

Audrey's Angels

Financial Statements  
December 31, 2022 and 2021  
With Independent Accountant's Review Report

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors and Linda Alderson  
Audrey's Angels  
Phoenix, AZ 85032

I have reviewed the accompanying financial statements of Audrey's Angels (an Arizona nonprofit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related statement of functional expenses for the year ended December 31, 2022 with summarized comparative totals for the year ended December 31, 2021, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Audrey's Angels and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

**Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Summarized Comparative Information**

I previously reviewed Audrey's Angels December 31, 2021 financial statements, and in my conclusion dated September 21, 2022, stated that based on my review, I was not aware of any material modifications that should be made to the December 31, 2021 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. I am not aware of any material modifications that should be made to the statement of functional expenses summarized comparative information presented herein for the year ended December 31, 2021, for it to be consistent with the reviewed financial statements from which it has been derived.

*Monica J. Stern, CPA, PLLC*

August 15, 2023

AUDREY'S ANGELS  
Statements of Financial Position  
As of December 31, 2022 and 2021

	December 31,	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 88,179	\$ 83,875
Accounts receivable, net	23,013	18,636
Promises to give receivable	-	3,000
ERC refund receivable	44,341	41,570
Prepaid expenses	4,230	2,226
Deposits	1,392	-
Furniture and equipment, net	-	-
Cash held for endowment	38,464	37,837
	<u>199,619</u>	<u>187,144</u>
Total assets	<u>\$ 199,619</u>	<u>\$ 187,144</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 10,850	\$ 10,085
	<u>10,850</u>	<u>10,085</u>
Total liabilities	<u>10,850</u>	<u>10,085</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Designated - endowment	6,691	6,668
Undesignated	141,529	131,397
	<u>148,220</u>	<u>138,065</u>
With donor restrictions	40,549	38,994
	<u>188,769</u>	<u>177,059</u>
Total net assets	<u>188,769</u>	<u>177,059</u>
Total liabilities and net assets	<u>\$ 199,619</u>	<u>\$ 187,144</u>

See independent accountant's review report and accompanying notes.

AUDREY'S ANGELS  
Statements of Activities  
For the Years Ended December 31, 2022 and 2021

	December 31, 2022			December 31, 2021		
	Without Donor Restrictions	With Donor Restricted	Total	Without Donor Restrictions	With Donor Restricted	Total
Support and Revenue						
Contributions of cash and other financial assets	\$ 58,682	\$ 8,000	\$ 66,682	\$ 39,135	\$ 6,300	\$ 45,435
Contributions of non-financial assets	837	-	837	4,433	-	4,433
Program service fees	148,999	-	148,999	81,918	-	81,918
Special event revenue	55,537	-	55,537	36,291	-	36,291
PPP/ERC grant income	-	-	-	50,550	-	50,550
Other	3,339	105	3,444	371	39	410
	267,394	8,105	275,499	212,698	6,339	219,037
Net assets released from restrictions - satisfied by payments	6,550	(6,550)	-	1,575	(1,575)	-
Total support and revenue	273,944	1,555	275,499	214,273	4,764	219,037
EXPENSES						
Program Services						
Music program	176,144	-	176,144	125,111	-	125,111
Total program services	176,144	-	176,144	125,111	-	125,111
Supporting Activities						
Administration	37,952	-	37,952	33,066	-	33,066
Fundraising	37,127	-	37,127	30,450	-	30,450
Direct benefits to donors	12,566	-	12,566	9,694	-	9,694
Total supporting activities	87,645	-	87,645	73,210	-	73,210
Total expenses	263,789	-	263,789	198,321	-	198,321
Change in net assets	10,155	1,555	11,710	15,952	4,764	20,716
NET ASSETS, beginning of year	138,065	38,994	177,059	122,113	34,230	156,343
NET ASSETS, end of year	\$ 148,220	\$ 40,549	\$ 188,769	\$ 138,065	\$ 38,994	\$ 177,059

See independent accountant's review report and accompanying notes.

AUDREY'S ANGELS  
Statement of Functional Expenses  
For the Years Ended December 31, 2022 and 2021

	<u>Program Services</u>	<u>Supporting Activities</u>				<u>Total</u>	
	<u>Music program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Direct benefits to donors</u>	<u>Total</u>	<u>2022</u>	<u>2021</u>
Salaries and wages	\$ 64,945	\$ 5,699	\$ 25,644	\$ -	\$ 31,343	\$ 96,288	\$ 91,600
Payroll taxes	5,102	448	2,015	-	2,463	7,565	7,018
Total employee related expenses	70,047	6,147	27,659	-	33,806	103,853	98,618
Accounting	-	24,809	-	-	24,809	24,809	22,236
Advertising and promotion	-	-	494	-	494	494	445
Bank and merchant fees	-	2,742	-	-	2,742	2,742	1,767
Office expenses	1,881	2,623	2,583	-	5,206	7,087	5,976
Information technology	563	201	1,291	-	1,492	2,055	1,841
Music contractors	102,414	-	-	-	-	102,414	54,968
Travel and transportation	136	29	136	-	165	301	259
Insurance	356	1,085	-	-	1,085	1,441	1,731
Conferences and meetings	157	34	835	-	869	1,026	532
Supplies	590	282	306	-	588	1,178	1,161
Events	-	-	3,823	12,566	16,389	16,389	8,658
Depreciation	-	-	-	-	-	-	129
Total expenses	<u>\$ 176,144</u>	<u>\$ 37,952</u>	<u>\$ 37,127</u>	<u>\$ 12,566</u>	<u>\$ 87,645</u>	<u>\$ 263,789</u>	<u>\$ 198,321</u>

See independent accountant's review report and accompanying notes.

AUDREY'S ANGELS  
Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

	December 31, 2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 11,710	\$ 20,716
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	-	129
(Increase) decrease in accounts receivable, net	(4,377)	(16,305)
(Increase) decrease in promises to give receivable	3,000	(3,000)
(Increase) decrease in ERC refund receivable	(2,771)	(31,570)
(Increase) decrease in prepaid expenses	(2,004)	(214)
(Increase) decrease in deposits	(1,392)	-
Increase (decrease) in accounts payable and accrued expenses	765	7,329
Net cash provided by (used in) operating activities	4,931	(22,915)
Net increase (decrease) in cash, cash equivalents and restricted/ designated cash	4,931	(22,915)
Cash, cash equivalents, and restricted/designated cash, beginning of year	121,712	144,627
Cash, cash equivalents, and restricted/designated cash, end of year	\$ 126,643	\$ 121,712

See independent accountant's review report and accompanying notes.

AUDREY'S ANGELS  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES** – Audrey's Angels (the "Organization") was incorporated in 2001 under the laws of the State of Arizona and is a nonprofit corporation exempt from federal income taxes under the Internal Revenue Code section 501(c)(3) and applicable Arizona income tax statutes. The Organization's mission is to enrich the lives of the elderly by bringing interactive live music programs into senior group homes. Audrey's Angels' interactive music programming helps to maintain and improve senior cognitive abilities, including language skills, and group activities encourage socialization. Even for those with severe dementia, music can tap deep emotional recall. Audrey's Angels envisions communities where the elderly are an integrated, interactive, connected and validated part of society and works to serve every small residential adult care home in the Greater Phoenix Metropolitan Area in achieving such a community.

**BASIS OF ACCOUNTING** – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**BASIS OF PRESENTATION** – The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**USE OF ESTIMATES** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CASH, CASH EQUIVALENTS, AND RESTRICTED/DESIGNATED CASH** – The Organization considers all highly liquid investments available for current use if not held for endowment purposes and with an initial maturity of three months or less to be cash equivalents. Cash held for endowments includes highly liquid investments in addition to certificates of deposits with maturities of up to one year. Deposits at cash institutions are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). All cash deposits held as of December 31, 2022 and 2021, were fully insured.

The following schedule provides a reconciliation of cash, cash equivalents, and restricted/designated cash reported within the statement of financial position as of December 31, 2022 and 2021, that sums to the same amounts shown on the statement of cash flows:

	December 31,	
	2022	2021
Cash and cash equivalents	\$ 88,179	\$ 83,875
Cash held for endowments	38,464	37,837
Total cash, cash equivalents and restricted/ designated cash	<u>\$ 126,643</u>	<u>\$ 121,712</u>

See independent accountant's review report.

AUDREY'S ANGELS  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ACCOUNTS RECEIVABLE** – Accounts receivable are unsecured and carried at cost, less an allowance for credit losses. The Organization has adopted the reserve method of accounting for uncollectible receivables. The allowance is determined based upon an analysis of specific customers, taking into consideration the age of past due accounts, an assessment of each customer's ability to pay, and current and projected future conditions. Receivables are charged off when the account cannot be collected. Interest is not charged on unpaid balances. Invoices are due within 10 days of presentation and are considered delinquent once 90 days past due.

**PROMISES TO GIVE RECEIVABLE** – Unconditional promises to give (pledges) are recognized as revenue in the period the promise is received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Donor-restricted contributions are reported as increases in net assets when the conditions or barriers on which they depend are removed. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts, if any, are included in contribution revenue.

**FIXED ASSETS AND DEPRECIATION** – The Organization capitalizes equipment with a cost, if purchased, or at fair value at the date of contribution, if contributed, for amounts over \$1,000 and a useful life of more than two years. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Useful lives of all assets range from 3 to 7 years. All equipment was fully depreciated as of December 31, 2022 and 2021.

**SUPPORT WITH DONOR RESTRICTIONS AND WITHOUT DONOR RESTRICTIONS** – Contributions received are recorded as support under net assets with donor restrictions or net assets without donor restrictions, depending on the existence and nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those assets must be maintained, the Organization reports expirations of donor restrictions when the assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**CONTRIBUTIONS OF NONFINANCIAL ASSETS** – The Organization receives contributions of nonfinancial assets, which include gifts of equipment and materials, and are recorded as support at the estimated fair values at the date of contribution. Such contributions are reported as support without donor restrictions unless the donor has restricted the asset to a specific purpose.

The Organization pays for most services requiring specific expertise. However, during 2022 and 2021, 33 and 56 individuals, respectively, volunteered their time and performed a variety of tasks that assisted the Organization in the music program, at outreach events, and fundraising events.

See independent accountant's review report.



AUDREY'S ANGELS  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**REVENUE FROM CONTRACTS WITH CUSTOMERS** – The Organization recognizes revenue in the accounting period in which the performance obligation is satisfied for program service fees and special event revenue. The transfer of the performance obligations occur at a single point in time as services are rendered. Cancellations result in a refund of the amount paid in advance. All contracts are with customers located in the Phoenix metropolitan area which may impact the nature of special events and the certainty of program service fees.

**PAYCHECK PROTECTION PROGRAM (PPP)** – The Paycheck Protection Program (PPP) provided loans to help businesses keep their workforce in place during the Coronavirus (COVID-19) pandemic. The Organization chose to treat proceeds received under the program as a loan in accordance with guidance in FASB ASC 450-30 which places the timing of the recognition of a gain contingency until all of the contingencies, including the Small Business Administration forgiveness of the loan, are met. As of December 31, 2021, all loans received under PPP had been forgiven and all loan proceeds have been recognized as revenue.

**EMPLOYEE RETENTION CREDIT (ERC)** – The Employee Retention Credit (ERC), a credit against qualifying payroll costs allowed to an eligible employer for qualifying wages, was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Organization chose to treat the proceeds as a conditional contribution and to follow the guidance in FASB ASC 958-605 which places the timing of the recognition of the contribution when the conditions were substantially met. As of December 31, 2021, all conditions had been substantially met, and all related revenue had been recognized.

**EXPENSE ALLOCATIONS** – The cost of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefitted. Management and general expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Organization. Certain shared costs as well as salaries and benefits are allocated on the basis of estimates of time and effort.

**ADVERTISING** – Advertising costs are expensed as incurred.

**SUPPLEMENTARY CASH FLOW STATEMENT DISCLOSURE** – No cash was paid for interest, income taxes or excise taxes during the years ended December 31, 2022 or 2021.

**(2) REVENUE RECOGNIZED FROM CONTRACTS WITH CUSTOMERS**

Disaggregation of Revenue

The following table summarizes revenue from contracts with customers:

	December 31,	
	<u>2022</u>	<u>2021</u>
Revenue:		
Program service fees	\$ 148,999	\$ 81,918
Special event revenue	<u>55,537</u>	<u>36,291</u>
	<u>\$ 204,536</u>	<u>\$ 118,209</u>

See independent accountant's review report.

AUDREY'S ANGELS  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**(2) REVENUE RECOGNIZED FROM CONTRACTS WITH CUSTOMERS** (continued)

Contract Balances

The following tables provides information about significant changes in the contract receivables:

	December 31,	
	<u>2022</u>	<u>2021</u>
Accounts receivable, beginning of year	\$ 18,636	\$ 2,331
Cash received during the year applied to accounts receivable at the beginning of the year	(18,636)	(2,331)
Increase in accounts receivable due to services provided during the year	<u>23,013</u>	<u>18,636</u>
Accounts receivable, end of year	<u>\$ 23,013</u>	<u>\$ 18,636</u>

**(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization's financial assets available, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when the assets have been received from donors for a specific time or purpose or designated by the Board of Directors for specific purposes.

	December 31,	
	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 88,179	\$ 83,875
Accounts receivable	23,013	18,636
Promises to give receivable	-	3,000
ERC refund receivable	44,341	41,570
Cash held for endowment	38,464	37,837
Less those unavailable for general expenditures within one year, due to:		
Board designations	(6,691)	(6,668)
Donor restrictions	<u>(40,549)</u>	<u>(38,994)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 146,757</u>	<u>\$ 139,256</u>

The Organization manages its liquid resources by employing a variety of measures, including focusing on generating adequate revenues to cover the costs of its activities and monitoring costs closely.

**(4) ACCOUNTS RECEIVABLE, NET**

Accounts receivable consist of program service fees receivable and are stated net of an allowance for credit losses. No allowance for credit losses was recorded as of December 31, 2022 or 2021, as management anticipates the outstanding balances are fully collectible. As of December 31, 2022, \$111 was more than 90 days outstanding. No amounts were more than 90 days outstanding as of December 31, 2021.

See independent accountant's review report.

AUDREY'S ANGELS  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**(5) PROMISES TO GIVE RECEIVABLE, NET**

Promises to give receivable are stated net of an allowance for credit losses and consist of a grant receivable. No allowance for credit losses was recorded for the outstanding balance as of December 31, 2021, which was fully collected during 2022.

**(6) ERC REFUND RECEIVABLE**

Under the provisions of the CARES Act, the Organization was eligible for a refundable employee retention credit subject to certain criteria. The Organization recognized \$31,570 for the employee retention credit during the years ended December 31, 2021 and \$10,000 during the year ended December 31, 2020. In addition, interest of \$2,711 was earned on the outstanding balance and was recognized during the year ended December 31, 2022. The total amount outstanding of \$44,341 as of December 31, 2022, was collected during January 2023.

**(7) FURNITURE AND EQUIPMENT, NET**

Furniture and equipment, net, consists of the following:

	December 31, 2022	2021
Equipment	\$ 12,050	\$ 12,050
Less: accumulated depreciation	<u>(12,050)</u>	<u>(12,050)</u>
	<u>\$ -</u>	<u>\$ -</u>

Total depreciation expense for the year ended December 31, 2021, was \$129. No expense was recorded for the year ended December 31, 2022.

**(8) ENDOWMENT**

The Board of Directors established an endowment fund (the "fund") in 2017, specifying that the capital of the fund would be retained and invested for purposes of funding home visits to Arizona Long Term Care System (ALTCS) homes. The fund consists of individual donor-restricted contributions, which totaled \$31,215 as of December 31, 2022, in addition to other amounts designated by the Board of Directors to function as an endowment, plus accumulated earnings that are allocated based on the percentage held in each net asset category. As required by U.S. GAAP, net assets associated with an endowment fund, including amounts designated by the Board of Directors to function as an endowment, are classified and reported based on the existence of or absence of donor-imposed restrictions. Interest earned on the restricted balance will be held until the earnings reach an amount which will support funding a home for one year, at which time the funds may be used to fund one monthly home visit for a year. However, any withdrawals of earnings would be made only upon approval by the Board. Amounts held in designated net assets as well as any future funds received by the Organization that may be designated by the Board may also be spent for the above purpose.

See independent accountant's review report.

AUDREY'S ANGELS  
Notes to Financial Statements  
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**(8) ENDOWMENT** (continued)

In establishing this spending policy, the Organization considered the long-term expected return on its endowment and the Organization's objective to maintain the purchasing power of the endowment assets. To achieve this objective, the Organization has adopted an investment policy that attempts to maximize total returns consistent with an acceptable level of risk. Endowment assets as of December 31, 2021, were invested in a risk-free interest-bearing account and certificates of deposits at a bank. The interest rates on the accounts ranged from .12% to .25%. As of December 31, 2022, endowment assets were held in risk-free interest-bearing accounts with an interest rate of .4%.

Composition of and changes in the endowment net assets for the year ended December 31, 2022, were as follows:

	Without Donor Restrictions Designated	With Donor Restrictions By Purpose	Total
Beginning of year	\$ 6,668	\$ 31,169	\$ 37,837
Contributions	-	500	500
Interest	23	105	128
Withdrawals	-	-	-
End of year	<u>\$ 6,691</u>	<u>\$ 31,774</u>	<u>\$ 38,465</u>

Composition of and changes in the endowment net assets for the year ended December 31, 2021, were as follows:

	Without Donor Restrictions Designated	With Donor Restrictions By Purpose	Total
Beginning of year	\$ 6,660	\$ 30,830	\$ 37,490
Contributions	-	300	300
Interest	8	39	47
Withdrawals	-	-	-
End of year	<u>\$ 6,668</u>	<u>\$ 31,169</u>	<u>\$ 37,837</u>

**(9) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes:

	December 31, 2022	2021
Services at ALTCS homes	\$ 8,775	\$ 7,825
Endowment	<u>31,774</u>	<u>31,169</u>
	<u>\$ 40,549</u>	<u>\$ 38,994</u>

See independent accountant's review report.

AUDREY'S ANGELS  
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**(10) NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets released from restrictions consist of the following:

	December 31, <u>2022</u>	<u>2021</u>
Services at ALTCS homes	\$ <u>6,550</u>	\$ <u>1,575</u>

**(11) CONTRIBUTED NONFINANCIAL ASSETS**

For the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the statements of activities included:

	December 31, <u>2022</u>	<u>2021</u>
Event prizes	\$ 796	\$ 3,850
Printing services	41	322
Supplies	<u>-</u>	<u>261</u>
	\$ <u>837</u>	\$ <u>4,433</u>

The Organization recognized contributed nonfinancial assets within revenue, including event prizes, printing services, and supplies. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions.

Contributed nonfinancial assets were utilized during special events. In valuing these contributions, Audrey's Angels estimated the fair value based on current rates for similar expenses.

**(12) RELATED PARTY TRANSACTIONS**

The contracted accountant is a relative of the executive director and was paid \$16,800 and \$15,083 for the years ended December 31, 2022 and 2021, respectively. No amounts were due to or from this individual as of December 31, 2022 or 2021.

The Organization received contributions from board members and management employees of approximately \$13,000 and \$18,000 during the years ended December 31, 2022 and 2021, respectively.

**(13) DEDUCTIBLE GIFTS AND INCOME TAX EXEMPTION**

The Organization is a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and, therefore, donors may deduct contributions for income tax purposes. Bequests, legacies, devises, transfers, and gifts to the Organization are deductible for Federal estate and gift tax purposes. The Organization is not classified as a private foundation by the Internal Revenue Service.

See independent accountant's review report.

AUDREY'S ANGELS  
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**(14) CONCENTRATION OF CREDIT RISK**

The majority of contributions come from corporations located and individuals residing in the Greater Phoenix Metropolitan Area creating a concentration of credit risk.

**(15) SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through August 15, 2023, which is the date the financial statements were available to be issued.

See independent accountant's review report.