for specific purposes on the Statements of Financial Position include restricted cash received with restrictions imposed by donors (but not yet spent). The following table provides a reconciliation of cash and restricted cash reported within the Statements of Financial Position that sum to the totals of the same such amounts in the Statements of Cash Flows.

	<u>2022</u>	<u>2021</u>
Cash	\$ 720,529	\$ 679,096
Cash Restricted by Donors	147,871	82,815
Total Cash	<u>\$ 868,400</u>	<u>\$ 761,911</u>

**NOTE D – NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets With Donor Restrictions consisted of the following on December 31:

	<u>2022</u>	<u>2021</u>
Program Restrictions	\$147,871	\$35,065
Time Restrictions	47,750	47,750
	<u>\$147,871</u>	<u>\$82,815</u>

The net assets released from restriction during the years ended December 31, 2022 and 2021 were \$129,490 and \$292,219, respectively.

**ANGELS OF AMERICA'S FALLEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE E – AVAILABILITY AND LIQUIDITY**

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>2022</u>	<u>2021</u>
Financial Assets at year-end:		
Cash and Cash restricted by Donors	\$ 868,400	\$ 761,911
Pledges receivable	-	75,000
Total financial assets	<u>868,400</u>	<u>836,911</u>
Less amounts unavailable for general expenditures within one year:		
Net Assets with donor restrictions	<u>(147,871)</u>	<u>(82,815)</u>
Financial assets available to meet cash general expenditures within one year	<u>\$ 720,529</u>	<u>\$ 754,096</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 as they 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.

**NOTE F – 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Gross revenue from fundraising events	\$ 643,780	\$ 480,285
Direct cost of fundraising events	(173,266)	(150,071)
In-Kind Expenses	<u>(32,916)</u>	<u>(43,324)</u>
Fundraising events, net	<u>\$ 437,598</u>	<u>\$ 286,890</u>

**NOTE G – PAYCHECK PROTECTION PROGRAM LOAN**

The Organization applied for and received a \$43,526 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, 2021 and, accordingly, this amount has been included in income in the accompanying financial statements.

**ANGELS OF AMERICA'S FALLEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>NOTE H – SUBSEQUENT EVENT</b>
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On April 13, 2023, the Organization received a grant in the amount of \$500,000. The grant contains donor restrictions for use of the funds and is expected to be expended within the fiscal year ending December 31, 2023. We anticipate that the execution of the grant restriction will expend the entire \$500,000.