

WINGS FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

WINGS FOUNDATION, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

May 10, 2023

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, 2022, 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, 2022, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER COLORADO

WINGS FOUNDATION, INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
<u>Assets</u>		
Cash and cash equivalents	\$ 360,245	\$ 464,462
Contributions receivable	82,284	4,750
Grants and contracts receivable (Note 4)	200,658	134,426
Prepaid expenses and deposits	8,862	12,121
Property and equipment (Note 5)	2,262	2,550
Total assets	\$ 654,311	\$ 618,309
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 17,746	\$ 21,292
Payroll liabilities	39,419	30,981
Financing lease obligation	-	219
Deferred revenue	-	9,113
Total liabilities	57,165	61,605
<u>Net assets</u>		
Without donor restrictions	597,146	556,704
Total net assets	597,146	556,704
Total liabilities and net assets	\$ 654,311	\$ 618,309

The accompanying notes are an integral part of these financial statements

WINGS FOUNDATION, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>			<u>2021</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<u>Revenue and other support</u>				
Government	\$ 696,237	\$ -	\$ 696,237	\$ 758,162
Contributions	284,186	-	284,186	277,281
Foundations	77,980	-	77,980	69,500
Classes and other program fees	9,945	-	9,945	7,524
Interest income	801	-	801	56
Paycheck Protection program forgiveness	-	-	-	32,000
Other income	3,614	-	3,614	-
In-kind contributions (Note 6)	18,560	-	18,560	23,560
Total revenue and other support	<u>1,091,323</u>	<u>-</u>	<u>1,091,323</u>	<u>1,168,083</u>
<u>Expense</u>				
Program services	886,250	-	886,250	1,011,280
Supporting services				
Management and general	99,948	-	99,948	98,521
Fundraising	64,683	-	64,683	73,724
Total expense	<u>1,050,881</u>	<u>-</u>	<u>1,050,881</u>	<u>1,183,525</u>
Change in net assets	40,442	-	40,442	(15,442)
Net assets, beginning of year	<u>556,704</u>	<u>-</u>	<u>556,704</u>	<u>572,146</u>
Net assets, end of year	<u>\$ 597,146</u>	<u>\$ -</u>	<u>\$ 597,146</u>	<u>\$ 556,704</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, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>			<u>2021</u>	
	<u>Supporting Services</u>				
	<u>Program</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 409,828	\$ 50,421	\$ 41,391	\$ 501,640	\$ 584,441
Payroll taxes and benefits	79,735	17,163	6,293	103,191	115,394
Facilitators	138,280	-	-	138,280	118,080
Program enhancement	102,441	1,200	-	103,641	127,208
IT and website	46,610	2,166	791	49,567	85,091
Clinical supervisor	32,323	-	-	32,323	32,912
Professional development	19,192	1,044	781	21,017	7,772
Accounting	-	19,044	-	19,044	15,700
Occupancy	15,903	1,420	625	17,948	46,155
Fundraising consultant	-	-	10,000	10,000	15,415
Program event expenses	8,287	-	1,462	9,749	-
Telephone	7,870	704	272	8,846	11,472
Printing	5,987	1,048	207	7,242	862
Insurance	4,133	371	139	4,643	4,939
Legal	-	4,148	-	4,148	3,414
Staff and volunteer appreciation	2,772	67	891	3,730	1,939
Dues and subscriptions	1,695	170	650	2,515	4,259
Travel	1,853	52	292	2,197	205
Postage	1,331	83	106	1,520	581
Marketing	1,477	-	-	1,477	1,459
Supplies	723	14	16	753	524
Program materials	739	-	6	745	2,548
All other	1,347	498	635	2,480	1,209
	<u>882,526</u>	<u>99,613</u>	<u>64,557</u>	<u>1,046,696</u>	<u>1,181,579</u>
Depreciation	<u>3,724</u>	<u>335</u>	<u>126</u>	<u>4,185</u>	<u>1,946</u>
Total expenses	<u>\$ 886,250</u>	<u>\$ 99,948</u>	<u>\$ 64,683</u>	<u>\$ 1,050,881</u>	<u>\$1,183,525</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, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 40,442	\$ (15,442)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,185	1,946
Paycheck Protection program forgiveness	-	(32,000)
<u>Changes in operating assets and liabilities</u>		
Decrease(increase) in contributions receivable	(77,534)	(1,819)
Decrease(increase) in grants and contracts receivable	(66,232)	34,304
Decrease(increase) in prepaid expenses and deposits	3,259	(480)
Increase(decrease) in accounts payable	(3,546)	(2,261)
Increase(decrease) in payroll liabilities	8,438	14,595
Increase(decrease) in deferred revenue	(9,113)	(2,150)
Net cash provided(used) by operating activities	<u>(100,101)</u>	<u>(3,307)</u>
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	<u>(3,897)</u>	<u>-</u>
<u>Cash flows from financing activities</u>		
(Payments) on capital lease	<u>(219)</u>	<u>(1,797)</u>
Net increase(decrease) in cash and cash equivalents	(104,217)	(5,104)
Cash and cash equivalents, beginning of year	<u>464,462</u>	<u>469,566</u>
Cash and cash equivalents, end of year	<u>\$ 360,245</u>	<u>\$ 464,462</u>

The accompanying notes are an integral part of these financial statements

WINGS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - NATURE OF ACTIVITIES

WINGS Foundation, Inc. (The Organization) exists to support adult survivors of childhood sexual abuse to transcend trauma and lead their fullest, healthiest lives. Specifically, its mission is building systems of support for adult survivors, combining in-depth health expertise with the healing power of community.

Wings achieves its mission through ensuring everyone has access to the resources they need to speak about, heal from, and thrive beyond childhood sexual abuse trauma. It engages adult survivors, loved ones, providers, and community leaders to acknowledge the reality of this trauma and respond with care and compassion.

Wings' four program areas are:

- CSA trauma informed education and outreach for survivors, loved ones and professionals
- Customized referrals to therapists and other services
- Therapist-facilitated, peer-centered support groups for adult survivors and loved ones
- A new ASCSA CARE Collaborative to ignite system change at the community level

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. 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.

3. 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.

4. 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.

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

5. 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.

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, 2022, 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. 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)

10. 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, 2021, from which the summarized information was derived.

11. Subsequent Events

Management has evaluated subsequent events through May 10, 2023, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organizations financial assets at December 31, 2022:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 360,245
Contributions, grants, and contracts, receivable	<u>282,942</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 643,187</u>

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

NOTE 4 - GRANTS AND CONTRACTS RECEIVABLE

At year-end, grants and contracts receivable totaled \$200,658. These receivables relate to government grants and reimbursement awards. Management expects to collect these in 2023 and feels an allowance for doubtful accounts is not necessary.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Equipment	\$ 18,876
Less: accumulated depreciation	<u>(16,614)</u>
Net property and equipment	<u>\$ 2,262</u>

Depreciation expense for the year was \$4,185.

NOTE 6 - IN-KIND DONATIONS

During the year, in-kind donations were received as follows:

<u>Description</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>
Facilitators	\$ 18,560	Programs	No associated donor restrictions

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 - CONTINGENT GRANT

The Organization received a two-year award from a foundation during the year. The receipt of future payments under the contribution is contingent upon the grantor's acceptance of the Organization's progress towards meeting the grant purposes and objectives. Upon the grantor's future acceptance of progress under the grant, the Organization anticipates receiving the remaining payment of \$72,680 in 2023.

NOTE 8 - CONCENTRATION OF FUNDING SOURCES

For the year ended December 31, 2022, 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 \$375,223 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 \$8,181.