

ANGEL HEART PAJAMA PROJECT

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2015

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ANGEL HEART PAJAMA PROJECT
STATEMENT OF FINANCIAL POSITION
September 30, 2015

ASSETS		
Cash and cash equivalents		
Cash in checking	13,240	
Cash in gift cards	2,496	
Total cash and cash equivalents	15,736	
Prepaid expenses	565	
Inventory (pajamas and books)	26,261	
Refundable security deposit	75	
TOTAL ASSETS	42,637	
LIABILITIES		
	TOTAL LIABILITIES	-
NET ASSETS		
Unrestricted		
Board designated	-	
Undesignated	42,637	
TOTAL UNRESTRICTED NET ASSETS	42,637	
Temporarily restricted	-	
Permanently restricted	-	
TOTAL NET ASSETS	42,637	
TOTAL LIABILITIES AND NET ASSETS	\$ 42,637	

No assurance is provided on these financial statements.

ANGEL HEART PAJAMA PROJECT
STATEMENT OF ACTIVITIES
Nine Months Ended September 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND GAINS				
Contributions	\$ 14,863	\$ -	\$ -	\$ 14,863
Donated professional services	200	-	-	200
Gifts in kind - goods for use	17,628	-	-	17,628
	32,691	-	-	32,691
Other revenues	-	-	-	-
TOTAL REVENUES AND GAINS	32,691	-	-	32,691
EXPENSES				
Program services	9,936	-	-	9,936
Management and general	2,547	-	-	2,547
Fundraising	389	-	-	389
TOTAL EXPENSES	12,872	-	-	12,872
CHANGE IN NET ASSETS	19,819	-	-	19,819
NET ASSETS AT DECEMBER 31, 2014	22,818			22,818
NET ASSETS AT SEPTEMBER 30, 2015	\$ 42,637	\$ -	\$ -	\$ 42,637

No assurance is provided on these financial statements.

ANGEL HEART PAJAMA PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
Nine Months Ended September 30, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Donations to other nonprofits	\$ 825	\$ -	\$ -	\$ 825
Compensation and related expenses	-	-	-	-
Fees for services (non-employees):	-	600	-	600
Advertising and promotion	-	-	80	80
Office expenses	-	894	-	894
Information technology	-	983	-	983
Occupancy	246	-	-	246
Travel	-	-	-	-
Conferences, conventions, meetings	65	-	11	76
Interest	-	-	-	-
Depreciation and amortization	-	-	-	-
Insurance	-	-	-	-
Other:				
Pajamas and books	4,995	-	-	4,995
Other noncash	815	-	-	815
Supplies and materials	2,388	-	98	2,486
Business expenses	-	70	-	70
Volunteer expenses	602	-	200	802
	<u>\$ 9,936</u>	<u>\$ 2,547</u>	<u>\$ 389</u>	<u>\$ 12,872</u>

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ANGEL HEART PAJAMA PROJECT
STATEMENT OF CASH FLOWS
Nine Months Ended September 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributions and fundraising events	\$ 14,863
Cash paid for supplies, and other expenses	(11,977)
Cash paid for other	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,886
CASH FLOWS FROM INVESTING ACTIVITIES	
	-
CASH FLOWS FROM FINANCING ACTIVITIES	
	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,886
CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2014	12,851
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30, 2015	\$ 15,736

RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ 19,819
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
In-kind contributions received	(17,828)
In-kind contributions donated out	6,020
(Increase) decrease in operating assets:	
Prepaid expenses	(565)
Inventory (pajamas and books)	(4,485)
Refundable security deposits	(75)
Increase (decrease) in operating liabilities:	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 2,886

No assurance is provided on these financial statements.

ANGEL HEART PAJAMA PROJECT
Selected Information – Substantially All Disclosures Required by Accounting
Principles Generally Accepted in the United States of America Are Not Included
September 30, 2015

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Angel Heart Pajama Project's primary purpose is to distribute new pajamas and books to enrich the lives and share love and caring to children in need. The children helped are in foster care, shelters, or are homeless.

Basis of Accounting

The financial statements of Angel Heart Pajama Project have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. This includes balances held in checking and savings accounts as well as cash value on gift cards.

Promises to Give (Pledges Receivable)

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributed Services

Donated services are recognized as contributions if the services (a) create or enhance a nonfinancial asset or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

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ANGEL HEART PAJAMA PROJECT
Selected Information – Substantially All Disclosures Required by Accounting
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September 30, 2015

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income tax expense for the nine months ended September 30, 2015 was \$0.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect certain reported amounts and disclosures. The most significant estimates relate to the value of inventory, the fair value of donated materials, assets, and services, and the allocation of expenses by function. Accordingly, actual results could differ from those estimates.