

**HOUSTON GROUND ANGELS  
HOUSTON, TEXAS  
AUDIT REPORT  
DECEMBER 31, 2011 AND 2010**

**HOUSTON GROUND ANGELS  
AUDIT FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

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**Independent Auditor's Report**

**Board of Directors**  
**Houston Ground Angels**  
**Houston, Texas**

I have audited the accompanying statements of financial position of Houston Ground Angels as of December 31, 2011 and 2010, and the related statements of activities and cash flows, and statement of functional expenses for the years then ended. These financial statements are the responsibility of Houston Ground Angels' management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Houston Ground Angels as of December 31 2011 and 2010, and the changes in its net asstes and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



**Bert D. Matthews**  
**Certified Public Accountant**

**June 4, 2012**

**HOUSTON GROUND ANGELS**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31,**

**ASSETS**

**CURRENT ASSETS**

	2011	2010
Cash and Cash Equivalents	\$ 151,415	\$ 53,713
Certificates of Deposit	0	10,000
Accrued Interest Income	0	
	151,415	63,713

**TOTAL CURRENT ASSETS**

**FIXED ASSETS**

Office Equipment-net of accumulated depreciation	874	1,145
<b>TOTAL FIXED ASSETS</b>	<b>874</b>	<b>1,145</b>

**TOTAL ASSETS**

**\$ 152,289      \$ 64,858**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable & Accrued Expenses	\$ 0	\$ 0
<b>TOTAL CURRENT LIABILITIES</b>	<b>0</b>	<b>0</b>

**NET ASSETS**

Unrestricted	152,289	64,858
Temporarily Restricted	0	0
Permanently Restricted	0	0
	152,289	64,858
<b>TOTAL NET ASSETS</b>	<b>152,289</b>	<b>64,858</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 152,289</b>	<b>\$ 64,858</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**HOUSTON GROUND ANGELS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>UNRESTRICTED NET ASSETS</u>	<u>TEMPORARILY RESTRICTED NET ASSETS</u>	<u>PERMANENTLY RESTRICTED NET ASSETS</u>	<u>TOTAL</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Public Support - Individuals	\$ 24,054	\$ 0	\$ 0	\$ 24,054
Public Support - Organizations	110,857	0	0	110,857
Fund Raisers	43,736	0	0	43,736
Grants	16,000	0	0	16,000
Interest Income	157	0	0	157
<b>Total Revenue and Other Support</b>	<u>\$ 194,804</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 194,804</u>
<b>Expenses:</b>				
Fund Raisers	\$ 17,930	\$ 0	\$ 0	\$ 17,930
Depreciation	272	0	0	272
Contract Services	61,043	0	0	61,043
Office	12,984	0	0	12,984
Telephone	2,295	0	0	2,295
Uniforms	1,901	0	0	1,901
Other	10,949	0	0	4,641
<b>Total Expenses</b>	<u>\$ 107,374</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,066</u>
<b>Change In Net Assets</b>	<u>\$ 87,430</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 93,738</u>
<b>Net Assets (Deficit) At Beginning of Year</b>	<u>\$ 64,859</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,859</u>
<b>Net Assets At End of Year</b>	<u>\$ 152,289</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 158,597</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**HOUSTON GROUND ANGELS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2010**

	<u>UNRESTRICTED NET ASSETS</u>	<u>TEMPORARILY RESTRICTED NET ASSETS</u>	<u>PERMANENTLY RESTRICTED NET ASSETS</u>	<u>TOTAL</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Public Support - Individuals	\$ 16,932	\$ 0	\$ 0	\$ 16,932
Public Support - Organizations	11,716	0	0	11,716
Fund Raisers	50,765	0	0	50,765
Miscellaneous	53	0	0	53
Interest Income	266	0	0	266
	<u>79,732</u>	<u>0</u>	<u>0</u>	<u>79,732</u>
<b>Total Revenue and Other Support</b>	<b>\$ 79,732</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 79,732</b>
<b>Expenses:</b>				
Appreciation Dinner	\$ 946	\$ 0	\$ 0	\$ 946
Depreciation	272	0	0	272
Contract Services	20,532	5,841	0	26,373
Office	3,192	0	0	3,192
Telephone	1,931	0	0	1,931
Uniforms	520	0	0	520
Other	4,641	0	0	4,641
	<u>32,034</u>	<u>5,841</u>	<u>0</u>	<u>37,875</u>
<b>Total Expenses</b>	<b>\$ 32,034</b>	<b>\$ 5,841</b>	<b>\$ 0</b>	<b>\$ 37,875</b>
<b>Change In Net Assets</b>	<b>\$ 47,698</b>	<b>\$ (5,841)</b>	<b>\$ 0</b>	<b>\$ 41,857</b>
<b>Net Assets (Deficit) At Beginning of Year</b>	<b>\$ 17,160</b>	<b>\$ 5,841</b>	<b>\$ 0</b>	<b>\$ 23,001</b>
<b>Net Assets At End of Year</b>	<b>\$ 64,858</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 64,858</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**HOUSTON GROUND ANGELS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Fund Raisers</b>	\$ 0	\$ 0	\$ 17,930	\$ 17,930
<b>Contract Services</b>	36,293	24,750	0	61,043
<b>Office</b>	0	12,984	0	12,984
<b>Telephone</b>	2,295	0	0	2,295
<b>Uniforms</b>	1,901	0	0	1,901
<b>Other</b>	0	5,949	5,000	10,949
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Before Depreciation</b>	\$ 40,489	\$ 43,683	\$ 22,930	\$ 107,102
<b>Depreciation</b>	0	272	0	272
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Functional Expenses</b>	<u>\$ 40,489</u>	<u>\$ 43,955</u>	<u>\$ 22,930</u>	<u>\$ 107,374</u>

**HOUSTON GROUND ANGELS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2010**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Appreciation Dinner	\$ 0	\$ 946	\$ 0	\$ 946
Contract Services	0	26,373	0	26,373
Office	0	3,192	0	3,192
Telephone	0	1,931	0	1,931
Uniforms	0	0	520	520
Other	0	2,442	2,199	4,641
<b>Total Before Depreciation</b>	<b>0</b>	<b>34,884</b>	<b>2,719</b>	<b>37,603</b>
Depreciation	0	272	0	272
<b>Total Functional Expenses</b>	<b>\$ 0</b>	<b>\$ 35,156</b>	<b>\$ 2,719</b>	<b>\$ 37,875</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



**HOUSTON GROUND ANGELS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31,**

	2011	2010
<b>CASH FLOWS FROM OPERATIONS:</b>		
Increase in net assets	\$ 87,430	\$ 41,857
Adjustments		
Depreciation	272	272
(Increase)Decrease in operating assets		
Accrued Interest Income	0	0
Increase(Decrease) in operating liabilities		
Accrued Expenses	0	(2,000)
Net cash provided by operating activi	87,702	40,129
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Asset Purchases	0	(1,417)
Decrease in Certificate of Deposits	10,000	5,155
Net cash provided by investing activities	10,000	3,738
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	0	0
 Net increase in cash and cash equivalents	97,702	43,867
 Cash and equivalents beginning of period	53,713	9,846
 Cash and equivalents end of period	\$ 151,415	\$ 53,713
 <b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 0	\$ 0

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**HOUSTON GROUND ANGELS** NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED  
DECEMBER 31, 2011 and 2010

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Houston Ground Angels (the "HGA") is a charitable organization incorporated under the laws of the State of Texas as a non-profit corporation on June 27, 2005. The purpose of the HGA is to provide ground transportation into, around, and out of the Greater Houston Area for qualified patients. This transportation will include trips from and to airports, medical facilities and temporary or permanent housing. Patients may qualify for this service through recommendations of physicians, social workers, or other 501(c)(3) organizations. The HGA was approved by the Internal Revenue Service to operate as an organization exempt under section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Houston Ground Angels and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets not subject to donor-imposed stipulations

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Houston Ground Angels and/or the passage of time. 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.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by Houston Ground Angels. Generally, the donors of these assets permit Houston Ground Angels to use all or part of the income earned on any related investments for general or specific purposes.

Contributed Services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, required specialized skills and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in public support at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. In the absence of donor restrictions regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

**HOUSTON GROUND ANGELS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED DECEMBER 31, 2011 and 2010**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions**

The HGA has adopted SFAS No. 116 Accounting for Contributions Received and Contributions Made. Contributions received are recorded as unrestricted, temporarily, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Income Taxes**

The HGA is a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. This status is valid through December 31, 2011.

**Cash and Cash Equivalents**

The purposes of the statements of cash flows, the Society considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Accounts Receivable**

The Society had no pledges or accounts receivable at December 31, 2011 or 2010.

**Functional Expenses**

Expenses are charged directly to program or management in general categories based on specific identification. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**NOTE 2 - RESTRICTIONS ON NET ASSETS**

On May 14, 2009, the Organization received a \$25,000 grant to be used for operating costs for a twelve month period. All unutilized funds at the end of 2009 were timely utilized in 2010.

**NOTE 3 - FIXED ASSETS**

Property and Equipment consist of the following assets:

	2011	2010
Office Equipment	\$ 2,553	\$ 2,553
Accumulated Depreciation:		
Beginning Balance	\$ 1,408	\$ 1,136
Current provision	272	272
Ending Balance	\$ 1,680	\$ 1,408
Total Property and Equipment	\$ 874	\$ 1,145

The HGA depreciates office equipment on a straight-line basis over a 10 year period.

**NOTE 4 - DEBT**

The HGA had no debt issued or outstanding at December 31, 2011 and 2010