

**HOUSTON GROUND ANGELS  
HOUSTON, TEXAS  
AUDIT REPORT  
DECEMBER 31, 2012 AND 2011**

**HOUSTON GROUND ANGELS  
AUDIT FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

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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, 2012 and 2011, 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 2012 and 2011, 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.



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

**April 4, 2013**

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

**ASSETS**

**CURRENT ASSETS**

	2012	2011
Cash and Cash Equivalents	\$ 189,706	\$ 151,415
Certificates of Deposit	0	0
Accrued Interest Income	152	0
<b>TOTAL CURRENT ASSETS</b>	<b>189,858</b>	<b>151,415</b>

**FIXED ASSETS**

Office Equipment-net of accumulated depreciation	602	874
<b>TOTAL FIXED ASSETS</b>	<b>602</b>	<b>874</b>
<b>TOTAL ASSETS</b>	<b>\$ 190,460</b>	<b>\$ 152,289</b>

**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	190,460	152,289
Temporarily Restricted	0	0
Permanently Restricted	0	0
<b>TOTAL NET ASSETS</b>	<b>190,460</b>	<b>152,289</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 190,460</b>	<b>\$ 152,289</b>

**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
	<u>194,804</u>	<u>0</u>	<u>0</u>	<u>194,804</u>
<b>Total Revenue and Other Support</b>	<b>\$ 194,804</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 194,804</b>
<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
	<u>107,374</u>	<u>0</u>	<u>0</u>	<u>101,066</u>
<b>Total Expenses</b>	<b>\$ 107,374</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 101,066</b>
<b>Change In Net Assets</b>	<b>\$ 87,430</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 93,738</b>
<b>Net Assets (Deficit) At Beginning of Year</b>	<b>\$ 64,859</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 64,859</b>
<b>Net Assets At End of Year</b>	<b>\$ 152,289</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 158,597</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**HOUSTON GROUND ANGELS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

	<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	\$ 10,939	\$ 0	\$ 0	\$ 10,939
Public Support - Organizations	115,264	0	0	115,264
Fund Raisers	54,529	0	0	54,529
Miscellaneous	1,000	0	0	1,000
Interest Income	1,335	0	0	1,335
	<u>183,067</u>	<u>0</u>	<u>0</u>	<u>183,067</u>
<b>Total Revenue and Other Support</b>	<b>\$ 183,067</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 183,067</b>
<b>Expenses:</b>				
Fund Raisers	\$ 18,987	\$ 0	\$ 0	\$ 18,987
Depreciation	272	0	0	272
Contract Services & Payroll	87,888	0	0	87,888
Office	10,098	0	0	10,098
Telephone	4,549	0	0	4,549
Uniforms	1,584	0	0	1,584
Other	21,518	0	0	21,518
	<u>144,896</u>	<u>0</u>	<u>0</u>	<u>144,896</u>
<b>Total Expenses</b>	<b>\$ 144,896</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 144,896</b>
<b>Change In Net Assets</b>	<b>\$ 38,171</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 38,171</b>
<b>Net Assets (Deficit) At Beginning of Year</b>	<b>\$ 152,289</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 152,289</b>
<b>Net Assets At End of Year</b>	<b>\$ 190,460</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 190,460</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
<b>Total Before Depreciation</b>	<u>\$ 40,489</u>	<u>\$ 43,683</u>	<u>\$ 22,930</u>	<u>\$ 107,102</u>
<b>Depreciation</b>	<u>0</u>	<u>272</u>	<u>0</u>	<u>272</u>
<b>Total Functional Expenses</b>	<u><u>\$ 40,489</u></u>	<u><u>\$ 43,955</u></u>	<u><u>\$ 22,930</u></u>	<u><u>\$ 107,374</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**HOUSTON GROUND ANGELS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2012**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Fund Raisers	\$ 0	\$ 0	\$ 18,987	\$ 18,987
Contract Services & Payroll	46,380	41,508	0	87,888
Office	0	10,098	0	10,098
Telephone	4,549	0	0	4,549
Uniforms	1,584	0	0	1,584
Other	0	15,003	6,515	21,518
	<hr/>	<hr/>	<hr/>	<hr/>
Total Before Depreciation	52,513	66,609	25,502	144,624
Depreciation	0	272	0	272
	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	<u>\$ 52,513</u>	<u>\$ 66,881</u>	<u>\$ 25,502</u>	<u>\$ 144,896</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



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

	2012	2011
<b>CASH FLOWS FROM OPERATIONS:</b>		
Increase in net assets	\$ 38,171	\$ 87,430
Adjustments		
Depreciation	272	272
(Increase)Decrease in operating assets		
Accrued Interest Income	(152)	0
Increase(Decrease) in operating liabilities		
Accrued Expenses	0	0
Net cash provided by operating activi	38,291	87,702
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Asset Purchases	0	0
Decrease in Certificate of Deposits	0	10,000
Net cash provided by investing activities	0	10,000
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in cash and cash equivalents	38,291	97,702
Cash and equivalents beginning of period	151,415	53,713
Cash and equivalents end of period	\$ 189,706	\$ 151,415
 <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, 2012 and 2011**

**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 medical 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, 2012 and 2011**

**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, 2012.

**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, 2012 or 2011.

**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**

There were no restricted assets in the periods ending December 31, 2012 and 2011.

**NOTE 3 - FIXED ASSETS**

Property and Equipment consist of the following assets:

	2012	2011
Office Equipment	\$ 2,553	\$ 2,553
Accumulated Depreciation:		
Beginning Balance	\$ 1,680	\$ 1,408
Current provision	272	272
Ending Balance	\$ 1,952	\$ 1,680
Total Property and Equipment	\$ 874	\$ 874

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, 2012 and 2011.