

*Wing Haven Foundation, Inc.*

*Financial Statements*

*June 30, 2023*

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# ***WING HAVEN FOUNDATION, INC.***

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Wing Haven Foundation, Inc.  
Charlotte, North Carolina

### Opinion

We have audited the accompanying financial statements of Wing Haven Foundation, Inc. ("Wing Haven" - a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wing Haven Foundation, Inc. as of June 30, 2023, 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.

### Basis of 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 Wing Haven 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 Wing Haven 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 auditors' 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.

Wing Haven Foundation, Inc.  
Charlotte, North Carolina

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 purposes of expressing an opinion on the effectiveness of Wing Haven Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- 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 Wing Haven 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 Wing Haven's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*  
August 2, 2023

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**WING HAVEN FOUNDATION, INC.****Statement of Financial Position****June 30, 2023, with prior year comparative totals**

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	June 30,	
	2023	2022
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 321,624	\$ 356,311
Investments	165,270	167,204
Pledges receivable, net	608,326	809,567
Sales tax receivable	2,178	7,914
Prepays	9,533	13,294
Inventories	11,673	12,112
<b><i>Total Current Assets</i></b>	<b><i>1,118,604</i></b>	<b><i>1,366,402</i></b>
Fixed Assets:		
Property and equipment	2,394,763	2,355,172
Less - accumulated depreciation	(1,268,050)	(1,229,674)
<b><i>Total Property and Equipment (net)</i></b>	<b><i>1,126,713</i></b>	<b><i>1,125,498</i></b>
Long-Term Assets:		
Investments held for long-term purposes	9,559,535	8,053,849
Pledges receivable, long-term	396,130	1,004,940
<b><i>Total Long-Term Assets</i></b>	<b><i>9,955,665</i></b>	<b><i>9,058,789</i></b>
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 12,200,982</i></b>	<b><i>\$ 11,550,689</i></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 85,670	\$ 58,793
Deferred revenue	61,685	43,395
<b><i>Total Current Liabilities</i></b>	<b><i>147,355</i></b>	<b><i>102,188</i></b>
Net Assets:		
Without Donor Restrictions:		
Undesignated	2,447,412	3,347,174
Designated - Endowment	6,854,265	5,348,579
<b><i>Total Net Assets Without Donor Restrictions</i></b>	<b><i>9,301,677</i></b>	<b><i>8,695,753</i></b>
With Donor Restrictions	2,751,950	2,752,748
<b><i>Total Net Assets</i></b>	<b><i>12,053,627</i></b>	<b><i>11,448,501</i></b>
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 12,200,982</i></b>	<b><i>\$ 11,550,689</i></b>

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**WING HAVEN FOUNDATION, INC.****Statement of Activities****Year Ended June 30, 2023, with prior year comparative totals**

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	Year Ended June 30, 2023			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<b><u>SUPPORT AND REVENUE</u></b>				
Contributions	\$ 419,570	\$ -	\$ 419,570	\$ 1,995,124
Grants	147,357	-	147,357	157,987
Activities	211,757	-	211,757	183,721
Special events	103,139	-	103,139	81,781
Nursery and gift shop	140,597	-	140,597	147,513
Investment income (loss)	933,286	-	933,286	(1,307,987)
Net assets released from restrictions	798	(798)	-	-
<b>TOTAL</b>	<b>1,956,504</b>	<b>(798)</b>	<b>1,955,706</b>	<b>1,258,139</b>
<b><u>EXPENSES</u></b>				
Program services	980,894	-	980,894	872,170
Management and general	178,137	-	178,137	157,497
Fundraising	191,549	-	191,549	229,482
<b>TOTAL</b>	<b>1,350,580</b>	<b>-</b>	<b>1,350,580</b>	<b>1,259,149</b>
<b>CHANGE IN NET ASSETS</b>	<b>605,924</b>	<b>(798)</b>	<b>605,126</b>	<b>(1,010)</b>
<b>NET ASSETS, BEGINNING</b>	<b>8,695,753</b>	<b>2,752,748</b>	<b>11,448,501</b>	<b>11,449,511</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 9,301,677</b>	<b>\$ 2,751,950</b>	<b>\$ 12,053,627</b>	<b>\$ 11,448,501</b>

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**WING HAVEN FOUNDATION, INC.****Statement of Functional Expenses****Year Ended June 30, 2023, with prior year comparative totals**

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	Year Ended June 30, 2023				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	TOTALS	
<b><u>PERSONNEL</u></b>					
Salaries	\$ 540,818	\$ 99,023	\$ 121,875	\$ 761,716	\$ 671,281
Payroll taxes	40,877	7,484	9,212	57,573	51,830
Benefits	44,570	7,459	8,258	60,287	56,757
<b><i>Total</i></b>	<b><i>626,265</i></b>	<b><i>113,966</i></b>	<b><i>139,345</i></b>	<b><i>879,576</i></b>	<b><i>779,868</i></b>
<b><u>OTHER EXPENSES</u></b>					
Nursery	65,133	-	-	65,133	64,568
Education programs	59,729	-	-	59,729	44,618
Depreciation	32,619	3,838	1,919	38,376	36,712
Utilities	27,240	3,205	1,602	32,047	35,748
Garden	43,909	-	-	43,909	42,085
Special events	24,413	-	25,150	49,563	25,694
Insurance	17,936	2,110	1,055	21,101	20,525
Professional fees	-	25,350	13,194	38,544	69,314
Office expense	16,254	1,912	956	19,122	29,094
Bank service charges	-	18,738	-	18,738	17,375
Maintenance	16,834	1,913	957	19,709	15,057
Miscellaneous	8,285	1,438	-	9,723	11,058
Newsletter	4,922	-	1,231	6,153	5,720
Volunteer appreciation	4,248	-	4,248	8,496	13,356
Printing and postage	2,558	418	260	3,236	5,275
Grant	-	-	-	-	194
Janitorial and household	23,487	2,763	1,382	27,632	25,322
Dues and subscriptions	4,213	-	50	4,263	3,524
Staff education	1,302	-	200	1,502	1,360
Meetings	-	2,486	-	2,486	1,534
Advertising	1,547	-	-	1,547	1,126
Symposium	-	-	-	-	10,022
<b><i>Total</i></b>	<b><i>354,629</i></b>	<b><i>64,171</i></b>	<b><i>52,204</i></b>	<b><i>471,004</i></b>	<b><i>479,281</i></b>
<b><i>TOTAL EXPENSES</i></b>	<b><i>\$ 980,894</i></b>	<b><i>\$ 178,137</i></b>	<b><i>\$ 191,549</i></b>	<b><i>\$ 1,350,580</i></b>	<b><i>\$ 1,259,149</i></b>

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**WING HAVEN FOUNDATION, INC.****Statement of Cash Flows****Year Ended June 30, 2023, with prior year comparative totals**

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	Year Ended June 30,	
	2023	2022
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 605,126	\$ (1,010)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	38,376	36,712
Loss (gain) on investments	(926,622)	1,295,716
Change in allowance for doubtful accounts	(41,210)	(32,365)
Change in operating assets:		
Other receivable	-	39,052
Sales tax receivable	5,736	(3,622)
Pledges	851,261	17,249
Prepays	3,761	(6,478)
Inventories	439	(569)
Change in operating liabilities:		
Accounts payable and accrued expenses	26,877	2,992
Deferred revenue	18,290	15,910
<b><u>Cash Flows From Operating Activities</u></b>	<b><u>582,034</u></b>	<b><u>1,363,587</u></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of fixed assets	(39,589)	(7,632)
Purchase of investments	(891,141)	(1,512,444)
Proceeds from the sale of investments	314,009	262,213
<b><u>Cash Flows from Investing Activities</u></b>	<b><u>(616,721)</u></b>	<b><u>(1,257,863)</u></b>
<b>NET CHANGE IN CASH</b>	<b>(34,687)</b>	<b>105,724</b>
<b>CASH, BEGINNING</b>	<b>356,311</b>	<b>250,587</b>
<b>CASH, ENDING</b>	<b>\$ 321,624</b>	<b>\$ 356,311</b>



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# **WING HAVEN FOUNDATION, INC.**

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Nature of activities*

Wing Haven Foundation, Inc., (Wing Haven), was incorporated in 1970 under the laws of the State of North Carolina as a nonprofit organization. Wing Haven's purpose is to maintain and develop its properties located in Charlotte, North Carolina as a garden and bird sanctuary for the use, education and enjoyment of the community and to stimulate interest in horticulture. Wing Haven is supported primarily by memberships, contributions and grants from individuals and others, as well as sales from its nursery and gift shop.

#### *Basis of presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in the day-to-day operation of Wing Haven and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives of Wing Haven. At year-end, Wing Haven designated \$6,854,265 for their Endowment Fund.

*Net assets with donor restrictions* – These net assets consist of amounts that are subject to donor-imposed stipulations that may or will be met, either by actions of Wing Haven or the passage of time, and net assets that are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

#### *Revenue recognition*

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the 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.

Other revenue, such as fees for events, sponsorships, and activity fees, are recorded once the performance obligation is earned, such as Wing Haven's Fall Event, special events, or educational programs are completed.

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# ***WING HAVEN FOUNDATION, INC.***

## **Notes to Financial Statements**

**June 30, 2023**

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### Cash

Cash consists of cash on hand, cash in banks, and money market funds.

### Inventories

Inventories, which consist primarily of information books and plants held for resale, are valued at the lower of average cost or market value.

### Property and equipment

Property and equipment with a value of \$3,500 or more is recorded at cost if purchased or fair value if donated. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, which range from three years for computer equipment to forty years for buildings.

### Deferred revenue

Deferred revenue consists of cash received for summer camps of \$28,035 and \$33,650 for Wing Haven's Fall Event, which will be held during the year ending June 30, 2024.

### Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Prior-year comparative totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with Wing Haven's 2022 financial statements, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to the current-year presentation.

### Donated services and goods

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at fair value. During the year, Wing Haven recorded no contributed services or donated goods.

In addition, many individuals volunteer their time and perform a variety of tasks that assist Wing Haven with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions, as they do not meet the criteria for recognition described above.

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# **WING HAVEN FOUNDATION, INC.**

## **Notes to Financial Statements**

**June 30, 2023**

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### Income tax status

Wing Haven is a nonprofit organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income. Wing Haven is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

### **NOTE B – INVESTMENTS**

#### Endowment and quasi-endowment fund

Wing Haven has established the Wing Haven Foundation Endowment Fund (the Endowment Fund) and the Wing Haven Foundation Fund (the Quasi-Endowment Fund) with the Foundation for the Carolinas (the Foundation). While Wing Haven has discretion over which investment pool to place the funds, the Foundation makes all investment decisions within the individual investment pool. Investment income from both funds is available for distribution on an annual basis based on the Foundation's spending policy, which is currently 5% of the average value of the Fund for the prior three calendar years. Wing Haven may request distributions of principal from the Quasi-Endowment Fund, but the Foundation has complete discretion as to the timing and amount of any principal distributions. However, all of the funds are ultimately repayable to Wing Haven and the Foundation has no variance power to distribute any portion of these funds to another not-for-profit entity.

#### Investments

Investments are reported at fair value in accordance with generally accepted accounting principles. Investments consist of the following as of June 30, 2023:

Fixed income	\$ 165,270
Beneficial interest in Foundation for the Carolinas investment pools	9,559,535
<b>TOTAL</b>	<b>\$ 9,724,805</b>

Investments are classified in the accompanying statement of financial position as current assets of \$165,270 and long-term of \$9,559,535.

#### Fair value measurements

Generally accepted accounting principles require the fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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# WING HAVEN FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2023

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Wing Haven's fixed-income investments are classified as Level 1 assets. Wing Haven's investments in the Foundation for the Carolinas are classified as Level 3 assets and are valued by the Foundation based on the value of the underlying securities, which consist of investments that are both publicly traded and not publicly traded.

The following table sets forth a summary of changes in the fair value of Wing Haven's Level 3 assets for the year ended June 30, 2023:

Balance, beginning of year	\$ 8,053,849
Purchases	885,748
Sales	(308,618)
Change in value	928,556
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BALANCE, END OF YEAR	\$ 9,559,535

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### NOTE C – RECEIVABLES

#### Pledges receivable

Pledges receivable consist of unconditional promises to give for Wing Haven's 50<sup>th</sup> anniversary, which are considered for operational use. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The present value discounts on those amounts are computed using a risk-free interest rate applicable to the years in which the promises are expected to be received. The discount of \$6,311 as of June 30, 2023, is based on an interest rate of 1.25 percent. Amortization of discounts is included in the contribution revenue. In addition, management has recorded an allowance for doubtful accounts of \$24,198, based on an evaluation of the receivables, historical experience, and current and anticipated economic conditions. Wing Haven's pledges are expected to be collected during the year ending June 30,

2024	\$ 623,905
2025	281,346
2026	129,714
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Total Promises to Give	1,034,965
Deduct:	
Discount for present value	6,311
Allowance for doubtful accounts	24,198
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NET PLEDGES RECEIVABLE	\$ 1,004,456

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# **WING HAVEN FOUNDATION, INC.**

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment used by Wing Haven in its operations consist of the following at June 30, 2023:

Buildings and improvements	\$ 1,259,258
Gardens and improvements	370,930
Furniture, fixtures, and equipment	140,645
Land	623,930
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Total	2,394,763
Less – accumulated depreciation	1,268,050
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<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>\$ 1,126,713</b>

### **NOTE E –NET ASSETS WITH DONOR RESTRICTIONS**

#### *Purpose restricted net assets*

Funds that have been received by Wing Haven for a particular purpose or period of time that have remaining restrictions at June 30, 2023, are detailed as follows:

#### Unutilized Funds:

Spendable endowment	\$ 2,700,000
Elizabeth Lawrence	40,000
Various funds \$5,000 or less	6,680
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<b>TOTAL PURPOSE RESTRICTED NET ASSETS</b>	<b>\$ 2,746,680</b>

#### *Perpetuity restricted net assets*

Wing Haven had perpetuity restricted net assets of \$5,270, which is held in the Wing Haven Endowment Fund. The earnings of the Fund are without donor restrictions.

### **NOTE F – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Wing Haven has \$1,211,157 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$321,624, short-term investments of \$165,270, spendable portion of the long-term investments of \$113,759, and current receivables and \$610,504. Of the financial assets available, \$46,681 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Wing Haven has a reserve policy to maintain financial assets on hand to meet 90 days of normal operating expenses plus \$15,000, which on average are approximately \$300,000.

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# ***WING HAVEN FOUNDATION, INC.***

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE G – CONCENTRATIONS OF RISK**

#### ***Investments***

Investments held at brokerages are insured by the Securities Investor Protection Corporation up to \$500,000. Investments held at FFTC are not insured. Wing Haven invests in a variety of investments, either directly or chosen by FFTC, which are subject to fluctuations in market values and expose Wing Haven to a certain degree of investment risk.

#### ***Geographic area***

Wing Haven operates in a small geographic area and, accordingly, is sensitive to changes in the local economy.

### **NOTE H – FUNCTIONAL EXPENSES**

Wing Haven's activities are focused in three functional areas. Program services represent the primary focus of Wing Haven's activities. Supporting services are fundraising activities and general and administrative activities. The expenses that are allocated include personnel-related expenses, which are allocated based on management's estimates of time and effort. All other expenses are allocated based on an analysis by management of the various expenses that comprise those costs.

### **NOTE I – RETIREMENT PLAN**

Wing Haven created a 403(b)-retirement plan for the benefit of its employees. Employees may make pre-tax contributions to the 403(b)-plan based on limits allowed by law. Wing Haven matches contributions of fifty percent of the employees' contribution percentage up to two percent. Wing Haven's retirement expense for the year ended June 30, 2023, was \$10,116 and is included as benefits in the accompanying statement of functional expenses.

### **NOTE J – SUBSEQUENT EVENTS**

Wing Haven has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.