

ANGEL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Angel Foundation
Mendota Heights, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Angel Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, 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 Angel Foundation as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Angel Foundation 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Angel Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, 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 Angel Foundation'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 Angel Foundation'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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
July 16, 2024

**ANGEL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 1,372,353	\$ 1,094,985
Promises to Give, Net	9,667	54,667
Inventory	12,282	10,974
Prepaid Expenses and Other Assets	94,762	103,554
Property and Equipment, Net	79,764	104,808
Right-of-Use (ROU) Asset, Net	86,323	133,225
Security Deposit	3,259	3,259
Investments	3,088,016	2,848,731
Total Assets	\$ 4,746,426	\$ 4,354,203
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 11,738	\$ 11,819
Accrued Expenses and Other Liabilities	86,449	67,257
Deferred Revenue	467,085	276,744
Grants Payable	29,450	41,650
Lease Liability	93,887	140,789
Total Liabilities	688,609	538,259
NET ASSETS		
Without Donor Restrictions:		
Undesignated	1,846,846	1,736,455
Board Designated	1,578,846	1,489,479
Total Without Donor Restrictions	3,425,692	3,225,934
With Donor Restrictions:	632,125	590,010
Total Net Assets	4,057,817	3,815,944
Total Liabilities and Net Assets	\$ 4,746,426	\$ 4,354,203

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising:			
Contributions	\$ 1,424,907	\$ 763,013	\$ 2,187,920
Special Events, Net of Direct Benefit			
Expenses of \$292,216	970,176	-	970,176
In-Kind Donations	188,756	-	188,756
Other Income	4,562	-	4,562
Net Assets Released from Restrictions	785,312	(785,312)	-
Total Fundraising	3,373,713	(22,299)	3,351,414
Investment Income:			
Interest and Dividends	60,302	64,414	124,716
Realized and Unrealized Gains on Investments	101,416	-	101,416
Less: Investment and Related Fees	(13,805)	-	(13,805)
Total Net Investment Income	147,913	64,414	212,327
Total Revenue, Support, and Gains	3,521,626	42,115	3,563,741
EXPENSES			
Program Services Expense:			
Emergency Financial Assistance (EFA)	1,559,540	-	1,559,540
Adult and Family Programs (AFP)	707,499	-	707,499
Financial Cancer Care (FCC)	432,721	-	432,721
Total Program Services Expenses	2,699,760	-	2,699,760
Supporting Services Expense:			
Management and General	330,398	-	330,398
Fundraising and Development	291,710	-	291,710
Total Supporting Services Expenses	622,108	-	622,108
Total Expenses	3,321,868	-	3,321,868
CHANGE IN NET ASSETS	199,758	42,115	241,873
Net Assets - Beginning of Year	3,225,934	590,010	3,815,944
NET ASSETS - END OF YEAR	\$ 3,425,692	\$ 632,125	\$ 4,057,817

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS			
Fundraising:			
Contributions	\$ 1,883,819	\$ 13,648	\$ 1,897,467
Special Events, Net of Direct Benefit Expenses of \$217,795	921,974	-	921,974
In-Kind Donations	141,463	-	141,463
Other Income	8,686	-	8,686
Net Assets Released from Restrictions	196,046	(196,046)	-
Total Fundraising	<u>3,151,988</u>	<u>(182,398)</u>	<u>2,969,590</u>
Investment Income:			
Interest and Dividends	83,785	14,254	98,039
Realized and Unrealized Gains on Investments	(465,251)	(125,175)	(590,426)
Less: Investment and Related Fees	(9,440)	(2,957)	(12,397)
Total Net Investment Income	<u>(390,906)</u>	<u>(113,878)</u>	<u>(504,784)</u>
Total Revenue, Support, and Gains	2,761,082	(296,276)	2,464,806
EXPENSES AND LOSSES			
Program Services Expense:			
Emergency Financial Assistance (EFA)	1,451,924	-	1,451,924
Facing Cancer Together (FCT)	520,046	-	520,046
Financial Cancer Care (FCC)	282,636	-	282,636
Total Program Expenses	<u>2,254,606</u>	<u>-</u>	<u>2,254,606</u>
Supporting Services Expense:			
Management and General	321,210	-	321,210
Fundraising and Development	284,101	-	284,101
Total Supporting Services Expenses	<u>605,311</u>	<u>-</u>	<u>605,311</u>
Total Expenses and Losses	<u>2,859,917</u>	<u>-</u>	<u>2,859,917</u>
CHANGE IN NET ASSETS	(98,835)	(296,276)	(395,111)
Net Assets - Beginning of Year	<u>3,324,769</u>	<u>886,286</u>	<u>4,211,055</u>
NET ASSETS - END OF YEAR	<u>\$ 3,225,934</u>	<u>\$ 590,010</u>	<u>\$ 3,815,944</u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services				Management and General	Fundraising and Development	Total
	EFA	AFP	FCC	Total			
Salaries	\$ 280,934	\$ 341,078	\$ 245,917	\$ 867,929	\$ 145,413	\$ 123,584	\$ 1,136,926
Payroll Taxes	21,290	24,949	21,162	67,401	12,465	12,536	92,402
Employee Benefits	14,942	18,140	13,081	46,163	7,770	6,570	60,503
Total Personnel Costs	317,166	384,167	280,160	981,493	165,648	142,690	1,289,831
Professional Services	18,593	23,622	16,278	58,493	61,812	62,335	182,640
Advertising and Promotion	16,256	35,312	16,506	68,074	19,365	14,396	101,835
Supplies	58,178	83,314	1,082	142,574	3,804	1,044	147,422
Printing	5,490	10,005	4,806	20,301	2,841	18,382	41,524
Postage	281	10,738	246	11,265	146	216	11,627
Information Technology	13,477	34,389	11,670	59,536	6,899	19,790	86,225
Occupancy	22,332	29,962	19,551	71,845	11,557	9,834	93,236
Travel	200	3,158	89	3,447	5,413	3,600	12,460
Financial Assistance	1,067,007	-	42,608	1,109,615	-	-	1,109,615
Insurance	3,127	3,796	2,738	9,661	1,618	1,375	12,654
Training and Development	-	1,035	15	1,050	4,570	928	6,548
Cost of Direct Benefits to Donors	-	-	-	-	-	292,718	292,718
Depreciation	1,912	19,628	1,674	23,214	989	841	25,044
Bank and Investment Fees	-	22	-	22	11,068	10,794	21,884
Other	35,521	68,351	35,298	139,170	34,166	5,485	178,821
Total Expenses by Function	1,559,540	707,499	432,721	2,699,760	329,896	584,428	3,614,084
Less: Expenses Included with Revenues on the Statement of Activities:							
Cost of Direct Benefits to Donors	-	-	-	-	-	(292,216)	(292,216)
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 1,559,540	\$ 707,499	\$ 432,721	\$ 2,699,760	\$ 329,896	\$ 292,212	\$ 3,321,868

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program Services				Management and General	Fundraising and Development	Total
	EFA	AFP	FCC	Total			
Salaries	\$ 311,333	\$ 273,737	\$ 150,439	\$ 735,509	\$ 155,941	\$ 146,519	\$ 1,037,969
Payroll Taxes	22,648	19,936	10,719	53,303	20,534	10,645	84,482
Employee Benefits	18,677	14,579	8,726	41,982	7,024	6,332	55,338
Total Personnel Costs	<u>352,658</u>	<u>308,252</u>	<u>169,884</u>	<u>830,794</u>	<u>183,499</u>	<u>163,496</u>	<u>1,177,789</u>
Professional Services	19,032	14,573	8,574	42,179	27,631	52,715	122,525
Advertising and Promotion	29,257	60,203	28,722	118,182	44,131	7,874	170,187
Supplies	5,508	33,076	1,607	40,191	10,854	1,177	52,222
Printing	6,992	8,251	3,267	18,510	8,264	7,152	33,926
Postage	1,735	6,391	873	8,999	653	6,073	15,725
Information Technology	15,708	11,227	6,620	33,555	5,329	5,599	44,483
Occupancy	31,693	44,956	14,808	91,457	11,919	10,745	114,121
Travel	-	1,317	57	1,374	3,142	2,226	6,742
Financial Assistance	978,968	-	43,100	1,022,068	50	3	1,022,121
Insurance	3,693	2,883	1,726	8,302	1,389	1,252	10,943
Training and Development	-	1,209	-	1,209	6,529	213	7,951
Cost of Direct Benefits to Donors	-	149	-	149	43	217,603	217,795
Depreciation	3,343	21,129	1,562	26,034	1,257	1,133	28,424
Bank Fees and Investment Fees	-	-	-	-	6,431	14,805	21,236
Other	3,337	6,430	1,836	11,603	10,089	9,638	31,330
Total Expenses by Function	<u>1,451,924</u>	<u>520,046</u>	<u>282,636</u>	<u>2,254,606</u>	<u>321,210</u>	<u>501,704</u>	<u>3,077,520</u>
Less: Expenses Included with Revenues on the Statement of Activities:							
Cost of Direct Benefits to Donors	-	-	-	-	-	(217,603)	(217,603)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,451,924</u>	<u>\$ 520,046</u>	<u>\$ 282,636</u>	<u>\$ 2,254,606</u>	<u>\$ 321,210</u>	<u>\$ 284,101</u>	<u>\$ 2,859,917</u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 241,873	\$ (395,111)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	25,044	28,424
Amortization of ROU Asset	46,902	44,308
Realized and Unrealized Gain on Operating Investments	(101,416)	590,426
Changes in Operating Assets and Liabilities:		
Promises to Give, Net	45,000	(45,626)
Inventory	(1,308)	(10,974)
Prepaid Expenses and Other Assets	8,792	(34,686)
Accounts Payable	(81)	(4,700)
Grants Payable	(12,200)	(22,200)
Accrued Expenses and Other Liabilities	19,192	(9,270)
Lease Liability	(46,902)	(36,744)
Deferred Revenue	190,341	28,212
Net Cash Provided by Operating Activities	415,237	132,059
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Operating Investments	(4,991,041)	(760,055)
Proceeds from Sales of Operating Investments	4,853,172	688,461
Purchases of Property and Equipment	-	(9,702)
Net Cash Used by Investing Activities	(137,869)	(81,296)
NET CHANGE IN CASH AND CASH EQUIVALENTS	277,368	50,763
Cash and Cash Equivalents - Beginning of Year	1,094,985	1,044,222
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,372,353	\$ 1,094,985

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Angel Foundation (the Foundation), formerly Minnesota Oncology Hematology Foundation, was founded in 2001 as a Minnesota nonprofit corporation and is headquartered at 1155 Centre Pointe Drive, Suite 7, Mendota Heights, Minnesota 55120, to help when cancer strikes. Through an innovative and integrated approach of emergency financial assistance, education, and support, Angel Foundation helps adults with cancer and their families so that they may live life well with stability, strength, and resilience.

The Foundation pursues its mission in the following ways:

Emergency Financial Assistance

Emergency Financial Assistance (EFA) is provided to adults in active treatment for cancer to meet critical nonmedical needs such as mortgage or rent payments, food, utilities, and transportation costs. Participants must live or be treated in the seven-county metro area of the Twin Cities.

Adult and Family Programs

Adult and Family Programs (AFP) provide free education and support to seniors, households, and caregivers to learn new skills that can help relieve fear and anxiety about the cancer experience, reduce stress, and decrease the impact of cancer on everyday life.

Financial Cancer Care

Financial Cancer Care (FCC) is a financial empowerment program provided to adult cancer patients in the seven-county metro area of the Twin Cities. The program's purpose is to help patients manage cancer-related financial toxicity and the long-term effects of a cancer diagnosis by providing financial education and support.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. No allowance for doubtful accounts has been provided, as management believes all receivables are collectible.

Inventory

Inventory consists of Hope pins and journals that are stated at the lower of cost or market, with cost determined on the first-in, first-out basis. Additionally, there is an inventory balance related to gift cards on hand at year-end.

Fixed Assets

Furniture, equipment, and leasehold improvements are recorded at cost, or in the case of contributed property, at the fair market value at the date of contribution. Items that cost \$500 or greater and have a useful life of more than one year are capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives:

Computers	3 Years
Furniture and Equipment	3 to 5 Years
Leasehold Improvements	Life of the Lease

When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected as income for the period. The cost of maintenance and repairs is charged as an expense as incurred.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair value measure at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Unrealized gains and losses are included in the statement of activities. The investments may involve investment risks, including possible loss of principal invested.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue consists of support or sponsorship payments received prior to year-end for events to be held subsequent to year-end. These amounts will be reflected as support in the period in which the event takes place.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (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. When a restriction expires, 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.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received. In-kind contributions were \$188,756 and \$141,463 for the years ended December 31, 2023 and 2022, respectively.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$101,835 and \$170,187 during the years ended December 31, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

The Foundation follows the income tax standard for uncertain tax positions. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements in accordance with the income tax standard. This standard prescribes recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The standard had no impact on the Foundation's financial statements.

The Foundation's income tax returns are subject to review and examination by federal and state authorities. The Foundation has reviewed its tax positions for all open tax years and has concluded that there are no uncertain tax positions that require recognition.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation and the Board believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Change in Accounting Principle

The Foundation has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not impact the Foundation’s financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through July 16, 2024, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As of December 31, the following assets could be made readily available within one year to meet general expenditures.

	<u>2023</u>	<u>2022</u>
Cash, Contributions Receivable, and Investments as of December 31	\$ 4,470,036	\$ 3,998,383
Less: Net Assets with Restrictions	(632,125)	(590,010)
Less: Board-Designated Endowment	<u>(1,578,846)</u>	<u>(1,489,479)</u>
Net Available Assets at Year-End	<u>\$ 2,259,065</u>	<u>\$ 1,918,894</u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation receives significant contributions and promises to give restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses. The Foundation has a policy to target a year-end balance of reserves of undesignated net assets to meet 15 to 30 days of expected expenditures. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly and its reserves annually. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

The Foundation has \$-0- and \$1,489,479 in a board-designated endowment at December 31, 2023 and 2022, respectively. The Foundation does not intend to spend from the board-designated endowment other than the amount appropriated per the board's Endowment Draw policy; however, these amounts could be made available if necessary.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

Angel Foundation reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset, or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The Foundation’s investments are stated at fair value based on quoted prices in active markets (all Level 1 and Level 2 measurements) and consist of the following at December 31:

	2023			Total
	Level 1	Level 2	Level 3	
Equities	\$ 1,047,447	\$ -	\$ -	\$ 1,047,447
Fixed Income	-	996,170	-	996,170
Total	\$ 1,047,447	\$ -	\$ -	2,043,617
Cash and Cash Equivalents				1,044,399
Total Investments				\$ 3,088,016
	2022			
	Level 1	Level 2	Level 3	Total
Equities	\$ 2,808,696	\$ -	\$ -	\$ 2,808,696
Fixed Income	-	40,035	-	40,035
Total	\$ 2,808,696	\$ -	\$ -	2,848,731
Total Investments				\$ 2,848,731

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2023	2022
Computers and Equipment	\$ 181,906	\$ 181,906
Leasehold Improvements	8,292	8,292
Total	190,198	190,198
Less: Accumulated Depreciation	(110,434)	(85,390)
Property and Equipment, Net	\$ 79,764	\$ 104,808

Depreciation and amortization expense totaled \$25,044 and \$28,424 for the years ended December 31, 2023 and 2022, respectively.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LEASES

Angel Foundation leases office equipment under an operating lease that started in March 2020 and will expire in February 2025. Beginning on July 1, 2015, the Foundation leases office space under an operating lease that expires November 30, 2025.

The following tables provide quantitative information concerning the Foundation's leases for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Right-of-Use Assets:		
Operating Leases, Net	<u>\$ 86,323</u>	<u>\$ 133,225</u>
Lease Liabilities:		
Current:		
Operating Leases	\$ 48,354	\$ 46,260
Noncurrent:		
Operating Leases	<u>45,533</u>	<u>94,529</u>
Total	<u>\$ 93,887</u>	<u>\$ 140,789</u>
Operating Lease Costs	<u>\$ 46,722</u>	<u>\$ 46,722</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 47,995	\$ 46,659
Weighted-Average Remaining Lease Term - Operating Leases	1.8 Years	2.8 Years
Weighted-Average Discount Rate - Operating Leases	1.50%	1.50%

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2024	\$ 49,379
2025	45,822
Total Lease Payments	95,201
Less: Interest	(1,314)
Present Value of Lease Liabilities	<u>\$ 93,887</u>

NOTE 6 ENDOWMENT

The Foundation's endowments consist of funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be held in perpetuity (1) the original value of the gifts to the permanent endowment, (2) the value of subsequent gifts to the permanent endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift investment at the time the accumulation is added to the fund.

Investment Objectives and Strategies

The Foundation has adopted an investment policy to provide guidelines for investing the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the endowment assets in perpetuity and to achieve real growth that is compatible with the Foundations' spending policy. The investment guidelines for the portfolio are based on long-term market performance projections; therefore, interim fluctuations should be viewed with appropriate perspective. To achieve these objectives, the Foundation follows an asset allocation plan, sets performance benchmarks for investment managers, and has established various asset quality and limitation thresholds. The Foundation expects its endowment funds to provide a rate of return, net of inflation that exceeds the endowment's payout rate.

Spending Policy

Distributions from the fund will be determined by the fund's spending policy, as defined from time to time by the Board. The Board will consider preservation of principal, protection from long-term effects of inflation, expected total return on investments over a long-term period, and other relevant general economic conditions when establishing or modifying such spending policy. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a rate consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. The following is a summary of endowment fund subject to Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) for the years ended December 31:

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 ENDOWMENT (CONTINUED)

Spending Policy (Continued)

As of December 31, the Foundation had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>December 31, 2023</u>			
Board-Designated Endowment Funds	\$ 1,578,846	\$ -	\$ 1,578,846
Donor-Restricted Endowment Funds	-	622,759	622,759
Total	<u>\$ 1,578,846</u>	<u>\$ 622,759</u>	<u>\$ 2,201,605</u>
<u>December 31, 2022</u>			
Board-Designated Endowment Funds	\$ 1,489,479	\$ -	\$ 1,489,479
Donor-Restricted Endowment Funds	-	558,345	558,345
Total	<u>\$ 1,489,479</u>	<u>\$ 558,345</u>	<u>\$ 2,047,824</u>

Changes in endowment net assets for the years ended December 31, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>December 31, 2023</u>			
Endowment Net Assets - Beginning of Year	\$ 1,489,479	\$ 558,345	\$ 2,047,824
Investment Return (Loss), Net	89,367	64,414	153,781
Endowment Net Assets - End of Year	<u>\$ 1,578,846</u>	<u>\$ 622,759</u>	<u>\$ 2,201,605</u>
<u>December 31, 2022</u>			
Endowment Net Assets - Beginning of Year	\$ 1,760,834	\$ 671,901	\$ 2,432,735
Investment Return (Loss), Net	(271,355)	(113,878)	(385,233)
Contributions	-	322	322
Endowment Net Assets - End of Year	<u>\$ 1,489,479</u>	<u>\$ 558,345</u>	<u>\$ 2,047,824</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Fridley Area Restriction	\$ 6,829	\$ -
Other Financial Assistance	-	2,000
Camp Angel	-	11,326
Meals in Motion	2,537	-
Native American Community	-	18,339
Meals in Motion	-	-
Total	<u>9,366</u>	<u>31,665</u>
Endowments:		
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
General Operating Expenses	558,345	320,530
Subject to Endowment Spending Policy and Appropriation:		
Endowment Earnings	<u>64,414</u>	<u>237,815</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 632,125</u></u>	<u><u>\$ 590,010</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions:		
Brain Cancer Financial Assistance	\$ 20,000	\$ -
Breast Cancer Financial Assistance	10,000	5,940
Other Financial Assistance	357,664	-
Camp Snow Angel	12,526	-
Translation Project	226,000	-
Financial Cancer Care Program	-	97,007
Angel Packs	98,321	-
Meals in Motion	37,463	61,437
Native American Community	23,338	31,662
Total Net Assets Released from Restrictions	<u><u>\$ 785,312</u></u>	<u><u>\$ 196,046</u></u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 DONATED PROFESSIONAL SERVICES AND MATERIALS

Angel Foundation received donated professional services and materials as follows during the years ended December 31:

	Program Services	Management and General	Fundraising and Development	Total
<u>December 31, 2023</u>				
Marketing and Advertising	\$ 60,960	\$ -	\$ -	\$ 60,960
Supplies	-	-	115,514	115,514
Total	<u>\$ 60,960</u>	<u>\$ -</u>	<u>\$ 115,514</u>	176,474
Auction Items Held at December 31, 2023				<u>12,282</u>
Total Donated Professional Services and Materials				<u>\$ 188,756</u>
<u>December 31, 2022</u>				
Marketing and Advertising	\$ 83,248	\$ 37,980	\$ -	\$ 121,228
Supplies	-	9,261	-	9,261
Consultants and Professional Fees	-	-	-	-
Special Event Direct Expenses	-	-	-	-
Total	<u>\$ 83,248</u>	<u>\$ 47,241</u>	<u>\$ -</u>	130,489
Auction Items Held at December 31, 2022				<u>10,974</u>
Total Donated Professional Services and Materials				<u>\$ 141,463</u>

Angel Foundation recognized contributed nonfinancial assets within revenue, including contributed auction items, marketing and advertising, and other supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed auction items are included as inventory at December 31, 2023 and will be used for the 2023 gala. In valuing the contributed auction items, Angel Foundation estimated the fair value using the sales price of comparable goods and services.

Contributed marketing and advertising includes billboards and radio public service announcements. Contributed billboards are valued by a third-party provider based on the sales price of comparable billboards. The corresponding expense is allocated equally between program and administrative expenses. Angel Foundation produces public service announcements (PSAs) that are broadcast on the radio. The Foundation uses a third-party service to monitor and track when the radio stations run PSAs and assign a market value to the airtime based on the sales price of similar radio spots. The purpose of the PSAs is to connect with potential clients in need of Angel Foundation's support, therefore the corresponding expense is included in program expenses.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 DONATED PROFESSIONAL SERVICES AND MATERIALS (CONTINUED)

Other contributed supplies include office supplies, cosmetics, and boxed lunches. The value of these items is estimated using the sales price of comparable items and the corresponding expense is included with administrative expenses.

NOTE 9 RETIREMENT PLAN

The employees of Angel Foundation may contribute to a 401(k) retirement plan. The Foundation matches up to 4% of gross wages. The Foundation suspended the match in May 2020 due to the uncertainty that the pandemic created with possible budget shortfalls. The suspension was lifted in February 2021. Contributions to the plan for the years ended December 31, 2023 and 2022, were \$32,635 and \$26,562, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS

The Foundation's board members and staff make donations to the Foundation throughout the year. During the years ended December 31, 2023 and 2022, board members contributed \$110,292 and \$105,553 respectively.

NOTE 11 EMERGENCY FINANCIAL ASSISTANCE

The Foundation provides emergency financial assistance in the form of grants for basic nonmedical needs and necessities such as helping with housing payments, utilities, food and other essential living expenses to individuals diagnosed with cancer. Patient grant requests must be made by a health care professional. The Foundation requires the patient to submit a copy of the bill or other documentation that an expense was incurred. At that time, the Foundation will submit a check to the vendor for expenses incurred. The commitment for approved grant requests as of December 31, 2023 and 2022 was \$29,450 and \$41,650, respectively, as reported on the statements of financial position. The internal policy for maximum grant award ranges from \$500 for a household of one person to \$850 for a household of five or more people. Emergency financial assistance expenses totaled \$1,017,065 and \$1,022,121 for the years ended December 31, 2023 and 2022, respectively.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 12 SPECIAL EVENTS

Special events revenue is calculated net of revenue and expenses. Gross revenues and expenses for each event are as follows:

		2023		
		Revenue	Expenses	Net Revenue
Gala		\$ 896,625	\$ 198,971	\$ 697,654
Golf		174,660	38,274	136,386
After Hours		-	2,540	(2,540)
Camp Luncheon		91,295	29,479	61,816
Tri 4		52,430	17,235	35,195
Hope in Motion		41,069	-	41,069
Other		5,810	5,717	93
Total		\$ 1,261,889	\$ 292,216	\$ 969,673
		2022		
		Revenue	Expenses	Net Revenue
Gala		\$ 743,796	\$ 139,329	\$ 604,467
Golf		199,218	31,907	167,311
After Hours		-	800	(800)
Camp Luncheon		107,586	28,896	78,690
Tri 4		32,951	15,294	17,657
Hope in Motion		55,419	-	55,419
Other		799	1,569	(770)
Total		\$ 1,139,769	\$ 217,795	\$ 921,974



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