

**ANGEL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**



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**ANGEL FOUNDATION
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

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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 statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 audit. 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.

Other Matter

The 2020 financial statements were audited by other auditors, whose report dated June 16, 2021, expressed an unmodified opinion on those statements.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 21, 2022

**ANGEL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 1,044,222	\$ 971,659
Promises to Give, Net	9,041	14,423
Inventory	-	1,194
Prepaid Expenses and Other Assets	68,868	44,710
Property and Equipment, Net	123,530	22,084
Security Deposit	3,259	3,259
Investments	3,367,563	2,885,677
Total Assets	\$ 4,616,483	\$ 3,943,006
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 16,519	\$ 34,464
Accrued Expenses and Other Liabilities	76,527	93,858
Deferred Revenue	248,532	130,000
Grants Payable	63,850	42,093
Total Liabilities	405,428	300,415
NET ASSETS		
Without Donor Restrictions:		
Undesignated	1,563,935	1,195,235
Board Designated	1,760,834	1,639,860
Total Without Donor Restrictions	3,324,769	2,835,095
With Donor Restrictions:		
Purpose Restrictions	566,078	487,618
Perpetual in Nature	320,208	319,878
Total With Donor Restrictions	886,286	807,496
Total Net Assets	4,211,055	3,642,591
Total Liabilities and Net Assets	\$ 4,616,483	\$ 3,943,006

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising:			
Contributions	\$ 1,714,744	\$ 262,330	\$ 1,977,074
Special Events, Net of Direct Benefit Expenses of \$132,052	644,378		644,378
In-kind Donations	123,744		123,744
Releases from Restrictions	248,901	(248,901)	-
Total Fundraising	<u>2,731,767</u>	<u>13,429</u>	<u>2,745,196</u>
Investment Income:			
Interest and Dividends	98,617	36,739	135,356
Realized and Unrealized Gains on Investments	67,428	31,775	99,203
Less: Investment and Related Fees	(9,936)	(3,153)	(13,089)
Total Net Investment Income	<u>156,109</u>	<u>65,361</u>	<u>221,470</u>
Total Revenue, Support, and Gains	2,887,876	78,790	2,966,666
EXPENSES AND LOSSES			
Program Services Expense:			
Emergency Financial Assistance (EFA)	1,306,437	-	1,306,437
Facing Cancer Together (FCT)	371,165	-	371,165
Financial Cancer Care (FCC)	259,659	-	259,659
Total Program Expenses	<u>1,937,261</u>	<u>-</u>	<u>1,937,261</u>
Supporting Services Expense:			
Management and General	265,315		265,315
Fundraising and Development	195,626		195,626
Total Supporting Services Expenses	<u>460,941</u>	<u>-</u>	<u>460,941</u>
Total Expenses and Losses	<u>2,398,202</u>	<u>-</u>	<u>2,398,202</u>
CHANGE IN NET ASSETS	489,674	78,790	568,464
Net Assets - Beginning of Year	<u>2,835,095</u>	<u>807,496</u>	<u>3,642,591</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,324,769</u></u>	<u><u>\$ 886,286</u></u>	<u><u>\$ 4,211,055</u></u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising:			
Contributions	\$ 1,674,435	\$ 242,936	\$ 1,917,371
Special Events, Net of Direct Benefit Expenses of \$350,296	499,327	-	499,327
In-kind Donations	225,834	-	225,834
Releases from Restrictions	389,056	(389,056)	-
Total Fundraising	2,788,652	(146,120)	2,642,532
Investment Income:			
Interest and Dividends	53,759	10,794	64,553
Realized and Unrealized Gains on Investments	125,134	51,677	176,811
Less: Investment and Related Fees	(8,062)	(2,589)	(10,651)
Total Net Investment Income	170,831	59,882	230,713
Total Revenue, Support, and Gains	2,959,483	(86,238)	2,873,245
EXPENSES AND LOSSES			
Program Services Expense:			
Emergency Financial Assistance (EFA)	1,267,723		1,267,723
Facing Cancer Together (FCT)	414,060		414,060
Financial Cancer Care (FCC)	269,303		269,303
Total Program Expenses	1,951,086	-	1,951,086
Supporting Services Expense:			
Management and General	287,909		287,909
Fundraising and Development	195,248		195,248
Total Supporting Services Expenses	483,157	-	483,157
Total Expenses and Losses	2,434,243	-	2,434,243
CHANGE IN NET ASSETS	525,240	(86,238)	439,002
Net Assets - Beginning of Year	2,309,855	893,734	3,203,589
NET ASSETS - END OF YEAR	\$ 2,835,095	\$ 807,496	\$ 3,642,591

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services				Management and General	Fundraising and Development	Total
	EFA	FCT	FCC	Total			
Salaries	\$ 275,385	\$ 213,314	\$ 143,312	\$ 632,011	\$ 120,889	\$ 105,025	\$ 857,925
Payroll Taxes	19,806	15,542	10,421	45,769	8,939	7,537	62,245
Employee Benefits	16,422	14,490	9,660	40,572	15,961	5,796	62,329
Total Personnel Costs	<u>311,613</u>	<u>243,346</u>	<u>163,393</u>	<u>718,352</u>	<u>145,789</u>	<u>118,358</u>	<u>982,499</u>
							-
Professional Services	217	987	11,065	12,269	46,757	41,879	100,905
Advertising and Promotion	21,783	43,722	21,807	87,312	32,141	640	120,093
Supplies	5,316	30,469	2,385	38,170	1,669	1,859	41,698
Printing	2,736	2,168	1,764	6,668	7,723	6,865	21,256
Postage	2,985	2,634	1,767	7,386	1,229	1,054	9,669
Information Technology	14,435	9,138	9,178	32,751	5,944	12,285	50,980
Occupancy	23,931	25,703	14,077	63,711	9,854	8,446	82,011
Travel	194	632	51	877	426	556	1,859
Financial Assistance	912,488	-	27,239	939,727	-	-	939,727
Insurance	2,112	1,863	1,242	5,217	869	745	6,831
Training and Development	1,281	1,498	1,281	4,060	2,511	-	6,571
Cost of Direct Benefits to Donors	-	-	-	-	-	132,052	132,052
Depreciation	4,538	4,004	2,669	11,211	1,869	1,602	14,682
Bank and Investment Fees	-	-	-	-	16,721	-	16,721
Other	2,808	5,001	1,741	9,550	4,902	1,337	15,789
Total Expenses by Function	<u>1,306,437</u>	<u>371,165</u>	<u>259,659</u>	<u>1,937,261</u>	<u>278,404</u>	<u>327,678</u>	<u>2,543,343</u>
Less: Expenses Included with Revenues on the Statements of Activities:							
Investment Expenses	-	-	-	-	(13,089)	-	(13,089)
Cost of Direct Benefits to Donors	-	-	-	-	-	(132,052)	(132,052)
Total Expenses Included in the Expense Section on the Statements of Activities	<u>\$ 1,306,437</u>	<u>\$ 371,165</u>	<u>\$ 259,659</u>	<u>\$ 1,937,261</u>	<u>\$ 265,315</u>	<u>\$ 195,626</u>	<u>\$ 2,398,202</u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services				Management and General	Fundraising and Development	Total
	EFA	FCT	FCC	Total			
Salaries	\$ 284,523	\$ 254,068	\$ 122,298	\$ 660,889	\$ 135,372	\$ 109,329	\$ 905,590
Payroll Taxes	20,386	18,216	9,063	47,665	9,383	7,932	64,980
Employee Benefits	17,996	14,830	6,590	39,416	7,229	5,964	52,609
Total Personnel Costs	<u>322,905</u>	<u>287,114</u>	<u>137,951</u>	<u>747,970</u>	<u>151,984</u>	<u>123,225</u>	<u>1,023,179</u>
Professional Services	800	4,204	25,000	30,004	54,620	24,537	109,161
Advertising and Promotion	51,727	58,483	53,810	164,020	39,279	4,916	208,215
Supplies	6,568	20,070	905	27,543	866	714	29,123
Printing	3,979	3,178	1,689	8,846	1,544	6,862	17,252
Postage	2,439	2,041	889	5,369	1,030	2,443	8,842
Information Technology	12,190	9,771	13,484	35,445	11,746	19,906	67,097
Occupancy	27,300	22,382	9,957	59,639	11,140	8,993	79,772
Travel	-	652	86	738	1,002	253	1,993
Financial Assistance	832,450	-	22,100	854,550	-	-	854,550
Insurance	2,162	1,781	788	4,731	865	712	6,308
Training and Development	900	900	900	2,700	1,833	-	4,533
Cost of Direct Benefits to Donors	-	-	-	-	-	349,456	349,456
Depreciation	4,231	3,484	1,543	9,258	1,692	1,394	12,344
Bank Fees and Investment Fees	-	-	-	-	18,633	563	19,196
Other	72	-	201	273	2,326	730	3,329
Total Expenses by Function	<u>1,267,723</u>	<u>414,060</u>	<u>269,303</u>	<u>1,951,086</u>	<u>298,560</u>	<u>544,704</u>	<u>2,794,350</u>
Less: Expenses Included with Revenues on the Statements of Activities:							
Investment Expenses	-	-	-	-	(10,651)	-	(10,651)
Cost of Direct Benefits to Donors	-	-	-	-	-	(349,456)	(349,456)
Total Expenses Included in the Expense Section on the Statements of Activities	<u>\$ 1,267,723</u>	<u>\$ 414,060</u>	<u>\$ 269,303</u>	<u>\$ 1,951,086</u>	<u>\$ 287,909</u>	<u>\$ 195,248</u>	<u>\$ 2,434,243</u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 568,464	\$ 439,002
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	14,682	12,344
PPP Loan Forgiveness	-	(160,000)
Realized and Unrealized Gain on Operating Investments	(99,203)	(176,811)
Changes in Operating Assets and Liabilities:		
Promises to Give, Net	5,382	80,135
Inventory	1,194	709
Prepaid Expenses and Other Assets	(24,158)	13,050
Accounts Payable	(17,945)	20,826
Grants Payable	21,757	(17,866)
Accrued Expenses and Other Liabilities	(17,331)	13,716
Deferred Revenue	118,532	(120,084)
Net Cash Provided by Operating Activities	571,374	105,021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Operating Investments	(928,450)	(1,220,022)
Proceeds from Sales of Operating Investments	545,767	1,176,317
Purchases of Property and Equipment	(116,128)	(9,391)
Net Cash Used by Investing Activities	(498,811)	(53,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP Loan Forgiveness	-	160,000
Net Cash Provided (Used) by Financing Activities	-	160,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	72,563	211,925
Cash and Cash Equivalents - Beginning of Year	971,659	759,734
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,044,222	\$ 971,659

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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 non-medical 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.

Facing Cancer Together

Facing Cancer Together (FCT) is a free education and support program for families facing the challenge of parental cancer while parenting school-aged children. The purpose of the Facing Cancer Together program is to strengthen families as they face the challenge of a parent's cancer diagnosis through increased communication, reduction of stress, and implementing coping techniques.

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, 2021 AND 2020**

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	3-5 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, 2021 AND 2020**

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, 2021 AND 2020**

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 \$123,744 and \$225,835 for the years ended December 31, 2021 and 2020, respectively.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$120,094 and \$208,216 during the years ended December 31, 2021 and 2020, 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, 2021 AND 2020**

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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Foundation has evaluated subsequent events through June 21, 2022, 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.

	2021	2020
Cash, Contributions Receivable, and Investments as of December 31	\$ 4,420,826	\$ 3,871,759
Less: Net Assets with Restrictions	(886,286)	(807,496)
Less: Board-Designated Endowment	(1,760,834)	(1,639,860)
Net Available Assets at Year-End	\$ 1,773,706	\$ 1,424,403

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

The Foundation has \$1,760,834 and \$1,639,860 in a board-designated endowment at December 31, 2021 and 2020, respectively. The Foundation does not intent 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.

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

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

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 Mutual Funds held by Angel Foundation at December 31, 2021 and 2020 are Level 1 assets valued using a market approach, and the Non-traded REITs are Level 2 assets valued using a market approach. There were no changes in the valuation techniques during the current year.

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, 2021 and 2020:

	2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,327,527	\$ -	\$ -	\$ 3,327,527
Non-Traded REITS	-	40,036	-	40,036
Total	\$ 3,327,527	\$ 40,036	\$ -	\$ 3,367,563
	2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 2,843,309	\$ -	\$ -	\$ 2,843,309
Non-Traded REITS	-	42,368	-	42,368
Total	\$ 2,843,309	\$ 42,368	\$ -	\$ 2,885,677

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2021 and 2020:

	2021	2020
Computers and Equipment	\$ 172,204	\$ 140,418
Leasehold Improvements	8,292	8,292
Subtotal	180,496	148,710
Less: Accumulated Depreciation	(56,966)	(126,626)
Total Property and Equipment	\$ 123,530	\$ 22,084

Depreciation and amortization expense totaled \$14,682 and \$12,344 for the years ended December 31, 2021 and 2020, respectively.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LEASES

Angel Foundation leases office equipment under an operating lease that started in March 2020 and will expire in February 2025. Rent expense for this office equipment was \$4,451 and \$5,580 for the years ended December 31, 2021 and 2020, respectively.

Beginning on July 1, 2015, the Foundation leases office space under an operating lease that expires November 30, 2025. Rent expense for this lease was \$70,070 and \$69,676 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 50,005
2023	51,341
2024	52,725
2025	47,022
2026	-
Thereafter	-
Total	<u>\$ 201,093</u>

The future minimum lease payments for space do not include the additional rent amounts for property taxes and operating expenses as required by the office space lease because the additional rent amounts are not yet known.

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.

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.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 6 ENDOWMENT (CONTINUED)

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:

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

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>December 31, 2021</u>			
Board-Designated Endowment Funds	\$ 1,760,834	\$ -	\$ 1,760,834
Donor-Restricted Endowment Funds		671,901	671,901
Total	<u>\$ 1,760,834</u>	<u>\$ 671,901</u>	<u>\$ 2,432,735</u>
<u>December 31, 2020</u>			
Board-Designated Endowment Funds	\$ 1,639,860	\$ -	\$ 1,639,860
Donor-Restricted Endowment Funds	-	606,210	606,210
Total	<u>\$ 1,639,860</u>	<u>\$ 606,210</u>	<u>\$ 2,246,070</u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 6 ENDOWMENT (CONTINUED)

Spending Policy (Continued)

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

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>December 31, 2021</u>			
Endowment Net Assets - Beginning of Year	\$ 1,639,860	\$ 606,210	\$ 2,246,070
Investment Return, Net	120,974	65,361	186,335
Contributions	-	330	330
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	-	-	-
Other Changes:			
Distribution from Board-Designated Pursuant to Distribution Policy	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Net Assets - End of Year	<u>\$ 1,760,834</u>	<u>\$ 671,901</u>	<u>\$ 2,432,735</u>
<u>December 31, 2020</u>			
Endowment Net Assets - Beginning of Year	\$ 1,508,156	\$ 546,043	\$ 2,054,199
Investment Return, Net	131,704	59,881	191,585
Contributions	-	286	286
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	-	-	-
Other Changes:			
Distribution from Board-Designated Pursuant to Distribution Policy	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Net Assets - End of Year	<u>\$ 1,639,860</u>	<u>\$ 606,210</u>	<u>\$ 2,246,070</u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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.

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

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose:		
Brain Cancer Financial Assistance	\$ 5,940	\$ 16,600
Other Financial Assistance	-	55,500
Emotional Support	-	24,000
Angel Packs	-	8,000
Camp Snow Angel	-	5,000
Translation Project	-	6,246
Financial Cancer Care Program	97,007	85,939
Native American Community	50,000	-
Meals in Motion	61,437	-
Total	<u>214,384</u>	<u>201,285</u>
Endowments:		
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
General Operating Expenses	320,208	319,878
Subject to Endowment Spending Policy and Appropriation:		
Endowment Earnings	<u>351,694</u>	<u>286,333</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 886,286</u></u>	<u><u>\$ 807,496</u></u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions:		
Brain Cancer Financial Assistance	\$ 27,660	\$ 11,100
Breast Cancer Financial Assistance	-	7,606
Financial Assistance for Fridley Residents	-	4,600
Financial Assistance for Rural Communities	10,000	-
Financial Assistance for Twin Cities Residents	18,000	-
Financial Assistance for Wright-Hennepin County Area Residents	7,500	-
Other Financial Assistance	7,500	100,785
Camp Snow angel	5,000	15,000
Translation Project	6,246	1,904
Financial Cancer Care Program	83,932	248,061
Angel Packs	8,000	-
Emotional Support Material Translation	8,000	-
Emotional Support Programs	16,000	-
Meals in Motion	3,563	-
Native American Community	25,000	-
Total Net Assets Released from Restrictions	<u>\$ 226,401</u>	<u>\$ 389,056</u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021</u>				
Financial Assistance	\$ -	\$ -	\$ -	\$ -
Marketing/Advertising	60,910	-	-	60,910
Occupancy Costs	-	-	-	-
Postage	-	-	-	-
Supplies	1,004	-	-	1,004
Consultants/Professional Fees	37,455	-	-	37,455
Special Event Direct Expenses	-	-	24,375	24,375
Total	<u>\$ 99,369</u>	<u>\$ -</u>	<u>\$ 24,375</u>	<u>\$ 123,744</u>
<u>December 31, 2020</u>				
Financial Assistance	\$ 125	\$ -	\$ -	\$ 125
Marketing/Advertising	156,416	675	4,560	161,651
Occupancy Costs	-	220	-	220
Postage	-	55	-	55
Supplies	5,352	-	-	5,352
Consultants/Professional Fees	-	225	-	225
Special Event Direct Expenses	-	-	58,206	58,206
Total	<u>\$ 161,893</u>	<u>\$ 1,175</u>	<u>\$ 62,766</u>	<u>\$ 225,834</u>

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, 2021 and 2020, were \$21,754 and \$11,485, 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, 2021 and 2020, board members contributed \$69,645 and \$58,416, respectively.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 11 EMERGENCY FINANCIAL ASSISTANCE

The Foundation provides emergency financial assistance in the form of grants for basic non-medical 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, 2021 and 2020 was \$63,850 and \$42,093, 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 \$939,726 and \$854,549 for the years ended December 31, 2021 and 2020, respectively.

NOTE 12 SPECIAL EVENTS

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

	2021		
	Revenue	Expenses	Net Revenue
Gala	\$ 472,421	\$ 50,486	\$ 421,935
Golf	153,090	27,705	125,385
After Hours	6,090	1,413	4,677
Camp Luncheon	39,076	1,007	38,069
Swing Back	17,183	7,465	9,718
Tri 4	37,794	14,734	23,060
Hope in Motion	50,776	23,797	26,979
Other	-	5,445	(5,445)
Total	\$ 776,430	\$ 132,052	\$ 644,378
	2020		
	Revenue	Expenses	Net Revenue
Gala	\$ 649,851	\$ 301,306	\$ 348,545
Golf	158,325	33,106	125,219
After Hours	45	4	41
Camp Luncheon	-	9	(9)
Swing Back	9,585	2,884	6,701
Tri 4	24,525	9,149	15,376
Hope in Motion	6,452	2,998	3,454
Other	-	-	-
Total	\$ 848,783	\$ 349,456	\$ 499,327

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