

# **WINGS FOUNDATION, INC**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**WINGS FOUNDATION, INC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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September 30, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors  
WINGS Foundation, Inc.  
Lakewood, Colorado

We have audited the accompanying statements of financial position of **WINGS Foundation, Inc.**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WINGS Foundation, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited WINGS Foundation, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Taylor Roth and Company P/C*

TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
DENVER COLORADO

**WINGS FOUNDATION, INC**  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
<u>Assets</u>		
Cash and cash equivalents	\$ 489,201	\$ 422,330
Grants receivable	91,182	61,758
Prepaid expenses and deposits	11,378	5,982
Property and equipment (Note 3)	3,363	6,056
Total assets	\$ 595,124	\$ 496,126
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 6,959	\$ 5,047
Payroll liabilities	19,652	12,430
Capital lease obligation (Note 4)	3,543	4,994
Commitments (Note 5)	-	-
Total liabilities	30,154	22,471
<u>Net assets</u>		
Without donor restrictions	564,970	473,655
Total net assets	564,970	473,655
Total liabilities and net assets	\$ 595,124	\$ 496,126

The accompanying notes are an integral part of these financial statements

**WINGS FOUNDATION, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Government	\$ 443,350	\$ -	\$ 443,350	\$ 306,240
Contributions	244,470	-	244,470	256,609
Foundations	157,000	-	157,000	55,000
Special event income	11,476	-	11,476	3,191
less direct expenses	(13,086)	-	(13,086)	(6,233)
Classes and other program fees	6,486	-	6,486	11,889
Interest income	3,189	-	3,189	2,532
Other income	490	-	490	-
In-kind contributions (Note 6)	104,717	-	104,717	156,900
Total revenue and other support	958,092	-	958,092	786,128
<u>Expense</u>				
Program services	756,289	-	756,289	567,303
Supporting services				
Administration	94,083	-	94,083	71,147
Fundraising	16,405	-	16,405	13,265
Total expense	866,777	-	866,777	651,715
Change in net assets	91,315	-	91,315	134,413
Net assets, beginning of year	473,655	-	473,655	339,242
Net assets, end of year	\$ 564,970	\$ -	\$ 564,970	\$ 473,655

The accompanying notes are an integral part of these financial statements

**WINGS FOUNDATION, INC**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	2019			2018	
	Supporting Services				
	Management and General		Fund- raising	Total	Total
	Program	General	Fund- raising	Total	Total
Salaries	\$ 302,827	\$ 47,973	\$ 10,502	\$ 361,302	\$ 263,575
Payroll taxes and benefits	53,771	19,964	1,674	75,409	53,130
Faciliators	114,360	-	-	114,360	154,468
Occupancy	79,112	5,087	1,767	85,966	59,618
Program enhancement	54,265	129	-	54,394	-
Clinical superivison	38,013	66	300	38,379	21,272
Marketing	32,270	155	44	32,469	2,145
IT and website	19,706	1,682	592	21,980	14,222
Meetings and events	17,868	380	5	18,253	7,774
Professional development	15,287	1,583	418	17,288	18,638
Accounting	979	13,682	33	14,694	8,625
Telephone	6,127	523	195	6,845	6,531
Travel	4,524	496	31	5,051	3,349
Printing	4,177	168	42	4,387	3,695
Supplies	2,273	499	71	2,843	2,201
Dues and subscriptions	1,859	161	575	2,595	3,641
Program materials	2,106	94	1	2,201	766
Insurance	1,759	159	59	1,977	5,820
Legal	1,752	-	-	1,752	2,500
Staff and volunteer appreciation	329	323	1	653	1,854
Postage	528	82	15	625	1,392
Interest	-	217	-	217	287
All other	-	444	-	444	13,518
	753,892	93,867	16,325	864,084	649,021
Depreciation	2,397	216	80	2,693	2,694
Total expenses	\$ 756,289	\$ 94,083	\$ 16,405	\$ 866,777	\$ 651,715

The accompanying notes are an integral part of these financial statements

**WINGS FOUNDATION, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	2019	2018
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 91,315	\$ 134,413
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,693	2,694
<u>Changes in operating assets and liabilities</u>		
Decrease(increase) in grants receivable	(29,424)	7,864
Decrease(increase) in prepaid expenses and deposits	(5,396)	(4,530)
Increase(decrease) in accounts payable	1,912	5,047
Increase(decrease) in payroll accruals	7,222	94
Net cash provided(used) by operating activities	68,322	145,582
<u>Cash flows from financing activities</u>		
(Payments) on capital lease	(1,451)	(1,381)
Net cash provided by financing activities	(1,451)	(1,381)
Net increase(decrease) in cash and cash equivalents	66,871	144,201
Cash and cash equivalents, beginning of year	422,330	278,129
Cash and cash equivalents, end of year	\$ 489,201	\$ 422,330
<u>Supplemental disclosure of information</u>		
Cash paid during the period for interest	\$ 217	\$ 287

The accompanying notes are an integral part of these financial statements



**WINGS FOUNDATION, INC**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 - NATURE OF ACTIVITIES

**WINGS Foundation, Inc.** (The Organization) exists to break the cycle and heal the wounds of childhood sexual abuse by providing support services, advocacy and education to adults throughout the state of Colorado. The heart of WINGS programs are its ongoing therapist-facilitated support groups for men and women who have survived the trauma of childhood sexual abuse. Each group provides safe environments where survivors are believed, accepted and are no longer alone.

The Organization also provides educational events and speaking presentations to the community to raise awareness of the long-term consequences of childhood sexual abuse. The organization is supported primarily by government grants and contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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

2. Basis of Presentation

The financial statements of the Organization, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. 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.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2019, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Expenses are assigned directly to the program or functional area benefited.

9. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

10. Reclassifications

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.

11. Subsequent Events

Management has evaluated subsequent events through September 30, 2020, the date the financial statements were available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Leased copier	\$ 7,688
Equipment	<u>3,466</u>
Total	11,154
Less: accumulated depreciation	<u>(7,791)</u>
Net property and equipment	<u>\$ 3,363</u>

Depreciation expense for the year was \$2,693.

NOTE 4 - CAPITAL LEASE OBLIGATION

The Organization has acquired a copier under capital leasing arrangements. The future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 1,668
2021	1,668
2022	<u>417</u>
Total	3,753
Less amount representing interest	<u>(210)</u>
Present value of capital lease obligation	<u>\$ 3,543</u>

NOTE 5 - COMMITMENTS

The Organization has entered into a lease for office space. Under the terms of this agreement, they are obligated for future lease payments of:

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2020	\$ 45,060
2021	46,283
2022	<u>11,647</u>
Total	<u>\$ 102,990</u>

NOTE 6 - IN-KIND CONTRIBUTIONS

WINGS Foundation, Inc. has recognized contributed services in the financial statements according to the criterion in the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605 which requires that services requiring specialized skills or licensure provided by individuals possessing those skills be recognized as support in the statement of activities. During the year, in-kind contributions were received as follows:

<u>Description</u>	<u>Amount</u>
Facilitators – valued at \$40 per hour	\$ 84,945
Donated meeting space	15,830
Meeting supplies	<u>3,942</u>
Total in-kind	<u>\$ 104,717</u>

A portion of the donated services recognized in the statement of activities constituted professionally licensed therapists contributing their services as group facilitators.

Significant services were also rendered by therapists in the process of obtaining licensure. Unlicensed therapists contributed services as group facilitators and in return received clinical supervision hours required for licensure.

NOTE 7 - CONCENTRATION OF FUNDING SOURCES

For the year ended December 31, 2019, 47% of total revenues and other support were received from contributions from one individual and one federal program grant administered by the state. Continuance of government grants and individual contributions are subject to considerable uncertainty and may result in a substantial adverse impact on the Organization's ability to provide services at reduced costs to program participants.

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents the Organizations financial assets at December 31, 2019:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 489,201
Accounts receivable, net	<u>91,182</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 580,383</u>

The Organization's goal is generally to maintain financial assets to meet 60 days of operating expenses.

NOTE 9 - SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is a considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operations. However, the related financial impact and duration cannot be reasonably estimated at this time.