

**BE AN ANGEL FUND, INC.**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2009**

**BE AN ANGEL FUND, INC.**  
**August 31, 2009**

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# **Be An Angel Fund, Inc.**

## **Officers & Directors**

Bill Shank - Chairman

Ray Solcher - Vice Chairman

Mike Williams - Vice Chairman

Steve Drake - Treasurer

Felix Rhymes - Secretary

## **Directors**

Cary Benson

Dot Cunningham

Stephen Drake

Jeff Gorski

Dan Kasprzak

Clay Morel

Dan Patrick

Felix Rhymes

John Schwartz, Jr.

Ray Solcher

Bo Bigelow

Ann Wright

Dan Huberty

Ned Piedmont

Mike Williams

Bill Shank

## **Advisory Committee**

Jack Barry

Carl Bowles

David Bruce

Dr. Doris Delaney

Bob Leonard

Dr. Nici Esch

Patsy Rhymes

Ruth Houk

Karl Kuenning

Rob LeClair

Sally Maxwell

Venita Phillips

Brian Wozniak

Ron Swofford

Terry Tognietti

Richard Tyler

Constance White

Connie Young

Robert Wells

## **Staff**

Marti Boone - Executive Director

Michael Musters - Program Director

Dustin Tracy - Development Director

## Independent Auditors' Report

To the Board of Directors  
Be An Angel Fund, Inc.  
Houston, Texas

We have audited the accompanying statements of financial position of Be An Angel Fund, Inc. (a non-profit organization) as of August 31, 2008 and 2009, and the related statements of activities, functional expenses and cash flows for the years 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 the 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 Be An Angel Fund, Inc. as of August 31, 2008 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*VanWassehnova & Associates*

VanWassehnova & Associates  
December 21, 2009

**BE AN ANGEL FUND, INC.**  
**Statements of Financial Position**  
**August 31, 2008 & 2009**

Assets

	2008	2009
Current Assets:		
Cash	\$ 432,795	\$ 118,736
Accounts Receivable	24,687	18,055
Prepaid Expenses	4,524	6,925
Total Current Assets	462,006	143,716
Property & Equipment		
Building	40,000	74,471
Furniture and Office Equipment	31,540	31,540
Other Equipment and Signage	25,782	25,782
	97,322	131,793
Less Accumulated Depreciation	(86,867)	(85,647)
Net Property & Equipment	10,455	46,146
Other Assets		
Municipal Bonds	50,000	50,000
Partnership Investments	65,368	38,383
Total Other Assets	115,368	88,383
Total Assets	\$ 587,829	\$ 278,245

Liabilities and Net Assets

Current Liabilities		
Accounts Payable/Promises to Give	\$ 354,501	\$ 4,320
Note Payable	-	52,500
Payroll Taxes	1,280	-
Total Current Liabilities	355,781	56,820
Net Assets		
Unrestricted	166,680	128,736
Temporarily Restricted	65,368	92,689
Total Net Assets	232,048	221,425
Total Liabilities and Net Assets	\$ 587,829	\$ 278,245

**BE AN ANGEL FUND, INC.**  
**Statements of Activities**  
**For the Years Ended August 31, 2008 & 2009**

Unrestricted Net Assets	2008	2009
<u>Support &amp; Revenue</u>		
Public Support		
Christmas Program	\$ 430,628	\$ 506,314
Donations	142,011	263,846
Gala	110,103	143,643
Capital Campaign	308,612	64,578
Golf Tournaments	48,631	56,065
Grants	114,500	38,694
Other Fundraisers	19,381	5,092
Interest Income	7,436	3,760
March for Angels	6,343	-
Total Support & Revenue	<u>1,187,645</u>	<u>1,081,992</u>
Net assets released from donor restrictions	<u>15,347</u>	<u>26,985</u>
<b>Total Unrestricted Support &amp; Revenue</b>	<u><b>1,202,992</b></u>	<u><b>1,108,977</b></u>
<u>Expenses</u>		
Program Services		
Camp Be An Angel	23,669	15,200
Snowday	18,184	14,848
Holiday Programs	217,665	258,658
Summer Respite	24,519	46,463
Child/Family Assistance	91,725	82,992
Institutional Assistance	442,742	330,401
Other	153,601	152,719
Total Program Services	<u>972,105</u>	<u>901,281</u>
Fundraising Expenses	149,709	133,450
Supporting Services - Administrative & General	<u>91,779</u>	<u>112,190</u>
Total Expenses	<u><b>1,213,593</b></u>	<u><b>1,146,921</b></u>
Decrease in Unrestricted Net Assets	<u>(10,601)</u>	<u>(37,944)</u>
Temporarily Restricted Net Assets		
Grants	-	54,306
Net assets released from restrictions	<u>(15,347)</u>	<u>(26,985)</u>
Increased (Decrease) in Temporarily Restricted Net Assets	<u>(15,347)</u>	<u>27,321</u>
Decrease in Net Assets	(25,948)	(10,623)
Net Assets at Beginning of Year	<u>257,996</u>	<u>232,048</u>
Net Assets at End of Year	<u><u>\$ 232,048</u></u>	<u><u>\$ 221,425</u></u>

**BE AN ANGEL FUND, INC.**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2008 & 2009**

<u>Cash Flows From Operating Activities</u>	<u>2008</u>	<u>2009</u>
Increase (Decrease) in Net Assets	\$ (25,948)	\$ (10,623)
Adjustments to reconcile change in net assets to net cash provided by operating activities: Depreciation	8,425	8,780
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(8,547)	6,632
Partnership Investments	15,347	26,985
Employee Advances	222	-
Prepaid Expenses	7,916	(2,401)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable/Promises to Give	298,301	(350,181)
Payroll Liabilities	<u>(5,129)</u>	<u>(1,280)</u>
Net Cash Provided by Operating Activities	<u>290,587</u>	<u>(322,088)</u>
 <u>Cash Flows From Financing Activities</u>		
Loan Proceeds	-	56,000
Principal Payments	<u>-</u>	<u>(3,500)</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>52,500</u>
 <u>Cash Flows From Investing Activities</u>		
Acquisition of Property & Equipment	-	(74,471)
Disposition of Property & Equipment	<u>-</u>	<u>30,000</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>(44,471)</u>
Net Increase (Decrease) in Cash	290,587	(314,059)
Cash at Beginning of Year	<u>142,208</u>	<u>432,795</u>
Cash at End of Year	<u>\$ 432,795</u>	<u>\$ 118,736</u>
 Supplemental Information - Interest Paid		
	<u>\$ -</u>	<u>\$ 1,544</u>

**BE AN ANGEL FUND, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2008**

	Camp Be An Angel	Snowday	Holiday Programs	Summer Respite
Playgrounds	\$ -	\$ -	\$ -	\$ -
Nutritional Program	-	-	-	-
Individual Requests	-	-	-	-
Hearing Aid Program	-	-	-	-
Toys	-	-	173,818	-
Student Activities	-	14,031	-	-
Equipment	-	-	1,317	-
Other	23,461	-	2,970	24,519
Salaries & Payroll Taxes	-	-	-	-
Insurance-Health	-	-	-	-
Materials & Supplies	-	-	8,628	-
Advertising/Website	-	-	-	-
Professional Fees	-	1,500	-	-
Printing & Copying	-	-	4,192	-
Awards & Gifts	-	-	-	-
Automotive/Transportation	208	-	1,826	-
Insurance-General	-	-	-	-
Postage & Delivery	-	-	5,207	-
Telephone	-	-	-	-
Depreciation	-	-	-	-
Bank Service Charges	-	-	2,573	-
Office Supplies	-	-	-	-
Storage	-	2,653	-	-
Contract Labor	-	-	2,140	-
Appreciation Functions	-	-	14,994	-
Pension	-	-	-	-
Dues & Subscriptions	-	-	-	-
Meetings	-	-	-	-
Totals	<u>\$ 23,669</u>	<u>\$ 18,184</u>	<u>\$ 217,665</u>	<u>\$ 24,519</u>



**BE AN ANGEL FUND, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2008**

	<u>Child/Family Assistance</u>	<u>Institutional Assistance</u>	<u>Other</u>	<u>Total Programs</u>
Playgrounds	\$ -	\$ 417,780	\$ -	\$ 417,780
Nutritional Program	2,115	-	-	2,115
Individual Requests	38,514	-	-	38,514
Hearing Aid Program	51,096	-	-	51,096
Toys	-	-	-	173,818
Student Activities	-	4,962	1,345	20,338
Equipment	-	20,000	300	21,617
Other	-	-	817	51,767
Salaries & Payroll Taxes	-	-	106,545	106,545
Insurance-Health	-	-	9,494	9,494
Materials & Supplies	-	-	2,000	10,628
Advertising/Website	-	-	14	14
Professional Fees	-	-	9,606	11,106
Printing & Copying	-	-	9,932	14,124
Awards & Gifts	-	-	-	-
Automotive/Transportation	-	-	718	2,752
Insurance-General	-	-	5,865	5,865
Postage & Delivery	-	-	755	5,962
Telephone	-	-	2,316	2,316
Depreciation	-	-	-	-
Bank Service Charges	-	-	8	2,581
Office Supplies	-	-	-	-
Storage	-	-	-	2,653
Contract Labor	-	-	-	2,140
Appreciation Functions	-	-	-	14,994
Pension	-	-	3,770	3,770
Dues & Subscriptions	-	-	-	-
Meetings	-	-	116	116
Totals	<u>\$ 91,725</u>	<u>\$ 442,742</u>	<u>\$ 153,601</u>	<u>\$ 972,105</u>

**BE AN ANGEL FUND, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2008**

	Total Programs	Fundraising	Admin & General	Total
Playgrounds	\$ 417,780	\$ -	\$ -	\$ 417,780
Nutritional Program	2,115	-	-	2,115
Individual Requests	38,514	-	-	38,514
Hearing Aid Program	51,096	-	-	51,096
Toys	173,818	-	-	173,818
Student Activities	20,338	-	-	20,338
Equipment	21,617	-	-	21,617
Other	51,767	-	5,137	56,904
Salaries & Payroll Taxes	106,545	17,247	34,452	158,244
Insurance-Health	9,494	841	2,744	13,079
Materials & Supplies	10,628	90,053	4,400	105,081
Advertising/Website	14	1,076	3,283	4,373
Professional Fees	11,106	11,900	9,630	32,636
Printing & Copying	14,124	8,815	-	22,939
Awards & Gifts	-	3,996	138	4,134
Automotive/Transportation	2,752	4,567	5,431	12,750
Insurance-General	5,865	3,566	5,621	15,052
Postage & Delivery	5,962	1,619	371	7,952
Telephone	2,316	2,195	3,222	7,733
Depreciation	-	-	8,425	8,425
Bank Service Charges	2,581	3,035	905	6,521
Office Supplies	-	-	3,721	3,721
Storage	2,653	-	-	2,653
Contract Labor	2,140	-	-	2,140
Appreciation Functions	14,994	-	1,315	16,309
Pension	3,770	62	1,400	5,232
Dues & Subscriptions	-	-	752	752
Meetings	116	737	832	1,685
Totals	<u>\$ 972,105</u>	<u>\$ 149,709</u>	<u>\$ 91,779</u>	<u>\$ 1,213,593</u>

**BE AN ANGEL FUND, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2009**

	Camp Be An Angel	Snowday	Holiday Programs	Summer Respite
Playgrounds	\$ -	\$ -	\$ -	\$ -
Nutritional Program	-	-	-	-
Individual Requests	-	-	-	-
Hearing Aid Program	-	-	-	-
Toys	-	-	173,107	-
Student Activities	-	10,378	-	10,000
Camp Sign	15,000	-	-	-
Equipment	-	-	1,135	-
Other	200	-	21,995	-
Salaries & Payroll Taxes	-	-	6,097	-
Insurance-Health	-	-	-	-
Materials & Supplies	-	-	4,307	-
Advertising/Website	-	-	21,993	-
Professional Fees	-	-	-	-
Printing & Signage	-	-	7,699	-
Public Awareness	-	-	-	-
Awards & Gifts	-	-	-	-
Automotive/Transportation	-	450	4,975	-
Insurance-General	-	-	-	-
Postage & Delivery	-	-	3,876	-
Interest	-	-	-	-
Telephone	-	-	-	-
Depreciation	-	-	-	-
Bank Service Charges	-	-	4,195	-
Storage/Rent	-	2,520	6,400	-
Contract Labor	-	1,500	2,395	36,463
Appreciation Functions	-	-	484	-
Pension	-	-	-	-
Dues & Subscriptions	-	-	-	-
Meetings	-	-	-	-
Totals	<u>\$ 15,200</u>	<u>\$ 14,848</u>	<u>\$ 258,658</u>	<u>\$ 46,463</u>

**BE AN ANGEL FUND, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2009**

	<u>Child/Family Assistance</u>	<u>Institutional Assistance</u>	<u>Other</u>	<u>Total Programs</u>
Playgrounds	\$ -	\$ 300,401	\$ -	\$ 300,401
Nutritional Program	997	-	-	997
Individual Requests	28,582	-	-	28,582
Hearing Aid Program	25,313	-	-	25,313
Toys	-	-	-	173,107
Student Activities	-	-	189	20,567
Camp Sign	-	-	-	15,000
Equipment	-	-	-	1,135
Other	27,000	30,000	187	79,382
Salaries & Payroll Taxes	-	-	101,067	107,164
Insurance-Health	-	-	3,877	3,877
Materials & Supplies	-	-	2,985	7,292
Advertising/Website	-	-	110	22,103
Professional Fees	-	-	-	-
Printing & Signage	-	-	364	8,063
Public Awareness	-	-	25,246	25,246
Awards & Gifts	-	-	-	-
Automotive/Transportation	-	-	1,422	6,847
Insurance-General	-	-	5,954	5,954
Postage & Delivery	-	-	734	4,610
Interest	-	-	515	515
Telephone	-	-	4,152	4,152
Depreciation	-	-	-	-
Bank Service Charges	-	-	17	4,212
Storage/Rent	1,100	-	-	10,020
Contract Labor	-	-	-	40,358
Appreciation Functions	-	-	-	484
Pension	-	-	5,900	5,900
Dues & Subscriptions	-	-	-	-
Meetings	-	-	-	-
Totals	<u>\$ 82,992</u>	<u>\$ 330,401</u>	<u>\$ 152,719</u>	<u>\$ 901,281</u>

**BE AN ANGEL FUND, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2009**

	Total Programs	Fundraising	Admin & General	Total
Playgrounds	\$ 300,401	\$ -	\$ -	\$ 300,401
Nutritional Program	997	-	-	997
Individual Requests	28,582	-	-	28,582
Hearing Aid Program	25,313	-	-	25,313
Toys	173,107	-	-	173,107
Student Activities	20,567	-	-	20,567
Camp Sign	15,000	-	-	15,000
Equipment	1,135	-	-	1,135
Other	79,382	-	3,850	83,232
Salaries & Payroll Taxes	107,164	280	55,906	163,350
Insurance-Health	3,877	-	1,292	5,169
Materials & Supplies	7,292	59,495	356	67,143
Advertising/Website	22,103	2,940	1,850	26,893
Professional Fees	-	41,274	8,085	49,359
Printing & Signage	8,063	10,094	3,145	21,302
Public Awareness	25,246	-	-	25,246
Awards & Gifts	-	1,857	1,647	3,504
Automotive/Transportation	6,847	3,053	4,962	14,862
Insurance-General	5,954	3,664	5,649	15,267
Postage & Delivery	4,610	4,150	812	9,572
Interest	515	515	515	1,545
Telephone	4,152	-	2,172	6,324
Depreciation	-	-	8,780	8,780
Bank Service Charges	4,212	2,533	618	7,363
Storage/Rent	10,020	3,300	4,400	17,720
Contract Labor	40,358	-	-	40,358
Appreciation Functions	484	-	2,290	2,774
Pension	5,900	-	2,567	8,467
Dues & Subscriptions	-	-	1,327	1,327
Meetings	-	295	1,967	2,262
Totals	<u>\$ 901,281</u>	<u>\$ 133,450</u>	<u>\$ 112,190</u>	<u>\$1,146,921</u>

**BE AN ANGEL FUND, INC.**  
**Notes to the Financial Statements**  
**August 31, 2009**

**Note A – Summary of Significant Accounting Policies**

Organization and Purpose

Be An Angel Fund, Inc. (the Organization) is a nonprofit welfare organization serving children with multiple disabilities or profound deafness and their families in Houston, Dallas and Fort Worth Metropolitan Areas. The Organization raises funds to improve the quality of life of its constituency by providing adaptive equipment and select services to individuals and institutions.

Some of the Organization's projects include:

- Institutional Programs: Such as barrier free playgrounds, hydrotherapy pool and sensory rooms enabling special children the ongoing development and experiences that their bodies need.
- Individual Programs: Such as motorized wheelchairs, hearing aids, nutritional supplements and clothing.
- Activities: Such as field trips and weekend camping retreats designed to allow the entire family to enjoy their time spent together.
- Respite Care: Provides day care and trained staff so that family care givers can work and their children can continue their development during school vacations.
- Christmas Program: Providing 3,516 disabled children from low-income homes with Christmas Gifts.
- Snowday Program: Creating a winter wonderland with the help of over 33 tons of snow, a signing Santa, petting zoo and train rides at T. H. Rogers School.

Volunteer opportunities include:

- Event Angels help set up for events, work the registration tables, organize auction items and run errands at hectic times.
- Christmas Angels assist with one of the Organization's largest events by shopping for the children and wrapping presents.
- Missionary Angels carry the good news about the Organization into the community. They seek volunteers and donations at shopping malls and local events.
- Entertainment Angels make children smile through a variety of talents, which may include art, music and clowning.

Income Tax

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and has been classified as an Organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, the Organization is not required to pay income taxes.

## Basis of Accounting

The accompanying financial statements are presented using the accrual basis of accounting, as it is required by generally accepted accounting principles. Revenues are recorded when earned, and expenses are recorded when incurred.

## Financial Statement Presentation

The organization presents its financial statements in accordance with 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.

Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted – Net assets whose use is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. All donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction lapses 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.

Permanently Restricted – Net assets subject to donor-imposed restrictions require that they be maintained permanently by the Organization. The organization does not have any permanently restricted net assets as of August 31, 2009.

## Contributions

The Organization accounts for contributions in accordance with recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116 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 temporarily restricted or permanently restricted net assets in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

## Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

## Property and Equipment

Furniture and equipment are stated at cost, or if donated, the fair value on the date received. Depreciation is provided using the straight-line method for temporary building and accelerated methods for fixtures and equipment over the estimated useful life of the assets. Total depreciation for each of the years ending August 2008 & 2009 was \$8,425 & \$8,780 respectively.

## Donated Material and Services

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. The Organization recognizes donated services that create or enhance non financial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation.

The value of other donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers, including the Board of Directors, have donated significant amounts of their time in the Organization's efforts.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate primarily to lives used in asset depreciation, fair values used to record in-kind contributions, and the functional allocation of expenses. Actual results could differ from those estimates.

## **Note B – Partnership Interests**

Four closely held limited partnership interests have been donated to the Organization and are recorded at fair value. The portion of the capital originally donated to the Organization reverts to the donors at the end of the partnership term. Distributions from the partnerships have been recorded as reductions in the carrying value of the assets. During the years ended August 2008 and 2009, distributions received were \$15,347 and \$26,985 respectively.

## **Note C – Temporarily Restricted Net Assets**

	2008	2009
Alternatives for Angles	\$ -	\$ 37,668
Hearing Aids - Latin America	-	15,237
Hearing Aids - Local	-	1,401
Partnership Interests	65,368	38,383
	<u>\$ 65,368</u>	<u>\$ 92,689</u>



**Note D — Office Facilities**

The Aldine Independent School District provides space for the Organization's temporary building, which houses its offices. Certain schools and students in the Aldine Independent School District are beneficiaries of some of the Organization's programs.

**Note E – Concentration of Credit Risk**

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

**Note F - Other Concentrations**

Donations from the Organization's annual Christmas fund raising drive were \$430,628 in 2008 and \$506,314 in 2009. This included \$7,370 of in-kind contributions in 2008 and \$31,170 in 2009.

A company that board member Dan Patrick has an ownership interest in, donated public service announcements in connection with the Organization's annual Christmas fundraising drive and golf tournament.

The Organization does not have any commitments from the aforementioned contributors to continue such activities in the future.

**Note G – Promises to Give**

As of August 31, 2008, the Organization has made a commitment to provide funds to Katy Playground (\$303,781) and Katy Playground (\$50,720).

**Note H – Municipal Bonds**

During the year ended August 31, 2007, the Organization purchased \$50,000 in Wake County, North Carolina municipal bonds. The bonds are rated AAA by both Moody's and S&P and bear the interest rate of 3.62%. The bonds are due in October 2022 and the fair market value at year end is the same as the purchase price.