

ANGEL EYES
(Formerly The Colorado SIDS Program Inc.)
Denver, CO

FINANCIAL STATEMENTS
December 31, 2010

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David B. Green • CPA • LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Angel Eyes

We have audited the accompanying statement of financial position of Angel Eyes as of December 31, 2010, and the related statements of activities and cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2010, and the changes in its net assets, its cash flows and its functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.



April 22, 2011
Brighton, Colorado

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Angel Eyes
Statement of Financial Position
December 31, 2010

ASSETS

Current Assets

| | |
|----------------------|----------------|
| Cash and investments | \$ 101,341 |
| Prepaid expenses | <u>450</u> |
| Total Current Assets | <u>101,791</u> |

Noncurrent Assets

| | |
|--------------------------------|--------------------------|
| Rental deposit | <u>1,109</u> |
| Capital assets | <u>1,109</u> |
| Furniture and equipment | 28,805 |
| Less: accumulated depreciation | <u>(26,811)</u> |
| Net Capital Assets | <u>1,994</u> |
| Total Noncurrent Assets | <u>3,103</u> |
| Total Assets | <u><u>\$ 104,894</u></u> |

LIABILITIES

Current Liabilities

| | |
|---------------------------|---------------|
| Accounts payable | \$ 3,200 |
| Accrued vacation | 12,643 |
| Deferred rent | <u>3,916</u> |
| Total Current Liabilities | <u>19,759</u> |

NET ASSETS

| | |
|---|--------------------------|
| Unrestricted | <u>85,135</u> |
| Total Net Assets | <u>85,135</u> |
| Total Liabilities and Net Assets | <u><u>\$ 104,894</u></u> |

**Angel Eyes
Statement of Activities
For the Year Ended December 31, 2010**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|-------------------------|-----------------------------------|-------------------------|
| REVENUES, GAINS AND OTHER SUPPORT | | | |
| Grants | \$ 17,500 | \$ - | \$ 17,500 |
| Individuals and Businesses | 7,530 | - | 7,530 |
| Direct Mail | 5,250 | - | 5,250 |
| Memorial Donations | 14,596 | - | 14,596 |
| Federated Campaigns | 15,939 | - | 15,939 |
| Interest | 400 | - | 400 |
| Special Events, net of related expense of \$70,790 | <u>88,893</u> | <u>-</u> | <u>88,893</u> |
| Total Revenues | <u>150,108</u> | <u>-</u> | <u>150,108</u> |
| EXPENSES | | | |
| Program Expenses: | | | |
| Family Services | 129,973 | - | 129,973 |
| Community Services | <u>55,269</u> | <u>-</u> | <u>55,269</u> |
| Total Program Services | 185,242 | - | 185,242 |
| Supporting Services: | | | |
| Administrative | 18,277 | - | 18,277 |
| Fundraising | <u>18,671</u> | <u>-</u> | <u>18,671</u> |
| Total Support Services | 36,948 | - | 36,948 |
| Total Expenses | <u>222,190</u> | <u>-</u> | <u>222,190</u> |
| CHANGE IN NET ASSETS | (72,082) | - | (72,082) |
| Net Assets, beginning of year | <u>157,217</u> | <u>-</u> | <u>157,217</u> |
| Net Assets, end of year | <u><u>\$ 85,135</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 85,135</u></u> |

**Angel Eyes
Statement of Cash Flows
For the Year Ended December 31, 2010**

| | |
|--|---------------------------|
| Cash Flows From Operating Activities | |
| Cash received from contributors and grantors | \$ 149,708 |
| Interest received | 400 |
| Cash paid to employees and suppliers | <u>(218,179)</u> |
| Net cash provided (used) by operating activities | <u>(68,071)</u> |
| Cash Flows From Investing Activities | |
| Purchases of fixed assets | <u>(545)</u> |
| Net cash provided (used) by investing activities | <u>(545)</u> |
| Net increase (decrease) in cash and cash equivalents | (68,616) |
| Cash and cash equivalents, beginning of year | <u>169,957</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 101,341</u></u> |
| Reconciliation of Change in Net Assets to Cash Provided by Operating Activities | |
| Increase (decrease) in net assets | \$ (72,082) |
| Depreciation expense | 1,909 |
| Decrease (increase) in prepaid expenses | 1,386 |
| (Decrease) increase in accounts payable | (500) |
| (Decrease) increase in accrued vacation | 2,284 |
| (Decrease) increase in deferred rent | (1,068) |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ (68,071)</u></u> |

**Angel Eyes
Statement of Functional Expenses
For the Year Ended December 31, 2010**

| | Family Services | Community Services | Management and General | Fund Raising | Total |
|---|----------------------------|-------------------------------|-----------------------------------|-------------------------|-------------------|
| Salaries | \$ 82,528 | \$ 41,379 | \$ 11,183 | \$ 12,692 | \$ 147,782 |
| Payroll Taxes | <u>15,616</u> | <u>7,808</u> | <u>2,091</u> | <u>2,371</u> | <u>27,886</u> |
| Total Salaries and related expense | 98,144 | 49,187 | 13,274 | 15,063 | 175,668 |
| Occupancy | 13,526 | 1,692 | 845 | 845 | 16,908 |
| Professional Fees | 217 | - | 145 | - | 362 |
| Family Support Expenses | 874 | - | - | - | 874 |
| Postage | 2,016 | 349 | 323 | - | 2,688 |
| Printing | 714 | 204 | 102 | - | 1,020 |
| Communications | 5,278 | 660 | 330 | 329 | 6,597 |
| Repairs | 1,491 | 199 | 198 | 100 | 1,988 |
| Legal and audit fees | 1,404 | 729 | 270 | 297 | 2,700 |
| Travel | 561 | 281 | 93 | - | 935 |
| Supplies | 1,342 | 774 | 285 | 180 | 2,581 |
| Expendable furniture and equipment | | | | | |
| Insurance | 146 | 84 | 28 | 22 | 280 |
| Miscellaneous | 792 | 106 | 105 | 53 | 1,056 |
| Risk reduction education | - | - | - | - | - |
| Marketing and PR | 1,835 | 612 | - | - | 2,447 |
| Credit card processing fees | - | - | 1,686 | 1,687 | 3,373 |
| Dues, licenses and permits | 201 | 201 | 402 | - | 804 |
| Equipment lease | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expense before depreciation | 128,541 | 55,078 | 18,086 | 18,576 | 220,281 |
| Depreciation | <u>1,432</u> | <u>191</u> | <u>191</u> | <u>95</u> | <u>1,909</u> |
| Total functional expenses | <u>\$ 129,973</u> | <u>\$ 55,269</u> | <u>\$ 18,277</u> | <u>\$ 18,671</u> | <u>\$ 222,190</u> |

Angel Eyes
Notes to Financial Statements
December 31, 2010

Note 1 Organization and Summary of Significant Accounting Policies

This summary of significant accounting policies of Angel Eyes, formerly known as The Colorado SIDS Program, Inc., (the Organization) is presented to assist in understanding the Organization's financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America and have been applied to the preparation of the financial statements.

Organization

The Organization was formed and organized as a nonprofit organization in 1981 in the State of Colorado. This incorporation represented a merger of the federally funded SIDS Information and Counseling Center and the Colorado Chapter of the National SIDS Foundation.

In 2008, the Organization underwent a strategic planning process, including changing its name, where it opted to expand its mission to provide a comprehensive array of risk reduction and awareness services concerning Sudden Unexpected Infant Death. Angel Eyes now provides professional and compassionate bereavement services in cases of sudden, unexpected infant and toddler death.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers petty cash, deposits in bank accounts and certificates of deposit which mature within 90 days of purchase to be cash equivalents.

Restricted and Unrestricted Revenue Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Angel Eyes
Notes to Financial Statements (Continued)
December 31, 2010

Note 1 Organization and Summary of Significant Accounting Policies (Continued)

Restricted and Unrestricted Revenue Support (Continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted (primarily research) or permanently (endowments) restricted net assets, depending on the nature of the restriction. When a restriction expires (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.

Property, Equipment and Depreciation

The Organization follows the practice of capitalizing expenditures for furniture and equipment, at cost or fair market value if the asset is donated to the organization, that exceed the threshold value of \$500. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from three to five years. Depreciation charged to expense for the year ended December 31, 2010 was \$1,909.

In-kind Donations

Donated materials and equipment are reflected as in-kind donations in the accompanying statements at their estimated values on the date of receipt. No amounts have been reflected in the statements for donated services from volunteers as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the organization's services and in its fund-raising activities.

Grant Revenue and Expenses

Grant revenue for reimbursement based funding is recognized as related expenses are incurred. Funds received but unexpended are recorded as deferred revenue.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been presented in these financial statements. Due to the Organization's non-profit qualification, individuals and corporate donors may be entitled to a charitable deduction for amounts contributed to the Organization.

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 estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accrued Vacation Pay

Full-time employees may accumulate or accrue up to 30 days of annual leave varying on the number of years of employment.

Angel Eyes
Notes to Financial Statements (Continued)
December 31, 2010

Note 1 Organization and Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various services and other activities have been summarized on a financial basis in the statement of activities. Accordingly, certain costs have been allocated among the Organizations and support services benefited.

Note 2 Commitments

The Organization leases office space under an agreement through September 30, 2014. Accordingly, the Organization has the following commitments under the lease agreement:

| <u>Year Ending</u> <u>December 31,</u> | <u>Amount</u> |
|---|------------------|
| 2011 | 18,030 |
| 2012 | 18,759 |
| 2013 | 19,487 |
| 2014 | <u>15,025</u> |
| Total | <u>\$ 71,301</u> |

The Organization has accrued deferred rent in the amount of \$3,916 relating to rental concessions that were obtained upon the signing of the lease which will be amortized over the life of the lease. Rental expense for 2010 was \$16,908.

Note 3 Defined Contribution Plans

The Organization has a Section 403(b) defined contribution plan covering all employees who have attained an age of 21 years old. The Organization makes discretionary contributions to the employees' accounts each year. In addition, participants may make salary reduction contributions to the plan. The Organization's contribution to the plan for the year ended December 31, 2010 and 2009 was \$0 and \$0, respectively.

Note 4 Concentrations of Credit Risk

The Organization maintains cash deposits in two FDIC-insured banks located in the Denver metropolitan area. Accordingly none of the Organization's deposits were exposed to credit risk at December 31, 2010.

Note 5 Release of Temporarily Restricted Net Assets

During the current year, there were no temporary restrictions incurred or released from restriction during the year ended December 31, 2010.