

Angels Among Us
FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
For the year ended December 31, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Angels Among Us

We have reviewed the accompanying financial statements of Angels Among Us (a nonprofit organization herein referred to as “the Organization”), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of entity 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 as a whole. Accordingly, we do not express such an opinion.

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 conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant’s Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Hayes & Associates, L.L.C.

Hayes & Associates, L.L.C.
Omaha, Nebraska
May 9, 2024

Angels Among Us
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 283,033
Contribution receivables	21,344
Investments	931,767
Total current assets	1,236,144

PROPERTY AND EQUIPMENT

Office equipment	34,157
Leasehold improvements	351,870
Work in progress	223,446
	609,473
Less: Accumulated depreciation and amortization	(13,005)
Total property and equipment	596,468

OTHER ASSETS

Other assets	4,752
Operating lease right-of-use assets	520,384
Total other assets	525,136
Total Assets	\$ 2,357,748

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 1,190
Accrued expenses	1,659
Current portion of operating lease liability	36,536
Total current liabilities	39,385

COMMITMENTS AND CONTINGENCIES

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LONG-TERM LIABILITIES

Operating lease liability, less current portion	486,218
Total liabilities	525,603

NET ASSETS

Without donor restrictions	
Undesignated	1,388,095
Board designated funds	444,050
Total without donor restrictions	1,832,145
With donor restrictions	
Purpose restrictions	-
Time restricted for future periods	-
Total with donor restrictions	-
Total net assets	1,832,145

Total liabilities and net assets	\$ 2,357,748
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See accompanying notes and independent accountant's report.

Angels Among Us
STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND SUPPORT			
Grant revenue	\$ 530,691	\$ -	\$ 530,691
Donations			
Special events	310,023	-	310,023
Individual	509,561	-	509,561
Contributed nonfinancial assets	18,389	-	18,389
Net investment income	27,536	-	27,536
Net assets released from restrictions	50,000	(50,000)	-
Total operating revenue and support	<u>1,446,200</u>	<u>(50,000)</u>	<u>1,396,200</u>
OPERATING EXPENSES			
Program	996,332	-	996,332
Administration	142,505	-	142,505
Fundraising	161,346	-	161,346
Total operating expenses	<u>1,300,183</u>	<u>-</u>	<u>1,300,183</u>
CHANGE IN NET ASSETS	146,017	(50,000)	96,017
NET ASSETS - BEGINNING OF YEAR	<u>1,686,128</u>	<u>50,000</u>	<u>1,736,128</u>
NET ASSETS - END OF YEAR	<u>\$ 1,832,145</u>	<u>\$ -</u>	<u>\$ 1,832,145</u>

See accompanying notes and independent accountant's report.

Angels Among Us
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

	Program Services	Supporting Services		Total
		Administrative Expenses	Fundraising Expenses	
Financial Assistance Program	\$ 655,925	\$ -	\$ -	\$ 655,925
Salaries and wages	192,216	67,310	57,079	316,605
Event	82,652	-	82,652	165,304
Rent	18,362	18,361	-	36,723
Payroll taxes	14,236	4,901	4,200	23,337
Miscellaneous	-	19,274	-	19,274
In-kind	5,900	-	12,489	18,389
Professional fees	6,936	6,936	-	13,872
Advertising	6,293	3,146	3,146	12,585
Depreciation	5,251	5,250	-	10,501
Contract labor	4,435	-	493	4,928
Utilities	2,410	2,410	-	4,820
Travel	-	4,352	-	4,352
Bank charges	-	4,131	-	4,131
Insurance	-	3,601	-	3,601
Postage and printing	1,716	429	1,287	3,432
Supplies	-	2,404	-	2,404
Total expenses	<u>\$ 996,332</u>	<u>\$ 142,505</u>	<u>\$ 161,346</u>	<u>\$ 1,300,183</u>

See accompanying notes and independent accountant's report.

Angels Among Us
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 96,017
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,501
Amortization of right-of-use assets	30,835
Unrealized loss on investments	4,534
(Increase) Decrease in assets:	
Contribution receivable	(21,344)
Prepaid expenses	2,365
Other assets	(4,752)
Increase (Decrease) in liabilities:	
Accounts payable	(12,876)
Accrued expenses	842
Operating lease liability	(28,663)
Net cash provided by operating activities	77,459

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(391,507)
Purchase of investments	(141,506)
Proceeds from sale of investments	369,491
Net cash used in investing activities	(163,522)

Net decrease in cash and cash equivalents (86,063)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 369,096

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 283,033

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Right-of-use assets obtained in exchange for operating lease liability	\$ 523,000
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See accompanying notes and independent accountant's report.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Angels Among Us (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

1. Reporting Entity

The Organization was incorporated in April 2006 and received its 501(c)3 status in June 2006. The Organization works with the families of children being treated for cancer at hospitals in Nebraska (even if these families reside in other states). The Organization provides financial assistance for families in need by fundraising and other events to raise awareness and provide an environment for families to enjoy themselves. Direct donations from corporations and individuals are the main sources of revenue for the Organization.

2. Basis of Presentation

The Organization maintains its accounts on the accrual basis of accounting. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- a. Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- b. Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

3. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, actual results could differ from those estimates.

4. Contributed Nonfinancial Assets and In-Kind Expenses

Contributions of gifts in-kind that can be used or sold by the Organization are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Revenue Recognition

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

6. Measure of Operations

In the statement of activities and changes in net assets, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities.

7. Functional Allocation of Expenses

The costs of providing the various programs and activities of the Organization have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, costs are directly allocated to the programs and supporting services. Costs that cannot be allocated directly are classified as administrative expenses.

8. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers only unrestricted cash to be cash equivalents.

9. Contributions Receivable

Contributions receivable are stated at the amount management expects to collect less uncollectable receivables based on a review of all outstanding amounts on a periodic basis. Management determines uncollectable receivables by regularly evaluating the contributions receivable listing/ Contributions receivable are written off when deemed uncollectable. The Organization considers contributions to be 100% collectible; therefore, no allowance for uncollectable receivables has been established.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Investment and Investment Income

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Any unrealized gains and losses are reported in the statement of activities as part of the net investment income and are considered a change in net assets without donor restriction.

11. Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized if over \$2,500; expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets disposed, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Office Equipment	5 - 10
Leasehold improvements	10

12. Work in Progress

Work in progress represents development work on a software application that will be utilized for the Organization's program. Work in progress for the year ended December 31, 2023 was \$223,446.

13. Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick, and paid personal time off. Unused compensated absences are paid out at the end of the calendar year and are not carried forward. Thus, there is no balance to accrue for compensated absences at December 31, 2023.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

14. Income Taxes

The Organization has received exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private organization. As such, no provision for income taxes is reflected in the financial statements. The Organization files Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal and state jurisdictions.

As of December 31, 2023, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years subsequent to 2020 remain subject to examination by major tax jurisdictions.

15. Advertising

The Organization expenses advertising costs as incurred. Total advertising costs were \$12,585 for the year ended December 31, 2023.

16. Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. As of December 31, 2023, the Organization held no financial assets that were subject to the guidance in FASB ASC 326. Therefore, adoption of this standard had no impact on the financial statements of the Organization for the year ended December, 31, 2023.

17. Subsequent Events

Management has evaluated subsequent events through May 9, 2024, which is the date the financial statements were available to be issued.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE B. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist principally of cash. The Organization maintains bank accounts which sometimes exceed federally insurable limits.

NOTE C. INVESTMENTS

Investments consisted of the following at December 31, 2023:

Cash and Cash Equivalents	\$ 19,476
Stocks and Closed End Funds	912,291
	\$ 931,767

The following schedule summarizes the investment return and its classification in the statement of activities and changes in net assets for the year ended December 31, 2023:

Dividends and interest	\$ 32,070
Unrealized loss on investments	(4,534)
Net investment income	\$ 27,536

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE C. INVESTMENTS – CONTINUED

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

Stocks and closed end funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The previously described methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization assets at fair value as of December 31, 2023:

	Assets at Fair Value as of December 31, 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 19,476	-	-	\$ 19,476
Stocks and Closed End Funds	912,291	-	-	912,291
Total Assets at Fair Value	<u>\$ 931,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 931,767</u>

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE D. LIQUIDITY AND AVAILABILITY

As part of the Organization’s liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in savings and short-term investments. In order to manage unanticipated liquidity needs, a balance of no less than \$250,000 is kept in the investment account which will only be drawn upon should a significant downturn in the economy be experienced; this ensures the Organization can meet all current commitments.

Financial assets available for general expenditures that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following as of December 31, 2023:

Cash and Cash Equivalents	\$ 283,033
Accounts Receivable	21,344
Investments Appropriate for Current Use	<u>931,767</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 1,236,144</u></u>

NOTE E. BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS

Net assets without donor restrictions categorized as board designated are designated for the following purpose, as of December 31, 2023:

Board Designated for Family Assistance	\$ 444,050
Total Net Assets Without Donor Restrictions - Board Designated	<u><u>\$ 444,050</u></u>

Net assets released from donor restrictions during the year ended December 31, 2023 were as follows:

Capital Project - Office Building	\$ 50,000
Total Net Assets Released from Restrictions	<u><u>\$ 50,000</u></u>

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE F. OPERATING LEASE

The Organization made an accounting policy election available under the FASB ASC Topic 842, Leases, not to recognize Right-of-Use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

The Organization has an office lease with monthly payments of \$1,824 and an expiration date of March 2024. The monthly payments are subject to an annual increase equal to 2%. The lease was terminated in September 2023 and the Organization entered into a new office lease at a new building with monthly payments of \$4,752 and an expiration date of December 2033. The monthly payments increase in subsequent years and range between \$4,752 and \$5,935.

Certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor or both parties. These options to extend or terminate a lease are only included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization's operating lease generally does not contain any material restrictive covenants or residual value guarantees. Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2023:

Operating Lease	<u><u>\$ 36,724</u></u>
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Supplemental information related to leases is as follows for the year ended December 31, 2023:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows - payments on operating lease	<u>\$ 35,970</u>
Right-of-use assets obtained for new lease obligations	
Operating leases	<u>\$ 523,200</u>
Weighted-average remaining lease term - operating	<u>9</u>
Risk free rate - operating	<u>4.18%</u>

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE F. OPERATING LEASE - CONTINUED

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2023:

Years Ending December 31,	Operating Leases
2024	\$ 57,499
2025	58,950
2026	60,430
2027	61,941
2028	63,481
Thereafter	341,374
Total lease payments	643,675
Less imputed interest	(120,921)
Total present value of lease liabilities	\$ 522,754

NOTE G. CONTRIBUTED NONFINANCIAL ASSETS

Included in the financial statements are contributions of nonfinancial assets and corresponding expenses, which consisted of the following at December 31, 2023:

	Contribution	Expense	Asset - Work in Progress
Fundraising events - raffle basket items	\$ 12,490	\$ 12,490	\$ -
Program sponsorship - donated items for general program support	5,899	5,899	-
Program support software application development services	-	-	130,640
Total in-kind contribution	\$ 18,389	\$ 18,389	\$ 130,640

Angels Among Us
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2023

NOTE G. CONTRIBUTED NONFINANCIAL ASSETS - CONTINUED

The Organization recognized contributed nonfinancial assets within revenue, including contributed signage and raffle basket items for fundraising events, donated items for general program support, and application development. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The raffle basket items were used for purposes of the specific fundraising event to raise money for the Organization's programs. Donated items for general program support were used to directly support families benefiting from the Organization's program services. Contributed items valued and reported at the estimated fair value in the financial statements based on prices of identical or similar products purchases in the region.

Additionally, included in work in progress, on the statement of financial position, is \$130,640 of nonfinancial assets for application development contributed to the Organization during the year ended December 31, 2022. Contributed software application development services were utilized to build a software application for the purpose of the Organization's programs. In valuing the contributed services, the Organization estimated the fair value using the waived invoices received by the vendor for such services during the year ended December 31, 2022.

NOTE H. RETIREMENT PLAN

The Organization has a 401K retirement plan for all eligible employees. Employees who are at least 18 years of age are eligible to participate in the plan.

The Organization can make discretionary matching contributions equal to 50% of the employee's salary reduction contributions up to 6% of the participant's compensation. All employees who have met the eligibility requirements mentioned above are eligible for discretionary matching contributions. The Organization's contributions to the plan for the year ended December 31, 2023 was \$0.