

**Financial Statements
and Report of Independent
Certified Public Accountants**

**Angel Eyes
(Formerly The Colorado SIDS Program, Inc.)**

December 31, 2008

JASPERS + HALL, PC
CERTIFIED PUBLIC ACCOUNTANTS

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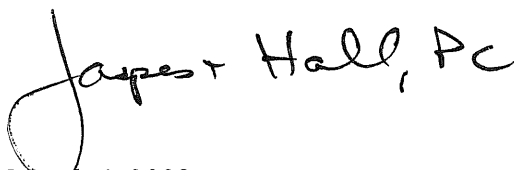
Report of Independent Certified Public Accountants

To the Board of Directors
Angel Eyes (Formerly The Colorado SIDS Program, Inc.)

We have audited the accompanying statement of financial position of Angel Eyes, formerly The Colorado SIDS Program, Inc. (the Organization) as of December 31, 2008, and the related statements of activities, 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 Angel Eyes as of December 31, 2008, 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.

A handwritten signature in black ink that reads "Jasper + Hall, PC". The signature is written in a cursive, flowing style.

March 4, 2009

Angel Eyes
(Formerly The Colorado SIDS Program, Inc.)
Statement of Financial Position
December 31, 2008

Assets

Current Assets

Cash and cash equivalents	\$ 220,058
Prepaid expenses	1,512
Deposit	<u>2,536</u>
Total current assets	224,106

Property and Equipment

Office furniture and equipment	26,075
Less accumulated depreciation	<u>(23,110)</u>
Property and equipment - net	<u>2,965</u>

Total assets \$ 227,071

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 3,946
Accrued vacation payable	<u>9,587</u>
Total current liabilities	13,533

Net Assets

Unrestricted	<u>213,538</u>
Total Net Assets	<u>213,538</u>

Total liabilities and net assets \$ 227,071

The accompanying notes are an integral part of these financial statements.

Angel Eyes
(Formerly The Colorado SIDS Program, Inc.)
Statement of Activities
For the Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Grants	44,800	-	44,800
Individuals and Businesses	10,308	-	10,308
Direct Mail	5,378	-	5,378
Memorial Donations	35,874	-	35,874
Federated Campaigns	19,770	-	19,770
Interest	3,568	-	3,568
Special Events, net of related expense of \$108,691	134,649	-	134,649
Total Revenues	<u>254,347</u>	<u>-</u>	<u>254,347</u>
 Net Assets Released from Restriction	 <u>13,500</u>	 <u>(13,500)</u>	 <u>-</u>
 Total Revenues, Gains, and Support	 <u>267,847</u>	 <u>(13,500)</u>	 <u>254,347</u>
EXPENSES:			
Program Expenses:			
Family Services	171,445	-	171,445
Community Services	67,522	-	67,522
Total Program Services	<u>238,967</u>	<u>-</u>	<u>238,967</u>
Supporting Services:			
Administrative	20,472	-	20,472
Fundraising	23,013	-	23,013
Total Support Services	<u>43,485</u>	<u>-</u>	<u>43,485</u>
Total Expenses	<u>282,452</u>	<u>-</u>	<u>282,452</u>
 CHANGE IN NET ASSETS	 (14,605)	 -	 (28,105)
 Net Assets - Beginning of Period	 <u>228,143</u>	 <u>13,500</u>	 <u>241,643</u>
 Net Assets - End of Period	 <u>\$ 213,538</u>	 <u>\$ -</u>	 <u>\$ 213,538</u>

The accompanying notes are an integral part of these financial statements.

Angel Eyes
(Formerly The Colorado SIDS Program, Inc.)
Statement of Cash Flows
For the Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Contributors and Grantors	\$ 250,779
Interest Received	3,568
Cash Paid to Employees and Suppliers	<u>(275,369)</u>
Net Cash Provided (Used) by Operating Activities	<u>(21,022)</u>
Net Increase in Cash	(21,022)

CASH - BEGINNING OF PERIOD 241,080

CASH - END OF PERIOD \$ 220,058

**RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Change in Net Assets	\$ (28,105)
Adjustments to Reconcile Change in Net Assets to Net Cash provided by Operating Activities:	
Depreciation	3,826
(Increase) Decrease in:	
Prepaid Expenses	(230)
Increase (Decrease) in:	
Accounts Payable	2,888
Accrued Vacation Payable	<u>599</u>
Net Cash Provided by Operating Activities	<u><u>\$ (21,022)</u></u>

The accompanying notes are an integral part of these financial statements.

Angel Eyes
(Formerly The Colorado SIDS Program, Inc.)
Statement of Functional Expenses
For the Year Ended December 31, 2008

	Program Services		
	Family Services	Community Services	Sub- Total
Salaries	\$ 82,367	\$ 41,805	\$ 124,172
Payroll taxes and benefits	16,046	7,023	23,069
Total salaries and related expense	98,413	48,828	147,241
Occupancy	30,444	3,805	34,249
Professional fees	2,311	1,155	3,466
Family support expenses	8,117	-	8,117
Postage	6,564	1,883	8,447
Printing	6,115	1,223	7,338
Communications	3,100	388	3,488
Repairs	3,475	463	3,938
Legal and audit fees	2,813	1,461	4,274
Travel	1,148	1,999	3,147
Supplies	1,786	1,030	2,816
Expendable furniture and equipment	623	360	983
Insurance	1,038	138	1,176
Miscellaneous	14	14	28
Risk reduction education	-	1,885	1,885
Marketing and PR	2,174	2,174	4,348
Credit card processing fees	-	-	-
Dues, licenses and permits	278	311	589
Equipment lease	162	22	184
Total expenses before depreciation	168,575	67,139	235,714
Depreciation	2,870	383	3,253
Total functional expenses	<u>\$ 171,445</u>	<u>\$ 67,522</u>	<u>\$ 238,967</u>

The accompanying notes are an integral part of these financial statements.

Support Services

Management and General	Fund Raising	Sub- Total	Total Expenses
\$ 11,867	\$ 10,287	\$ 22,154	\$ 146,326
3,033	2,115	5,148	28,217
14,900	12,402	27,302	174,543
1,903	1,903	3,806	38,055
24	1,132	1,156	4,622
-	-	-	8,117
936	-	936	9,383
652	163	815	8,153
194	194	388	3,876
233	463	696	4,634
595	541	1,136	5,410
71	-	71	3,218
343	275	618	3,434
120	96	216	1,199
69	1,439	1,508	2,684
14	13	27	55
-	-	-	1,885
-	-	-	4,348
-	3,580	3,580	3,580
216	409	625	1,214
11	21	32	216
20,281	22,631	42,912	278,626
191	382	573	3,826
<u>\$ 20,472</u>	<u>\$ 23,013</u>	<u>\$ 43,485</u>	<u>\$ 282,452</u>

Angel Eyes
(Formerly The Colorado SIDS Organization, Inc.)
Notes to Financial Statements
December 31, 2008

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 in 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 to be cash equivalents.

Angel Eyes
(Formerly The Colorado SIDS Organization, Inc.)
Notes to Financial Statements (Continued)
December 31, 2008

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

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.

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 (primarily research) restricted 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, 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.

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 in the organization's Organization 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

Angel Eyes
(Formerly The Colorado SIDS Organization, Inc.)
Notes to Financial Statements (Continued)
December 31, 2008

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

Income Taxes (Continued)

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.

Expense Allocation

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

2. Commitments

The Organization leases office space under an agreement through April 30, 2009. Accordingly, the Organization has the following commitments under the lease agreement:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2009	<u>11,124</u>
	<u>\$ 11,124</u>

The Organization also rents storage space and parking spaces on a monthly basis. Rent included in occupancy expense was \$38,055 for the year ended December 31, 2008.

The Organization has begun exploring other options and other potential office spaces to lease when their current lease expires in April of 2009.

Angel Eyes
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Notes to Financial Statements (Continued)
December 31, 2008

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, 2008 was \$3,000.

4. Concentrations of Credit Risk

The Organization maintains cash deposits in two FDIC-insured banks located in the Denver metropolitan area.

5. Release of Temporarily Restricted Net Assets

During the current year, temporarily restricted items totaling \$13,500 were released from restriction, and reclassified to unrestricted funds, as purpose or time restrictions were satisfied.

6. Change of Name

During 2008, The Organization changed its name from the Colorado SIDS Organization, Inc. to Angel Eyes, in an effort to communicate expanded support to the Colorado community.