

# **WINGS FOUNDATION, INC**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**WINGS FOUNDATION, INC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CONTENTS**

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



September 23, 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors  
WINGS Foundation, Inc.  
Lakewood, Colorado

***Opinion***

We have audited the accompanying financial statements of the **WINGS Foundation, Inc.** (a Colorado nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the WINGS Foundation, Inc. as of December 31, 2020, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the WINGS Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the WINGS Foundation Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WINGS Foundation Inc.'s policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the WINGS Foundation Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously audited WINGS Foundation, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Taylor, Roth & Company PLLC*

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

**WINGS FOUNDATION, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 469,566	\$ 489,201
Contributions receivable	2,931	-
Grants and contracts receivable	168,730	91,182
Prepaid expenses and deposits	11,641	11,378
Property and equipment (Note 3)	4,496	3,363
Total assets	<u>\$ 657,364</u>	<u>\$ 595,124</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 23,553	\$ 6,959
Payroll liabilities	16,386	19,652
Capital lease obligation (Note 4)	2,016	3,543
Deferred revenue	11,263	-
Paycheck Protection Program loan (Note 5)	32,000	-
Commitments (Note 6)		
Total liabilities	<u>85,218</u>	<u>30,154</u>
<u>Net assets</u>		
Without donor restrictions	<u>572,146</u>	<u>564,970</u>
Total net assets	<u>572,146</u>	<u>564,970</u>
Total liabilities and net assets	<u>\$ 657,364</u>	<u>\$ 595,124</u>

The accompanying notes are an integral part of these financial statements

**WINGS FOUNDATION, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Government	\$ 633,421	\$ -	\$ 633,421	\$ 443,350
Contributions	304,073	-	304,073	244,470
Foundations	70,000	-	70,000	157,000
Special event income	21,614	-	21,614	11,476
less direct expenses	(17,350)	-	(17,350)	(13,086)
Classes and other program fees	5,907	-	5,907	6,486
Interest income	227	-	227	3,189
Other income	1,002	-	1,002	490
In-kind contributions (Note 7)	45,780	-	45,780	104,717
Total revenue and other support	<u>1,064,674</u>	<u>-</u>	<u>1,064,674</u>	<u>958,092</u>
<u>Expense</u>				
Program services	927,676	-	927,676	756,289
Supporting services				
Management and general	96,395	-	96,395	94,083
Fundraising	33,427	-	33,427	16,405
Total expense	<u>1,057,498</u>	<u>-</u>	<u>1,057,498</u>	<u>866,777</u>
Change in net assets	7,176	-	7,176	91,315
Net assets, beginning of year	<u>564,970</u>	<u>-</u>	<u>564,970</u>	<u>473,655</u>
Net assets, end of year	<u>\$ 572,146</u>	<u>\$ -</u>	<u>\$ 572,146</u>	<u>\$ 564,970</u>

The accompanying notes are an integral part of these financial statements

**WINGS FOUNDATION, INC**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	2020			2019	
	Supporting Services				
	Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 487,989	\$ 49,208	\$ 18,738	\$ 555,935	\$ 361,302
Payroll taxes and benefits	88,558	19,983	2,870	111,411	75,409
Facilitators	94,870	-	-	94,870	114,360
Program enhancement	65,961	60	-	66,021	54,394
Occupancy	46,676	3,688	1,383	51,747	85,966
IT and website	41,064	1,489	566	43,119	21,980
Professional development	20,431	1,374	5,484	27,289	17,288
Clinical supervisor	24,478	-	-	24,478	38,379
Accounting	-	17,560	-	17,560	14,694
Marketing	11,878	101	126	12,105	32,469
Telephone	8,664	767	428	9,859	6,845
Meetings and events	9,227	39	39	9,305	18,253
Program materials	7,163	-	632	7,795	2,201
Printing	4,148	15	973	5,136	4,387
Insurance	4,203	378	141	4,722	1,977
Dues and subscriptions	2,186	696	649	3,531	2,595
Legal	3,414	-	-	3,414	1,752
Travel	1,232	29	221	1,482	5,051
Staff and volunteer appreciation	1,241	96	138	1,475	653
Postage	667	21	525	1,213	625
Supplies	902	78	50	1,030	2,843
Interest	-	142	-	142	217
All other	327	455	384	1,166	444
	925,279	96,179	33,347	1,054,805	864,084
Depreciation	2,397	216	80	2,693	2,693
Total expenses	\$ 927,676	\$ 96,395	\$ 33,427	\$ 1,057,498	\$ 866,777

The accompanying notes are an integral part of these financial statements

**WINGS FOUNDATION, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 7,176	\$ 91,315
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,693	2,693
<u>Changes in operating assets and liabilities</u>		
Decrease(increase) in contributions receivable	(2,931)	-
Decrease(increase) in grants and contracts	(77,548)	(29,424)
Decrease(increase) in prepaid expenses and deposits	(263)	(5,396)
Increase(decrease) in accounts payable	16,594	1,912
Increase(decrease) in payroll accruals	(3,266)	7,222
Increase(decrease) in deferred revenue	11,263	-
Net cash provided(used) by operating activities	<u>(46,282)</u>	<u>68,322</u>
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	<u>(3,826)</u>	<u>-</u>
<u>Cash flows from financing activities</u>		
(Payments) on capital lease	(1,527)	(1,451)
Proceeds from Paycheck Protection Program	32,000	-
Net cash provided by financing activities	<u>30,473</u>	<u>(1,451)</u>
Net increase(decrease) in cash and cash equivalents	(19,635)	66,871
Cash and cash equivalents, beginning of year	<u>489,201</u>	<u>422,330</u>
Cash and cash equivalents, end of year	<u>\$ 469,566</u>	<u>\$ 489,201</u>
<u>Supplemental disclosure of information</u>		
Cash paid during the period for interest	<u>\$ 142</u>	<u>\$ 217</u>

The accompanying notes are an integral part of these financial statements



**WINGS FOUNDATION, INC**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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, 2020, 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. Salaries, payroll taxes and benefits are allocated where employees spend their time. Other 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, 2019, from which the summarized information was derived.

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.

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

11. Subsequent Events

Management has evaluated subsequent events through September 23, 2021, 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>7,292</u>
Total	14,980
Less: accumulated depreciation	<u>(10,484)</u>
Net property and equipment	<u>\$ 4,496</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>
2021	\$ 1,668
2022	<u>417</u>
Total payments	2,085
Less amount representing interest	<u>(69)</u>
Present value of capital lease obligation	<u>\$ 2,016</u>

NOTE 5 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On April 20, 2020, the Organization received a \$32,000 loan under the Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the Cares Act). Under the program, this loan may be partially or fully forgiven if certain eligibility requirements are met. The loan is being tracked as a refundable advance of a conditional contribution until such time that the loan has been explicitly forgiven by the SBA. At such time that the loan is forgiven, the conditions will be considered met and the Organization will recognize contribution revenue in the amount of the loan forgiveness. In the case that the loan is not forgiven in its entirety, the outstanding balance is payable in equal amounts required to fully amortize the principal amounts outstanding on the note by the maturity date of April 1, 2022. The loan is unsecured, and the interest is charged at 1% per annum. The loan was forgiven in full on May 25, 2021.

NOTE 6 - 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>
2021	\$ 46,283
2022	<u>11,647</u>
Total	<u>\$ 57,930</u>

NOTE 7 - 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	\$ 43,780
Donated meeting space	<u>2,000</u>
Total	<u>\$ 45,780</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 8 - CONCENTRATION OF FUNDING SOURCES

For the year ended December 31, 2020, 59% 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 9 - CONCENTRATION OF CREDIT RISK

Cash and cash equivalents of \$469,466 have been placed in a single financial institution. Amounts in excess of \$250,000 are not insured by the FDIC or related entity. Management and the Board have evaluated their banking needs and have determined that the banking relationship is in the best interest of the Organization.

NOTE 10 - PENSION PLAN

The Organization participates in a Simple IRA retirement plan. The plan covers all employees of the Organization. The Organization contributes 3% for all employees. Pension expense for the year amounted to \$9,290.

NOTE 11 - AVAILABILITY AND LIQUIDITY

The following represents the Organizations financial assets at December 31, 2020:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 469,566
Contributions, grants and contracts, receivable	<u>171,661</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 641,227</u>

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