

WINGS FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

WINGS FOUNDATION, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

July 28, 2022

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, 2021, 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, 2021, 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.
- Evaluate the appropriateness of accounting 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
<u>Assets</u>		
Cash and cash equivalents	\$ 464,462	\$ 469,566
Contributions receivable	4,750	2,931
Grants and contracts receivable	134,426	168,730
Prepaid expenses and deposits	12,121	11,641
Property and equipment (Note 3)	2,550	4,496
Total assets	\$ 618,309	\$ 657,364
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 21,292	\$ 23,553
Payroll liabilities	30,981	16,386
Capital lease obligation (Note 4)	219	2,016
Deferred revenue	9,113	11,263
Paycheck Protection Program loan	-	32,000
Commitments (Note 5)		
Total liabilities	61,605	85,218
<u>Net assets</u>		
Without donor restrictions	556,704	572,146
Total net assets	556,704	572,146
Total liabilities and net assets	\$ 618,309	\$ 657,364

The accompanying notes are an integral part of these financial statements

WINGS FOUNDATION, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Government	\$ 758,162	\$ -	\$ 758,162	\$ 633,421
Contributions	277,281	-	277,281	304,073
Foundations	69,500	-	69,500	70,000
Paycheck Protection program forgiveness (Note 6)	32,000	-	32,000	-
Classes and other program fees	7,524	-	7,524	5,907
Interest income	56	-	56	227
Special event income	-	-	-	21,614
less direct expenses	-	-	-	(17,350)
Other income	-	-	-	1,002
In-kind contributions (Note 7)	23,560	-	23,560	45,780
Total revenue and other support	<u>1,168,083</u>	<u>-</u>	<u>1,168,083</u>	<u>1,064,674</u>
<u>Expense</u>				
Program services	1,011,280	-	1,011,280	927,676
Supporting services				
Management and general	98,521	-	98,521	96,395
Fundraising	73,724	-	73,724	33,427
Total expense	<u>1,183,525</u>	<u>-</u>	<u>1,183,525</u>	<u>1,057,498</u>
Change in net assets	(15,442)	-	(15,442)	7,176
Net assets, beginning of year	<u>572,146</u>	<u>-</u>	<u>572,146</u>	<u>564,970</u>
Net assets, end of year	<u>\$ 556,704</u>	<u>\$ -</u>	<u>\$ 556,704</u>	<u>\$ 572,146</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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020	
	<u>Supporting Services</u>				
	Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 489,049	\$ 50,054	\$ 45,338	\$ 584,441	\$ 555,935
Payroll taxes and benefits	87,925	20,942	6,527	115,394	111,411
Program enhancement	126,818	390	-	127,208	66,021
Facilitators	118,080	-	-	118,080	94,870
IT and website	82,803	1,655	633	85,091	43,119
Occupancy	41,101	3,694	1,360	46,155	51,747
Clinical supervison	32,912	-	-	32,912	24,478
Accounting	-	17,894	-	17,894	17,560
Fundraising consultant	-	-	15,415	15,415	-
Telephone	10,221	909	342	11,472	9,859
Professional development	6,354	115	1,303	7,772	27,289
Insurance	4,396	395	148	4,939	4,722
Dues and subscriptions	3,086	577	596	4,259	3,531
Program materials	2,053	-	495	2,548	7,795
Staff and volunteer appreciation	1,764	13	162	1,939	1,475
Marketing	1,374	62	23	1,459	12,105
Legal	-	1,220	-	1,220	3,414
Printing	650	5	207	862	5,136
Postage	428	20	133	581	1,213
Supplies	29	-	495	524	1,030
Travel	179	-	26	205	1,482
Meetings and events	-	-	-	-	9,305
Interest	-	-	-	-	142
All other	326	420	463	1,209	1,166
	<u>1,009,548</u>	<u>98,365</u>	<u>73,666</u>	<u>1,181,579</u>	<u>1,054,805</u>
Depreciation	<u>1,732</u>	<u>156</u>	<u>58</u>	<u>1,946</u>	<u>2,693</u>
Total expenses	<u>\$ 1,011,280</u>	<u>\$ 98,521</u>	<u>\$ 73,724</u>	<u>\$ 1,183,525</u>	<u>\$1,057,498</u>

The accompanying notes are an integral part of these financial statements

WINGS FOUNDATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (15,442)	\$ 7,176
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,946	2,693
Paycheck Protection program forgiveness	(32,000)	-
<u>Changes in operating assets and liabilities</u>		
Decrease(increase) in contributions receivable	(1,819)	(2,931)
Decrease(increase) in grants and contracts	34,304	(77,548)
Decrease(increase) in prepaid expenses and deposits	(480)	(263)
Increase(decrease) in accounts payable	(2,261)	16,594
Increase(decrease) in payroll accruals	14,595	(3,266)
Increase(decrease) in deferred revenue	(2,150)	11,263
Net cash provided(used) by operating activities	<u>(3,307)</u>	<u>(46,282)</u>
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	<u>-</u>	<u>(3,826)</u>
<u>Cash flows from financing activities</u>		
(Payments) on capital lease	(1,797)	(1,527)
Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>32,000</u>
Net cash provided by financing activities	<u>(1,797)</u>	<u>30,473</u>
Net increase(decrease) in cash and cash equivalents	(5,104)	(19,635)
Cash and cash equivalents, beginning of year	<u>469,566</u>	<u>489,201</u>
Cash and cash equivalents, end of year	<u>\$ 464,462</u>	<u>\$ 469,566</u>
<u>Supplemental disclosure of information:</u>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 142</u>

The accompanying notes are an integral part of these financial statements

WINGS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, 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, 2020, 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 July 28, 2022, 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>(12,430)</u>
Net property and equipment	<u>\$ 2,550</u>

Depreciation expense for the year was \$1,946.

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>
2022	\$ 288
Less amount representing interest	<u>(69)</u>
Present value of capital lease obligation	<u>\$ 219</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 Year</u>	<u>Amount</u>
2022	<u>\$ 11,647</u>

NOTE 6 - PAYCHECK PROTECTION PROGRAM FORGIVENESS

In May 2020, the Organization received a \$32,000 loan under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The Organization submitted a loan forgiveness application and received notification in May 26, 2021 of the approval by the SBA for complete forgiveness of the loan.

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 \$80 per hour	<u>\$ 23,560</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, 2021, 63% 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 \$464,462 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 employees of the Organization who choose to participate in the plan. The Organization contributes 3% for all employees. Pension expense for the year amounted to \$8,829.

NOTE 11 - AVAILABILITY AND LIQUIDITY

The following represents the Organizations financial assets at December 31, 2021:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 464,462
Contributions, grants, and contracts, receivable	<u>139,176</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 603,638</u>

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