

**WINGS FOR WIDOWS  
WAYZATA, MINNESOTA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2022**



# WINGS FOR WIDOWS

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
**Wings for Widows**  
Wayzata, MN

We have reviewed the accompanying financial statements of Wings for Widows (a Minnesota nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets without restrictions, 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 the financial statements in accordance with accounting 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Wings for Widows and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Smith, Schaffer and Associates, Ltd.*

Minneapolis, Minnesota  
March 23, 2023

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**WINGS FOR WIDOWS**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2022**

**ASSETS**

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**Current Assets**

Cash and cash equivalents \$ 53,810

**Property and Equipment**

Property and equipment 2,700  
Less: Accumulated depreciation 1,032

Total Property and Equipment, net 1,668

**TOTAL ASSETS** \$ 55,478

**LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS**

**Current Liabilities**

Accrued payroll and payroll taxes \$ 2,568

**Net Assets Without Restrictions** 52,910

**TOTAL LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS** \$ 55,478

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**See Independent Accountant's Review Report and Notes to Financial Statements**

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**WINGS FOR WIDOWS**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
WITHOUT RESTRICTIONS**

**For the Year Ended December 31, 2022**

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<b>Support and Revenues</b>	
Grants and program support	\$ 223,220
Event revenue	28,074
Other income	<u>500</u>
Total Support and Revenues	<u>251,794</u>
<b>Expenses</b>	
Program services	91,734
Management and general	33,513
Fundraising	<u>183,014</u>
Total Expenses	<u>308,261</u>
<b>(Decrease) in Net Assets Without Restrictions</b>	(56,467)
<b>NET ASSETS WITHOUT RESTRICTIONS, BEGINNING OF YEAR</b>	<u>109,377</u>
<b>NET ASSETS WITHOUT RESTRICTIONS, END OF YEAR</b>	<u><u>\$ 52,910</u></u>

**See Independent Accountant's Review Report and Notes to Financial Statements**

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## WINGS FOR WIDOWS

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services	General and Administrative	Fundraising	Total Functional Expenses
Fundraising event expenses	\$ 225	\$ -	\$ 134,154	\$ 134,379
Advertising	29,347	-	32,556	61,903
Salaries	33,885	14,420	144	48,449
Printing	5,178	575	5,977	11,730
Licenses and software	7,341	2,453	-	9,794
Office expenses	466	7,490	78	8,034
Bank fees	2	114	4,486	4,602
Miscellaneous	160	858	3,119	4,137
Travel	2,917	1,128	-	4,045
Website maintenance	3,674	-	-	3,674
Postage	3,200	356	-	3,556
Insurance	-	1,430	1,500	2,930
Program expenses	2,264	-	-	2,264
Dues and subscriptions	2,105	77	-	2,182
Professional fees	65	1,900	-	1,965
Telephone	-	1,802	-	1,802
Contract labor	-	160	1,000	1,160
Charitable donations	-	750	-	750
Depreciation	540	-	-	540
Repairs and maintenance	365	-	-	365
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 91,734</b>	<b>\$ 33,513</b>	<b>\$ 183,014</b>	<b>\$ 308,261</b>

See Independent Accountant's Review Report and Notes to Financial Statements

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**WINGS FOR WIDOWS**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2022**

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**Cash Flows From Operating Activities**

(Decrease) in net assets	\$ (56,467)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	540
Increase (decrease) in:	
Credit card payable	(4,073)
Accrued payroll and payroll taxes	<u>1,263</u>
Net Cash (Used in) Operating Activities	(58,737)

**Cash Flows From Investing Activities**

Purchase of fixed assets	<u>(1,716)</u>
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**(Decrease) in Cash and Cash Equivalents** (60,453)

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 114,263

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 53,810

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**See Independent Accountant's Review Report and Notes to Financial Statements**

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## WINGS FOR WIDOWS

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Description of Organization and Summary of Significant Accounting Policies

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##### Description of Organization

Wings for Widows (the Organization) is an organization ensuring all widowed persons have access to financial literacy education. The Organization provides personalized financial coaching and education to help the newly widowed gain clarity, confidence, and peace of mind.

##### Basis of Accounting and Support and Revenue Recognition

The Organization maintains its books on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

For contracts that are within the scope of FASB ASC 606, *Revenue from Contracts with Customers* the Organization performs the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Organization satisfies a performance obligation.

Revenue is measured based on consideration specified with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognized revenue when it satisfied a performance obligation by transferring control over a service to a customer. For performance obligations related to event revenue, control transfers to the customer and revenue is recognized at a point in time when the event occurs. The Organization does not have any significant financing components as payments are received at or shortly after the event.

##### Basis of Presentation

Financial statement presentation follows FASB Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-For-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities, based on the existence or absence of donor imposed restrictions as either:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization had no net assets with donor restrictions as of December 31, 2022.

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**See Independent Accountant's Review Report**

## WINGS FOR WIDOWS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

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##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash and cash equivalents to be demand deposits and investments with an original maturity of three months or less.

##### Property and Equipment

Property and equipment are stated at cost if purchased or fair value at the date of donation and are being depreciated using the straight-line method over the estimated useful lives of the assets, five years. The Organization's policy is to capitalize and depreciate property and equipment purchased or obtained which has a cost in excess of \$1,000 and an estimated useful life of at least one year. Depreciation expense for the year ended December 31, 2022 was \$540.

##### Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is nonreciprocal, does not contain a barrier that must be overcome, and there is no right of return of assets transferred or release of a promisor's obligation to transfer assets present.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized

All other contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### Income Taxes

The Organization has been granted an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization also qualifies as a tax-exempt Organization under applicable statutes of the State of Minnesota. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

The Organization's federal income tax returns are subject to examination by the IRS, generally for three years after they were filed.

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**See Independent Accountant's Review Report**



## WINGS FOR WIDOWS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

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##### Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising expense was \$61,903 for the year ended December 31, 2022.

##### Fair Value of Financial Instruments

The carrying amount for substantially all assets and liabilities approximates fair value due to the immediate or short-term maturity of these financial instruments.

##### Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization keeps its cash with high quality financial institutions. At times, balances maintained at these financial institutions may exceed the federally insured limit. There were no cash balances in excess of the federally insured limit as of December 31, 2022.

##### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the period. Actual results could differ from the estimates.

##### Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 23, 2023, the date the financial statements were available to be issued.

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**See Independent Accountant's Review Report**

## **WINGS FOR WIDOWS**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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#### **2. Liquidity and Availability**

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Financial assets as of December 31, 2022, available for general expenditure within one year of the statement of financial position date consisted of cash and cash equivalents of \$53,810.

As a part of the Organization's liquidity management plan, financial assets are structured to be available as general expenditures, liabilities, and other obligations come due. None of the financial assets are subject to contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

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#### **3. Functional Expenses**

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The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort.

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#### **4. Revenue Recognition**

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Performance obligations satisfied at a point in time for the year ended December 31, 2022 totaled \$28,074.

Revenue from performance obligations at a point in time consist of event revenue. These services are provided to event attendees.

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#### **5. Major Donor**

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The Organization had donations from one donor totaling \$78,477 during the year ended December 31, 2022. This amount represents approximately 31% of total support and revenues in 2022.

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**See Independent Accountant's Review Report**