

ANGEL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024



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**ANGEL FOUNDATION
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YEARS ENDED DECEMBER 31, 2025 AND 2024**

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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 financial statements of Angel Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of Angel Foundation as of December 31, 2025 and 2024, 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 within one year after the date that the financial statements are available to be issued.

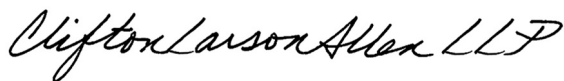
Auditors' Responsibilities for the Audit of the Financial Statements

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
June 17, 2026

ANGEL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 801,472	\$ 1,220,468
Promises to Give, Net	90,000	70,000
Inventory	8,527	15,058
Prepaid Expenses and Other Assets	88,716	77,760
Property and Equipment, Net	41,054	63,933
Right-of-Use (ROU) Asset, Net	296,447	349,551
Security Deposit	3,259	3,259
Investments	<u>3,753,204</u>	<u>3,379,962</u>
Total Assets	<u><u>\$ 5,082,679</u></u>	<u><u>\$ 5,179,991</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 4,654	\$ 19,882
Accrued Expenses and Other Liabilities	113,322	95,400
Deferred Revenue	327,007	420,067
Current Portion of Lease Liability	<u>55,256</u>	<u>102,812</u>
Total Current Liabilities	500,239	638,161
Non-Current Liabilities		
Lease Liability, Net of Current Portion	<u>249,352</u>	<u>261,805</u>
Total Liabilities	749,591	899,966
NET ASSETS		
Without Donor Restrictions:		
Undesignated	418,012	1,443,079
Board Designated	<u>2,914,955</u>	<u>1,849,247</u>
Total Without Donor Restrictions	3,332,967	3,292,326
With Donor Restrictions:	<u>1,000,121</u>	<u>987,699</u>
Total Net Assets	<u>4,333,088</u>	<u>4,280,025</u>
Total Liabilities and Net Assets	<u><u>\$ 5,082,679</u></u>	<u><u>\$ 5,179,991</u></u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising:			
Contributions	\$ 1,423,485	\$ 595,404	\$ 2,018,889
Special Events, Net of Direct Benefit			
Expenses of \$373,534	1,176,782	-	1,176,782
In-Kind Donations	175,412	-	175,412
Other Income	17,886	-	17,886
Net Assets Released from Restrictions	672,662	(672,662)	-
Total Fundraising	3,466,227	(77,258)	3,388,969
Investment Income:			
Interest and Dividends	37,518	89,680	127,198
Realized and Unrealized Gains on Investments	284,655	-	284,655
Less: Investment and Related Fees	(18,877)	-	(18,877)
Total Net Investment Income	303,296	89,680	392,976
Total Revenue, Support, and Gains	3,769,523	12,422	3,781,945
EXPENSES			
Program Services Expense:			
Emergency Financial Assistance (EFA)	1,786,130	-	1,786,130
Adult and Family Programs (AFP)	675,702	-	675,702
Financial Cancer Care (FCC)	528,548	-	528,548
Total Program Services Expenses	2,990,380	-	2,990,380
Supporting Services Expense:			
Management and General	331,139	-	331,139
Fundraising and Development	407,363	-	407,363
Total Supporting Services Expenses	738,502	-	738,502
Total Expenses	3,728,882	-	3,728,882
CHANGE IN NET ASSETS	40,641	12,422	53,063
Net Assets - Beginning of Year	3,292,326	987,699	4,280,025
NET ASSETS - END OF YEAR	<u>\$ 3,332,967</u>	<u>\$ 1,000,121</u>	<u>\$ 4,333,088</u>

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising:			
Contributions	\$ 1,095,595	\$ 857,907	\$ 1,953,502
Special Events, Net of Direct Benefit			
Expenses of \$292,216	1,249,235	-	1,249,235
In-Kind Donations	176,744	-	176,744
Net Assets Released from Restrictions	587,506	(587,506)	-
Total Fundraising	3,109,080	270,401	3,379,481
Investment Income:			
Interest and Dividends	48,216	85,173	133,389
Realized and Unrealized Gains on Investments	212,254	-	212,254
Less: Investment and Related Fees	(17,476)	-	(17,476)
Total Net Investment Income	242,994	85,173	328,167
Total Revenue, Support, and Gains	3,352,074	355,574	3,707,648
EXPENSES			
Program Services Expense:			
Emergency Financial Assistance (EFA)	1,638,987	-	1,638,987
Adult and Family Programs (AFP)	687,765	-	687,765
Financial Cancer Care (FCC)	501,143	-	501,143
Total Program Services Expenses	2,827,895	-	2,827,895
Supporting Services Expense:			
Management and General	316,090	-	316,090
Fundraising and Development	341,455	-	341,455
Total Supporting Services Expenses	657,545	-	657,545
Total Expenses	3,485,440	-	3,485,440
CHANGE IN NET ASSETS	(133,366)	355,574	222,208
Net Assets - Beginning of Year	3,425,692	632,125	4,057,817
NET ASSETS - END OF YEAR	<u>\$ 3,292,326</u>	<u>\$ 987,699</u>	<u>\$ 4,280,025</u>

See accompanying Notes to Financial Statements.

ANGEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services						
	Emergency Financial Assistance	Adult and Family Programs	Financial Cancer Care	Total	Management and General	Fundraising and Development	Total
Salaries	\$ 267,807	\$ 418,607	\$ 291,910	\$ 978,324	\$ 158,213	\$ 154,529	\$ 1,291,066
Payroll Taxes	22,686	33,459	24,400	80,545	11,917	13,362	105,824
Employee Benefits	20,980	27,869	22,454	71,303	9,543	12,259	93,105
Total Personnel Costs	311,473	479,935	338,764	1,130,172	179,673	180,150	1,489,995
Professional Services	6,504	14,854	6,961	28,319	75,698	62,051	166,068
Advertising and Promotion	93,720	19,277	17,460	130,457	26,834	9,409	166,700
Supplies	34,105	14,612	823	49,540	1,029	1,349	51,918
Printing	10,525	14,108	8,073	32,706	3,431	8,709	44,846
Postage	267	15,873	286	16,426	122	1,450	17,998
Information Technology	12,886	21,156	13,791	47,833	16,150	44,887	108,870
Occupancy	18,766	27,208	20,088	66,062	8,537	10,968	85,567
Travel	15	2,577	-	2,592	7,832	1,879	12,303
Financial Assistance	1,290,533	15,970	89,717	1,396,220	-	-	1,396,220
Insurance	2,457	3,264	2,629	8,350	1,117	1,436	10,903
Training and Development	440	650	-	1,090	5,779	615	7,484
Cost of Direct Benefits to Donors	-	-	-	-	-	373,534	373,534
Depreciation	1,117	19,406	1,195	21,718	508	653	22,879
Bank and Investment Fees	4	-	-	4	3,670	19,558	23,232
Other	3,318	26,812	28,761	58,891	759	64,249	123,899
Total Expenses by Function	1,786,130	675,702	528,548	2,990,380	331,139	780,897	4,102,416
Less: Expenses Included with Revenues on the Statement of Activities:							
Cost of Direct Benefits to Donors	-	-	-	-	-	(373,534)	(373,534)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,786,130</u>	<u>\$ 675,702</u>	<u>\$ 528,548</u>	<u>\$ 2,990,380</u>	<u>\$ 331,139</u>	<u>\$ 407,363</u>	<u>\$ 3,728,882</u>

See accompanying Notes to Financial Statements.

ANGEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services						
	Emergency Financial Assistance	Adult and Family Programs	Financial Cancer Care	Total	Management and General	Fundraising and Development	Total
Salaries	\$ 260,257	\$ 382,887	\$ 279,354	\$ 922,498	\$ 135,615	\$ 141,238	\$ 1,199,351
Payroll Taxes	19,480	27,560	18,759	65,799	9,931	11,771	87,501
Employee Benefits	16,671	24,375	17,240	58,286	7,199	10,293	75,778
Total Personnel Costs	296,408	434,822	315,353	1,046,583	152,745	163,302	1,362,630
Professional Services	17,778	21,582	15,564	54,924	83,587	37,179	175,690
Advertising and Promotion	16,653	39,222	17,120	72,995	7,568	14,183	94,746
Supplies	3,363	33,287	836	37,486	378	665	38,529
Printing	4,900	13,280	5,067	23,247	2,499	15,600	41,346
Postage	788	10,226	799	11,813	334	1,389	13,536
Information Technology	11,398	16,666	11,985	40,049	5,209	27,495	72,753
Occupancy	22,586	38,417	23,288	84,291	10,389	12,710	107,390
Travel	-	1,949	-	1,949	10,092	3,636	15,677
Financial Assistance	1,257,446	54,591	47,025	1,359,062	-	-	1,359,062
Insurance	2,001	2,926	2,069	6,996	864	1,236	9,096
Training and Development	440	600	-	1,040	1,359	-	2,399
Cost of Direct Benefits to Donors	-	-	-	-	-	352,129	352,129
Depreciation	3,071	16,007	3,176	22,254	1,326	1,896	25,476
Bank Fees and Investment Fees	-	-	-	-	33,145	-	33,145
Other	2,155	4,190	58,861	65,206	6,595	62,164	133,965
Total Expenses by Function	1,638,987	687,765	501,143	2,827,895	316,090	693,584	3,837,569
Less: Expenses Included with Revenues on the Statement of Activities:							
Cost of Direct Benefits to Donors	-	-	-	-	-	(352,129)	(352,129)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,638,987</u>	<u>\$ 687,765</u>	<u>\$ 501,143</u>	<u>\$ 2,827,895</u>	<u>\$ 316,090</u>	<u>\$ 341,455</u>	<u>\$ 3,485,440</u>

See accompanying Notes to Financial Statements.

ANGEL FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 53,063	\$ 222,208
Adjustments to Reconcile Change in Net Assets to Net Cash		
Used by Operating Activities:		
Depreciation	22,879	25,476
Amortization of ROU Asset	6,375	3,575
Realized and Unrealized Gain on Operating Investments	(284,655)	(212,254)
Promises to Give, Net	(20,000)	(60,333)
Inventory	6,531	(2,776)
Prepaid Expenses and Other Assets	(10,956)	17,002
Accounts Payable	(15,228)	8,144
Grants Payable	-	(29,450)
Accrued Expenses and Other Liabilities	17,922	8,951
Lease Liability	(60,009)	270,730
Right of Use Asset	113,566	(213,691)
Deferred Revenue	(93,060)	(47,018)
Net Cash Used by Operating Activities	<u>(263,572)</u>	<u>(9,436)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Operating Investments	(961,995)	(1,366,965)
Proceeds from Sales of Operating Investments	873,408	1,287,273
Purchases of Property and Equipment	-	(9,645)
Net Cash Used by Investing Activities	<u>(88,587)</u>	<u>(89,337)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Right-of-Use Assets	(66,837)	(53,112)
Net Cash Used by Financing Activities	<u>(66,837)</u>	<u>(53,112)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(418,996)	(151,885)
Cash and Cash Equivalents - Beginning of Year	<u>1,220,468</u>	<u>1,372,353</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 801,472</u></u>	<u><u>\$ 1,220,468</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 279,090
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -	\$ 25,972

See accompanying Notes to Financial Statements.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Angel Foundation (the 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 emotional support and education to adult cancer patients and their loved ones through a variety of programming.

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, 2025 AND 2024**

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 event auction related gifts for the upcoming year as well as the food and gas 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, 2025 AND 2024**

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, 2025 AND 2024**

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 \$175,412 and \$176,744 for the years ended December 31, 2025 and 2024, respectively.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$157,087 and \$94,746 during the years ended December 31, 2025 and 2024, 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. The Foundation allocates costs based on what program they are spent on, and payroll costs are allocated based on an estimated percentage of how much time employees spend during the year on various functions.

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.

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use assets – operating and lease liability – operating, and finance leases are included in ROU assets – financing and lease liability – financing in the statement of financial position.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease terms. The Foundation has elected to recognize payments for short-term leases with a lease of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined by using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

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.

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 by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025 and 2024, the Organization had approximately \$346,029 and \$953,998, respectively, in excess of FDIC insurance limits. 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.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassification has no effect on the change in net assets or the net assets previously stated.

Subsequent Events

The Foundation has evaluated subsequent events through June 17, 2026, 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.

	2025	2024
Cash, Contributions Receivable, and Investments as of December 31	\$ 4,644,676	\$ 4,670,430
Less: Net Assets with Restrictions	(1,000,121)	(987,699)
Less: Board-Designated Endowment	(2,914,955)	(1,849,247)
Net Available Assets at Year-End	<u>\$ 729,600</u>	<u>\$ 1,833,484</u>

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, 2025 and 2024, the level of liquidity and reserves was managed within the policy requirements.

The Foundation has \$2,914,955 and \$1,849,247 in a board-designated endowment at December 31, 2025 and 2024, 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.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

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.

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.

ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

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:

	2025			
	Level 1	Level 2	Level 3	Total
Equities	\$ 1,570,765	\$ -	\$ -	\$ 1,570,765
Fixed Income	-	1,319,677	-	1,319,677
Total	<u>\$ 1,570,765</u>	<u>\$ -</u>	<u>\$ -</u>	2,890,442
Cash and Cash Equivalents				862,762
Total Investments				<u>\$ 3,753,204</u>

	2024			
	Level 1	Level 2	Level 3	Total
Equities	\$ 1,570,765	\$ -	\$ -	\$ 1,570,765
Fixed Income	-	1,319,677	-	1,319,677
Total	<u>\$ 1,570,765</u>	<u>\$ -</u>	<u>\$ -</u>	2,890,442
Cash and Cash Equivalents				489,520
Total Investments				<u>\$ 3,379,962</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2025	2024
Computers and Equipment	\$ 181,049	\$ 181,049
Leasehold Improvements	8,292	8,292
Total	189,341	189,341
Less: Accumulated Depreciation	(148,287)	(125,408)
Property and Equipment, Net	<u>\$ 41,054</u>	<u>\$ 63,933</u>

Depreciation and amortization expense totaled \$22,879 and \$25,476 for the years ended December 31, 2025 and 2024, respectively.

ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 LEASES

Angel Foundation leases office equipment under an operating lease that started in March 2020 and will expire in February 2029. Beginning on July 1, 2015, the Foundation leases office space under an operating lease that expires November 30, 2030.

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

	2025	2024
Right-of-Use Assets:		
Financing Leases, Net	\$ 21,546	\$ 27,921
Operating Leases, Net	274,901	321,630
Total	<u>\$ 296,447</u>	<u>\$ 349,551</u>
Lease Liabilities:		
Current:		
Financing Leases	\$ 6,244	\$ 6,059
Operating Leases	49,012	96,753
Noncurrent:		
Financing Leases	15,752	21,997
Operating Leases	233,600	239,808
Total	<u>\$ 304,608</u>	<u>\$ 364,617</u>
Lease Cost:		
Finance lease Cost:		
Amortization of right-of-use assets	\$ 6,375	\$ 3,575
Interest on lease liabilities	804	255
Operating Lease Cost:	48,024	46,723
Total	<u>\$ 55,203</u>	<u>\$ 50,553</u>
Other Information:		
Operating Cash Flows from Finance Leases	\$ 804	\$ 255
Finance Cash Flows on Finance Leases	6,059	3,478
Operating Cash Flows from Operating Leases	51,448	49,379
Total Cash Flows	<u>\$ 58,311</u>	<u>\$ 53,112</u>
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -	\$ 25,972
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 279,090
Weighted Average Remaining Lease Term -		
Finance Leases	3.5	4.4 Years
Weighted-Average Remaining Lease Term -		
Operating Leases	4.8	5.1 Years
Weighted-Average Discount Rate - Operating Leases	4.21%	3.87%
Weighted-Average Discount Rate - Financing Leases	3.30%	3.25%

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 LEASES (CONTINUED)

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2026	\$ 59,974	\$ 6,863
2027	61,914	6,563
2028	63,942	5,660
2029	66,020	4,245
2030	62,336	-
Total Lease Payments	314,186	23,331
Less: Interest	(31,575)	(1,334)
Present Value of Lease Liabilities	<u>\$ 282,611</u>	<u>\$ 21,997</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.

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.

ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 6 ENDOWMENT (CONTINUED)

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, 2025 and 2024.

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, 2025</u>			
Board-Designated Endowment Funds	\$ 2,914,955	\$ -	\$ 2,914,955
Donor-Restricted Endowment Funds	-	797,612	797,612
Total	<u>\$ 2,914,955</u>	<u>\$ 797,612</u>	<u>\$ 3,712,567</u>
<u>December 31, 2024</u>			
Board-Designated Endowment Funds	\$ 2,635,280	\$ -	\$ 2,635,280
Donor-Restricted Endowment Funds	-	707,932	707,932
Total	<u>\$ 2,635,280</u>	<u>\$ 707,932</u>	<u>\$ 3,343,212</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, 2025</u>			
Endowment Net Assets - Beginning of Year	\$ 2,635,280	\$ 707,932	\$ 3,343,212
Investment Return (Loss), Net	362,732	89,680	452,412
Other Changes:			
Distribution from Board-Designated Pursuant to Distribution Policy	(83,057)	-	(83,057)
Endowment Net Assets - End of Year	<u>\$ 2,914,955</u>	<u>\$ 797,612</u>	<u>\$ 3,712,567</u>
<u>December 31, 2024</u>			
Endowment Net Assets - Beginning of Year	\$ 2,425,563	\$ 622,759	\$ 3,048,322
Investment Return (Loss), Net	197,776	85,173	282,949
Contributions	11,941	-	11,941
Endowment Net Assets - End of Year	<u>\$ 2,635,280</u>	<u>\$ 707,932</u>	<u>\$ 3,343,212</u>

ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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:

	2025	2024
Subject to Expenditure for Specified Purpose:		
Fridley Area Restriction	\$ 19,671	\$ 9,971
Angel Packs	182,838	264,496
KidneyCancer	-	5,300
Total	<u>202,509</u>	<u>279,767</u>
Endowments:		
Original Donor-Restricted Gift Amount to be		
Maintained in Perpetuity:		
General Operating Expenses	320,530	320,530
Subject to Endowment Spending Policy and		
Appropriation:		
Endowment Earnings	477,082	387,402
Total Net Assets With Donor Restrictions	<u>\$ 1,000,121</u>	<u>\$ 987,699</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:

	2025	2024
Expiration of Time Restrictions		
Satisfaction of Purpose Restrictions:		
Breast Cancer Financial Assistance	\$ -	\$ 10,000
Other Financial Assistance	300,996	386,576
Camp Snow Angel	3,200	1,200
Translation Project	188,333	105,000
Angel Packs	114,000	82,193
Kidney Cancer	5,300	-
Meals in Motion	-	2,537
Nutrition	60,833	-
Total Net Assets Released from Restrictions	<u>\$ 672,662</u>	<u>\$ 587,506</u>

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

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, 2025</u>				
Marketing and Advertising	\$ 62,137	\$ -	\$ -	\$ 62,137
Supplies	-	-	124,094	124,094
Total	<u>\$ 62,137</u>	<u>\$ -</u>	<u>\$ 124,094</u>	186,231
Auction Items Held at December 31, 2024				<u>(10,819)</u>
Total Donated Professional Services and Materials				<u>\$ 175,412</u>
<u>December 31, 2024</u>				
Marketing and Advertising	\$ 49,960	\$ -	\$ -	\$ 49,960
Supplies	-	-	113,783	113,783
Total	<u>\$ 49,960</u>	<u>\$ -</u>	<u>\$ 113,783</u>	163,743
Auction Items Held at December 31, 2023				<u>13,001</u>
Total Donated Professional Services and Materials				<u>\$ 176,744</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, 2025 and will be used for the 2026 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.

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.

**ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

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, 2025 and 2024 were \$37,067 and \$31,735, 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, 2025 and 2024, board members contributed \$29,406 and \$85,567, respectively and there was \$30,000 and \$0- of donated in-kinds, 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. As of December 31, 2025 and 2024, there was approved grants of \$33,369 and \$65,442, respectively, but not drawn on as the grants are conditional upon the client requesting the funds within 30 days. The internal policy for maximum grant award ranges from \$700 for a household of one person to \$1,000 for a household of five or more people. Emergency financial assistance expenses totaled \$1,396,220 and \$1,359,062 for the years ended December 31, 2025 and 2024, 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:

	2025		
	Revenue	Expenses	Net Revenue
Gala	\$ 1,054,723	\$ 265,743	\$ 788,980
Golf	262,455	54,570	207,885
Lives We Touch Luncheon	108,221	26,364	81,857
Tri 4	55,508	24,379	31,129
Hope in Motion	69,409	-	69,409
Other	-	2,478	(2,478)
Total	<u>\$ 1,550,316</u>	<u>\$ 373,534</u>	<u>\$ 1,176,782</u>

ANGEL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 12 SPECIAL EVENTS (CONTINUED)

	2024		
	Revenue	Expenses	Net Revenue
Gala	\$ 1,116,092	\$ 268,509	\$ 847,583
Golf	229,022	38,028	190,994
After Hours	-	-	-
Lives We Touch Luncheon	141,501	26,428	115,073
Tri 4	41,738	17,191	24,547
Hope in Motion	73,011	-	73,011
Other	-	1,973	(1,973)
Total	<u>\$ 1,601,364</u>	<u>\$ 352,129</u>	<u>\$ 1,249,235</u>

