

Cal's All-Star Angel Foundation, Inc.

Audited Financial Statements

For the Years Ended December 31, 2014 and 2013

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To the Board of Directors of
Cal's All-Star Angel Foundation, Inc.

We have audited the accompanying financial statements of Cal's All-Star Angel Foundation, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of December 31, 2014 and 2013, and the related statements of support, revenue, and expenses—modified cash basis and statements of functional expenses—modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Cal's All-Star Angel Foundation as of December 31, 2014 and 2013, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Tish, Krest & O'M P.C.

Elgin, Illinois
June 19, 2015

Cal's All-Star Angel Foundation, Inc.
Statements of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2014 and 2013

Assets		
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Current Assets:		
Cash and cash equivalents	\$ 289,087	\$ 175,712
Prepaid expenses	4,185	20,113
Total Current Assets	<u>293,272</u>	<u>195,825</u>
Property and Equipment, at cost:		
Equipment	4,743	3,600
Less: accumulated depreciation	<u>(1,235)</u>	<u>(362)</u>
Total Property and Equipment	3,508	3,238
Total Assets	<u><u>\$ 296,780</u></u>	<u><u>\$ 199,063</u></u>
 Liabilities and Net Assets		
Current Liabilities:		
Credit cards	\$ 3,113	\$ 1,000
Payroll taxes payable	<u>3,934</u>	<u>120</u>
Total Current Liabilities	<u>7,047</u>	<u>1,120</u>
Net Assets:		
Unrestricted	289,733	197,943
Temporarily restricted	-	-
Permanently restricted	-	-
Total Liabilities and Net Assets	<u><u>\$ 296,780</u></u>	<u><u>\$ 199,063</u></u>

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

Cal's All-Star Angel Foundation, Inc.
Statements of Support, Revenue and Expenses - Modified Cash Basis
For the Years Ended December 31, 2014 and 2013

	-----December 31, 2014-----				-----December 31, 2013-----			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue received:								
Events (Net expenses of \$192,127 and \$144,603) \$	356,476	\$ -	\$ -	\$ 356,476	\$ 262,564	\$ -	\$ -	\$ 262,564
Grants	34,000	-	-	34,000	16,250	-	-	16,250
Contributions	160,081	-	-	160,081	114,922	-	-	114,922
Program Events	28,632	-	-	28,632	6,966	-	-	6,966
Interest and Dividends	128	-	-	128	108	-	-	108
Other Income	2,205	-	-	2,205	5,758	-	-	5,758
Total public support and revenue received	581,522	-	-	581,522	406,568	-	-	406,568
 Net assets released from restrictions - satisfaction of program restrictions	-	-	-	-	-	-	-	-
 Expenses:								
Program services	394,692	-	-	394,692	320,613	-	-	320,613
Management and general	50,580	-	-	50,580	43,408	-	-	43,408
Fundraising	44,460	-	-	44,460	29,959	-	-	29,959
Total expenses	489,732	-	-	489,732	393,980	-	-	393,980
 Changes in net assets	91,790	-	-	91,790	12,588	-	-	12,588
 Net assets, beginning of year	197,943	-	-	197,943	224,063	-	-	224,063
 Prior period adjustment	-	-	-	-	(38,708)	-	-	(38,708)
 Net assets, end of year	\$ 289,733	\$ -	\$ -	\$ 289,733	\$ 197,943	\$ -	\$ -	\$ 197,943

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

Cal's All-Star Angel Foundation, Inc.
Statements of Functional Expenses - Modified Cash Basis
For the Years Ended December 31, 2014 and 2013

Expenses:	-----December 31, 2014-----				-----December 31, 2013-----			
	----Supporting Services----				----Supporting Services----			
	Program Expenses	Administration Expenses	Fundraising Expenses	Total	Program Expenses	Administration Expenses	Fundraising Expenses	Total
Grants and assistance	\$ 267,995	\$ 2,428	\$ -	\$ 270,423	\$ 210,488	\$ -	\$ -	\$ 210,488
Wages	56,684	13,705	5,738	76,127	44,532	12,990	8,382	65,904
Payroll taxes	5,538	2,144	1,375	9,057	3,800	1,382	1,727	6,909
Interest	-	-	-	-	-	47	-	47
Insurance	2,667	829	-	3,496	2,937	927	-	3,864
Supplies	10,177	6,966	1,058	18,201	11,260	5,440	1,838	18,538
Telephone	4,149	1,037	-	5,186	4,047	1,012	-	5,059
Meals and entertainment	-	323	5,743	6,066	3,657	1,544	1,572	6,773
Education and training	5,200	4,380	-	9,580	4,223	3,454	-	7,677
Dues and subscriptions	1,274	849	-	2,123	523	350	-	873
Advertising	20,482	-	5,120	25,602	17,581	-	4,395	21,976
Professional fees	-	11,358	-	11,358	-	13,241	-	13,241
Website	6,390	-	5,240	11,630	3,267	-	1,089	4,356
Taxes and licenses	-	10	-	10	-	182	-	182
Service charges	-	874	-	874	-	934	-	934
Postage	721	-	-	721	547	-	-	547
Meeting and travel	650	-	308	958	-	-	67	67
Grant writing	10,248	-	10,247	20,495	6,508	-	6,507	13,015
Depreciation	-	872	-	872	-	362	-	362
Miscellaneous	2,517	4,805	9,631	16,953	7,243	1,543	4,382	13,168
Total Expenses	\$ 394,692	\$ 50,580	\$ 44,460	\$ 489,732	\$ 320,613	\$ 43,408	\$ 29,959	\$ 393,980

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

Cal's All-Star Angel Foundation, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 1 – Summary of Significant Accounting Policies

Nature of Activities:

The mission of the Cal's All-Star Angel Foundation, Inc. is to grant wishes to all children fighting cancer and financially assisting their families. Cal's All-Star Angel Foundation, Inc. is mainly supported through donations and hosting events.

Basis of Accounting:

The accounting records are maintained on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under this method, revenues and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred, except for cash receipts and expenditures from special events, which are recognized in the year the event occurs. Fixed assets are also capitalized under this modified method.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210. Under FASB ASC 958-210, 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.

Temporarily restricted net assets represent net assets subject to donor imposed restrictions which will either be met by the organization's actions or the passage of time. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions are met or have expired. These reclassifications are reported in the statement of support, revenue and expenses as net assets released from restrictions. Cal's All-Star Angel Foundation, Inc. is holding no temporarily restricted net assets for the years ending December 31, 2014 and 2013.

Permanently restricted net assets represent funds subject to the restrictions of gift instruments requiring the principal to be maintained intact. Investment income may be used for operational purposes and therefore is recorded as unrestricted revenue. Cal's All-Star Angel Foundation, Inc. is holding no permanently restricted net assets for the years ending December 31, 2014 and 2013.

Cash and Cash Equivalents:

Cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Cal's All-Star Angel Foundation, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates:

In preparing financial statements in conformity with the modified cash basis of accounting, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses:

The costs of providing Cal's All-Star Angel Foundation, Inc.'s various programs and other activities have been summarized on a functional basis in the statement of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the programs, fundraising activities, and supporting services benefited.

Fixed Assets:

The organization has a verbal fixed asset policy in place. Expenditures for land, building and equipment are recorded at cost. Donated assets and capitalized donated leases are recorded at their estimated fair market values at the date of donation. Depreciation expenses are calculated using the straight line method and the following estimated useful lives:

Buildings and improvements	10-35 years
Furniture and equipment	3-10 years
Vehicles	3-5 years

Maintenance and repairs, which materially add to the value of the property or appreciably prolong its life, are recorded as an increase to the appropriate asset account. Cal's All-Star Angel Foundation capitalizes all fixed assets with a cost greater than or equal to \$1,000 and a useful life of at least three years, unless otherwise stipulated by a grant. When an asset is purchased through a grant, the grant's capitalization rules apply. Depreciation expense for the years ended December 31, 2014 and 2013 were \$872 and \$362, respectively.

Income Taxes:

The Cal's All-Star Angel Foundation, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements.

The Organization adopted the implementation of FASB ASC 740. Under FASB ASC 740, management must evaluate the positions it has taken on tax returns. Management has determined that there are no tax positions that would result in a more likely than not (50% chance) of being sustained under a potential audit or examination. Cal's All-Star Angel Foundation, Inc.'s federal Exempt Organization Income Tax Returns (Form 990) for 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Cal's All-Star Angel Foundation, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk:

The Cal's All-Star Angel Foundation, Inc. maintains its cash balance in several bank accounts at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2014 and 2013, the Organization had no accounts in excess of the FDIC insured limits.

Advertising:

Advertising expenses are charged as incurred. Advertising expenses for the years ended December 31, 2014 and 2013 were \$25,602 and \$21,976, respectively.

Note 2 – Property and Equipment

Property and Equipment at December 31, 2014 consist of the following:

	<u>December 31, 2013</u>	<u>Disposals</u>	<u>December 31, 2014</u>
Equipment	\$ 3,600	\$ 1,143	\$ 4,743
Accumulated Depreciation	(362)	(873)	(1,235)
Net Property and Equipment	<u>\$ 3,238</u>	<u>\$ 270</u>	<u>\$ 3,508</u>

Depreciation expense for the years ended December 31, 2014 and 2013 were \$872 and \$362, respectively.

Note 3 – Related Party Transaction

Cal's All-Star Angel Foundation, Inc., employed a related party for the fiscal year ended December 31, 2014 and 2013 for services. The President is the spouse of the employee. The employee is also a Board member. The amount paid to the employee during the year ended December 31, 2014 and 2013 was \$22,000 and \$15,000, respectively.

Note 4 – Prior Period Adjustment

There was an adjustment made in the year ended December 31, 2013 to the prior period net assets for the reclassification of revenue from prior periods.

Note 5 – Reclassifications

Certain reclassifications have been made to the 2013 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Cal's All-Star Angel Foundation, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 6 – Date of Management’s Review

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events required to be disclosed.