

WINGS OF HOPE, INC.  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2020

WINGS OF HOPE, INC.

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**Fick, Eggemeyer  
& Williamson**

Certified Public Accountants, PC



MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wings of Hope, Inc.  
Chesterfield, Missouri

We have audited the accompanying financial statements of Wings of Hope, Inc. (a 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.

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

Management is responsible for the preparation and fair presentation of these 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 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 of Hope, Inc. as of December 31, 2020 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.

*Fick, Eggemeyer & Williamson*

Fick, Eggemeyer & Williamson, CPAs

St. Louis, Missouri

April 23, 2020

WINGS OF HOPE, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	987,399
Investments		9,660,286
Accounts receivable		6,688
Pledges receivable		1,280,582
Notes receivable		58,834
Aircraft inventory		1,386,994
Aircraft engine inventory		30,000
Property inventory		224,330
Aircraft parts inventory		101,189
Prepaid expenses		51,797
		13,788,099
Total current assets		13,788,099

NONCURRENT ASSETS

Property and equipment, net of accumulated depreciation		3,216,534
		3,216,534
Total noncurrent assets		3,216,534
Total assets	\$	17,004,633

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	22,389
Credit cards payable		24,924
Deposits on sold or leased aircraft		289,777
Other liabilities		18,619
Deferred revenue		159,287
Gift annuity liabilities, current		14,671
Notes payable, current maturities		40,540
		570,207
Total current liabilities		570,207

NONCURRENT LIABILITIES

Notes payable, less current maturities		621,327
Gift annuity liabilities, less current portion		168,662
		789,989
Total long term liabilities		789,989

NET ASSETS

Without donor restriction		13,497,892
With donor restriction		2,146,545
		15,644,437
Total net assets		15,644,437
Total liabilities and net assets	\$	17,004,633

See accompanying notes and independent auditors' report

WINGS OF HOPE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor restriction	With Donor restriction	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 318,838	\$ 846,509	\$ 1,165,347
Donated aircraft	1,376,852	-	1,376,852
Donated equipment and services	492,389	-	492,389
Fundraising income	1,149,523	-	1,149,523
Online sales income	19,180	-	19,180
Other income	25,342	-	25,342
PPP loan forgiveness	201,774	-	201,774
<b>Total support and revenue</b>	<b>3,583,898</b>	<b>846,509</b>	<b>4,430,407</b>
<b>Net assets released from restriction</b>			
Satisfaction of restrictions	1,029,123	(1,029,123)	-
<b>Total</b>	<b>4,613,021</b>	<b>(182,614)</b>	<b>4,430,407</b>
<b>EXPENSES</b>			
Program services	3,696,595	-	3,696,595
<b>Total program expenses</b>	<b>3,696,595</b>	<b>-</b>	<b>3,696,595</b>
<b>Support expenses</b>			
Administration	337,509	-	337,509
Fundraising	364,352	-	364,352
<b>Total support expenses</b>	<b>701,861</b>	<b>-</b>	<b>701,861</b>
<b>Total expenses</b>	<b>4,398,456</b>	<b>-</b>	<b>4,398,456</b>
<b>Changes in net assets from operations</b>	<b>214,565</b>	<b>(182,614)</b>	<b>31,951</b>
<b>INVESTMENT ACTIVITIES</b>			
Dividend income	167,314	-	167,314
Interest income	61,471	-	61,471
Change in value of split interest agreements	1,576	-	1,576
Net realized gain on securities	10	-	10
Net unrealized loss on securities	738,388	-	738,388
Investment expenses	(28,893)	-	(28,893)
<b>Total investment activities</b>	<b>939,866</b>	<b>-</b>	<b>939,866</b>
<b>Changes in net assets</b>	<b>1,154,431</b>	<b>(182,614)</b>	<b>971,817</b>
<b>Net assets - beginning of year</b>	<b>12,078,679</b>	<b>2,329,159</b>	<b>14,407,838</b>
<b>Prior period adjustment</b>	<b>264,782</b>	<b>-</b>	<b>264,782</b>
<b>Net assets - end of year</b>	<b>\$ 13,497,892</b>	<b>\$ 2,146,545</b>	<b>\$ 15,644,437</b>

See accompanying notes and independent auditors' report

WINGS OF HOPE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Administration	Fundraising	Total
Mission Support				
General support	\$ 610,174	\$ -	\$ -	\$ 610,174
Fuels	3,278	-	-	3,278
Supplies	37,849	-	-	37,849
Insurance	43,459	-	-	43,459
Rent	37,905	-	-	37,905
Repairs and maintenance	27,197	-	-	27,197
Utilities	25,853	-	-	25,853
Fundraising	18,757	-	-	18,757
Postage and delivery	3,350	-	-	3,350
Depreciation	114,626	-	-	114,626
Dues and subscriptions	2,195	-	-	2,195
STEM program expenses	56,012	-	-	56,012
Cost of planes and property sold	944,456	-	-	944,456
Salaries and taxes	1,071,074	195,435	53,301	1,319,810
Bank fees	-	2,708	-	2,708
Contract services	83,231	25,432	6,936	115,599
Depreciation	77,557	20,963	16,451	114,971
Dues and subscriptions	-	2,195	-	2,195
Utilities	-	7,834	5,484	13,318
Interest	22,551	6,834	4,784	34,169
Insurance	53,753	13,438	-	67,191
Professional fees	6,978	20,932	-	27,910
Fundraising	-	-	262,636	262,636
Rent	-	11,486	8,040	19,526
Repairs and maintenance	5,356	1,623	1,136	8,115
Postage and delivery	-	12,873	5,584	18,457
Administrative operations	10,984	1,220	-	12,204
Taxes and licenses	-	2,986	-	2,986
Other	-	11,550	-	11,550
Asset impairment	440,000	-	-	440,000
<b>Total</b>	<b>\$ 3,696,595</b>	<b>\$ 337,509</b>	<b>\$ 364,352</b>	<b>\$ 4,398,456</b>

See accompanying notes and independent auditors' report

WINGS OF HOPE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	971,817
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	229,597
Donated aircraft	(1,376,852)
PPP loan forgiveness	(201,774)
Net realized (gain) on securities	(10)
Net unrealized (gain) on securities	(738,388)
Loss on sale of planes and property	944,456
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,340)
(Increase) decrease in pledges receivable	(18,602)
(Increase) decrease in notes receivable	(35,556)
(Increase) decrease in aircraft inventory	826,704
(Increase) decrease in land inventory	395,000
(Increase) decrease in aircraft parts inventory	(5,605)
(Increase) decrease in prepaid expenses	12,012
Increase (decrease) in accounts payable	(9,365)
Increase (decrease) in credit cards payable	(2,691)
Increase (decrease) in deposits on sold or leased aircraft	(12,083)
Increase (decrease) in other liabilities	(229,587)
Increase (decrease) in deferred revenue	(55,288)
Increase (decrease) in gift annuity liability	(16,691)
	(16,691)
Net cash provided by (used in) operating activities	675,754

CASH FLOWS FROM INVESTING ACTIVITIES

Net change in investments	(299,597)
Purchases of property and equipment	(335,904)
Net cash provided by (used in) investing activities	(635,501)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from note payable	201,774
Principal payments on notes payable	(38,545)
Net cash provided by (used in) financing activities	163,229

Net increase (decrease) in cash and cash equivalents	203,482
Cash and cash equivalents - beginning of year	783,917
Cash and cash equivalents - end of year	\$ 987,399

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid during the year for interest	\$ 34,169
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See accompanying notes and independent auditors' report



***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wings of Hope, Inc. as of December 31, 2020 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.

Fick, Eggemeyer & Williamson, CPAs  
St. Louis, Missouri  
June 8, 2021

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Wings of Hope, Inc. (the Organization) international programs are designed to improve health, food security, education, and economic outcomes for needy people around the world. We typically partner with in-country nonprofits to ensure effective delivery and stewardship of the programs. The Wings of Hope U.S. based Medical Relief and Air Transport (MAT) program provides health care access and transportation to leading health care centers of excellence for the disadvantaged, primarily children with life-threatening illnesses or complex disabilities that typically require numerous treatment visits. Our fully-equipped medical air transport planes are flown by volunteer professional pilots and nurses, and the MAT program is conducted at no cost to the patients.

Basis of Presentation

The financial statements of the Organization 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 objective 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, whereby the donor has stipulated that 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 statement of activities.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America

Cash and Cash Equivalents

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

Receivables

Receivables are recorded at cost, and the Organization considers all receivables to be fully collectable. As a result, the allowance for doubtful accounts as of December 31, 2020 is \$0.

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Aircraft Parts, Engine, and Property Inventory

Inventories are stated at cost for purchased items and fair market value on the date of donation for donated items. Inventory is expensed when used using the average cost method.

Income Tax Status

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for charitable contribution deductions under Section 170(b)(10)(A)(vi) and has been classified as an organization that is not a private foundation under Sections 509(a)(1).

The Organization adopted the provisions of *Accounting for Uncertainty in Income Taxes* on January 1, 2011. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2020, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed for tax years 2017 and prior are now closed.

Promises to Give

Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. 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 or grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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.

Donated Services

The Organization receives a substantial amount of services donated by citizens interested in the Organization's programs. The kinds of services provided generally involve the contribution of time to repair and renovate aircraft to be sold or donated to other non-profit organizations and time to operate the office. In accordance with FASB 116, the Organization receives volunteer hours that meet the specialized skills and qualification standards, specifically volunteer pilots, licensed mechanics, and medical personnel and has recognized both the donation in kind as revenue and the expense as if the services would have to be purchased at the market rate.

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

Purchased property and equipment is carried at cost. Donated property and equipment is recorded at the approximate fair market value on the date of donation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from four to forty years. Expenditures for repairs and maintenance are charged to operating expense as incurred. Depreciation expense for the year ended December 31, 2020 was \$229,597.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Nonoperating activities are limited to resources that generate a return on investments and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between administration, fundraising, and the appropriate program based on evaluations of the related benefits. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Note 3 - INVESTMENTS**

Fair Value Measurements

Financial Accounting Standards Board Statement, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under FASB Statement *Fair Value Measurements* are described, as follows:

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 3 - INVESTMENTS (continued)**

*Level 1*- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2*- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3*- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes during 2020 in the methodologies used to value the investments as of December 31, 2020.

Government bonds: Valued at the closing price reported on the active market on which the securities are traded.

Exchange traded funds: Valued at the closing price reported on the active market on which the securities are traded.

Mutual funds: Valued at the net asset value of shares held by the organization at year-end.

Certificates of deposit: valued at cost, which management believes approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government bonds	\$ 1,477,724	\$ -	\$ -	\$ 1,477,724
Certificates of deposit	-	1,109,351	-	1,109,351
Exchange traded funds	2,299,325	-	-	2,299,325
Mutual funds	4,773,886	-	-	4,773,886
Total at fair value	<u>\$ 6,545,167</u>	<u>\$1,229,360</u>	<u>-</u>	<u>\$ 9,660,286</u>

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 4 - PLEDGES RECEIVABLE**

As a result of the campaign associated with permanent MAT program funding, pledges have been received from many individuals, corporations, and other non-profit organizations. Pledges receivable at December 31, 2020, which were in writing from corporations, individuals, and foundations, have been recognized and recorded in the financial statements. Pledges receivable as of December 31, 2020 was \$1,280,582.

**Note 5 - LINE OF CREDIT**

The Organization has an available line of credit in the amount of \$200,000 offered by Jefferson Bank and Trust Company. The line of credit matures May 1, 2021, carries interest at one-half percent (.50%) above the bank's prime rate, and is secured by the building on the Spirit of St. Louis Airport property. The balance at December 31, 2020 was \$0.

**Note 6 - CONCENTRATION OF RISK**

Financial instruments that potentially subject the Organization to credit risk consist principally of cash and investments. The Organization places its cash and investments with quality institutions and attempts to limit the amount of credit exposure. The Organization had cash deposits and securities with Charles Schwab of \$10,430,595 as of December 31, 2020. This balance is in excess of the Securities Investor Protection Corporation (SIPC) insurance limit of \$500,000 per investor.

**Note 7 - LEASES**

The Spirit of St. Louis Airport owns the land on which the Wings of Hope hangar is located. The property is being leased for a period of twenty years terminating on October 31, 2025. The monthly lease payment is \$3,907.

In December 2011, the Organization entered into another lease with The Spirit of St. Louis Airport for additional hangar space. The lease period is month-to-month with monthly payments of \$600.

In December 2017, the Organization entered into a lease with Marco Technologies for the use of a copier. The lease period is sixty months with monthly payments of \$128.

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 7 - LEASES (continued)**

At December 31, 2020 future minimum lease payments were as follows:

Year ending December 31,	
2021	\$ 48,424
2022	48,424
2023	48,424
2024	48,424
2025 & beyond	<u>40,606</u>
Total future minimum lease payments	<u>\$ 234,302</u>

Expenses associated with these leases totaled \$57,431 for 2020.

**Note 8 - SPLIT INTEREST AGREEMENTS**

The Organization offers a program to donors whereby individuals may make contributions and receive fixed quarterly payments for the remainder of their lives. The fixed payments are computed utilizing the donor's life expectancy and an estimated rate of return.

Gift annuity contributions are unrestricted and unconditional and are recorded net of the present value of the liability for future annuity payments. The estimated present value of all future fixed payments to donors using a 3% discount rate was \$183,333.

**Note 9 - AIRCRAFT INSURANCE**

Aircraft that are in the field outside of the United States are insured by companies in the host countries. There are five field aircraft operating out of the St. Louis location and one in Belize, which are insured. All other aircraft owned by Wings of Hope are insured but not used in operations.

**Note 10 - NOTES PAYABLE**

In February 2018, the Organization entered into a mortgage agreement with Jefferson Bank and Trust Company. The purpose of the mortgage was to refinance a prior mortgage agreement. The note is secured by the hangar building and accrues interest at a rate of 5.0%. The mortgage matures February 1, 2023, and the balance at December 31, 2020 was \$661,867.

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 10 - NOTES PAYABLE (continued)**

In April 2020, the Organization received loan proceeds in the amount of \$201,774 under the Paycheck Protection Program (“PPP”). The PPP is administered by the Small Business Administration. The loan and accrued interest (1%) are forgivable after eight to twenty-four weeks as long as the Organization used the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. On December 4, 2020, the entire loan balance was forgiven and \$201,774 was recorded as PPP loan forgiveness on the statement of activities. The balance as of December 31, 2020 was \$0.

Future maturities of long term debt:

Year ending December 31,	2021	\$	40,540
	2022		42,614
	2023		<u>578,714</u>
		\$	<u>661,867</u>

**Note 11 - NOTES RECEIVABLE**

On December 18, 2017, the Organization entered into a note receivable agreement with an individual for the purchase of an aircraft. The note calls for 4 payments totaling \$70,000 at an interest rate of 0%. As of December 31, 2020, the outstanding balance was \$5,000.

On September 30, 2019, the Organization entered into a note receivable agreement with an individual for the purchase of an aircraft. The note calls for 30 payments at an interest rate of 8.25%. As of December 31, 2020, the outstanding balance was \$9,932.

On September 18, 2020, the Organization entered into a note receivable agreement with an individual for the purchase of an aircraft. The note calls for 36 payments at an interest rate of 6.25%. As of December 31, 2020, the outstanding balance was \$16,611.

On October 20, 2020, the Organization entered into a note receivable agreement with an individual for the purchase of an aircraft. The note calls for 36 payments at an interest rate of 6.25%. As of December 31, 2020, the outstanding balance was \$27,291.



WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 12 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2020 are restricted as follows:

Restricted for:	<u>Purpose</u>	<u>Periods</u>
Gift annuity	\$ -	\$ 128,216
Global field sites	90,329	-
Endowment Campaign	1,928,000	-
Total	<u>\$ 2,018,329</u>	<u>\$ 128,216</u>

**Note 13 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2020:

Financial assets at year-end:	
Cash and cash equivalents	\$ 987,399
Investments	9,660,286
Accounts receivable	6,688
Pledges receivable	1,280,582
Notes receivable	58,834
Total financial assets at year-end	<u>11,993,789</u>
Less amounts not available to be used within one year:	
Net assets with period restrictions in excess of one year	128,216
Net assets with purpose restrictions	2,018,329
Total amounts not available for general expenditures within one year	<u>2,146,545</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 9,847,244</u>

WINGS OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 15 - PROPERTY AND EQUIPMENT**

A summary of property and equipment as of December 31, 2020 follows:

Field aircraft	\$ 1,186,613
Hanger, building, and improvements	3,981,214
Tools and equipment	133,089
Vehicles	<u>20,767</u>
Total depreciable property	5,321,683
Accumulated depreciation	<u>(2,105,149)</u>
Depreciable property, net	3,216,534
Total property and equipment, net	<u><u>\$ 3,216,534</u></u>

**Note 16 - BOARD DESIGNATED FUNDS**

The Organization presently holds board-designated funds classified as net assets without donor restriction. The Board intended the funds to be invested with the income used to fund engine replacement and maintenance of the MAT program airplanes. The Board retains the authority to change the designation of the funds as deemed necessary. Board designated funds can be used at the discretion of the Board at any time for any purpose. The balance of the board-designated funds at December 31, 2020 was \$266,403.

**Note 17 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 23, 2021, the date which the financial statements were available for issue, and noted no reportable events.