

**LUKE'S WINGS, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2009**

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**Independent Auditors' Report**

To the Board of Directors  
**Luke's Wings, Inc.**  
Rockville, Maryland

We have audited the accompanying statement of financial position of Luke's Wings, Inc. (a nonprofit organization) as of December 31, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Luke's Wings, Inc. as of December 31, 2009, and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Lively, Ostrye & Worch, P.C.*

Lively, Ostrye & Worch, P.C.  
Kensington, MD

July 27, 2010

**LUKE'S WINGS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2009**

**ASSETS**

	<u>2009</u>
<b>Assets</b>	
Cash	\$ 1,937
Pledges Receivable	2,206
Prepaid expenses	<u>-</u>
<b>Total Assets</b>	<u>\$ 4,143</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>	
Accounts Payable	<u>\$ 1,110</u>
<b>Net Assets</b>	
Unrestricted	<u>3,033</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,143</u>

*See accompanying notes and independent auditors' report.*

**LUKE'S WINGS, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2009

	<b>Unrestricted</b>
<b>REVENUES</b>	
Proceeds from Fundraising Events	\$ 51,934
Contributions	35,824
In-Kind Contributions	10,000
<b>TOTAL REVENUES</b>	<b>97,758</b>
<b>EXPENSES</b>	
Program Services	
Transportation	49,781
Supporting Services	
Management and General	14,742
Fundraising	34,040
<b>TOTAL EXPENSES</b>	<b>98,563</b>
<b>CHANGE IN NET ASSETS</b>	(805)
<b>NET ASSETS BEGINNING OF YEAR</b>	3,838
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 3,033</b>

*See accompanying notes and independent auditors' report.*

**LUKE'S WINGS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2009**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Providing Transportation</u>	<u>Management and General</u>	<u>Fundraising</u>	
Fund Raising Events	\$ -	\$ -	\$ 21,399	\$ 21,399
Travel and Transportation	49,781	2,510	-	52,292
In-Kind Contributions	-	-	10,000	10,000
Professional Fees	-	8,005	-	8,005
Shipping and Postage	-	143	143	286
Office and Supplies	-	326	326	652
Meeting and Meals	-	1,208	1,208	2,416
Website	-	2,438	813	3,250
Bank Fees	-	112	-	112
Miscellaneous	-	-	151	151
	<u>\$ 49,781</u>	<u>\$ 14,742</u>	<u>\$ 34,040</u>	<u>\$ 98,563</u>

*See accompanying notes and independent auditors' report.*

**LUKE'S WINGS, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2009**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in Net Assets	\$ (805)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
(Increase) Decrease in Operating Assets	
Pledges Receivable	(2,206)
Prepaid Expenses and Other Assets	1,048
Increase (Decrease) in Operating Liabilities	
Accounts Payable	<u>941</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(1,022)</u>
<b>NET DECREASE IN CASH</b>	(1,022)
<b>CASH - BEGINNING OF YEAR</b>	<u>2,959</u>
<b>CASH - END OF YEAR</b>	<u>\$ 1,937</u>
<b>Supplemental Disclosures of Cash Flow Information:</b>	
Interest paid	<u>\$ -</u>

*See accompanying notes and independent auditors' report.*

**LUKE'S WINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**Nature of Activities and Summary of Significant Accounting Policies**

**(a) Nature of Activities**

Luke's Wings is a Maryland based nonprofit organization that is dedicated to the support of U.S. service members who have been wounded in battle. The organization provides families travel planning services and airplane tickets to visit those service members currently hospitalized at medical and rehabilitation centers all over the country.

As nonprofit described in Section 501 (c)(3) of the Internal Revenue Code, Luke's Wings is exempt from federal and state income taxes.

**(b) Basis of Accounting**

Net assets, revenues and expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts specifically restricted or designated for future periods are reported as temporarily or permanently restricted support that increases these net asset classes. Luke's Wings has no restricted net assets at December 31, 2009.

**(c) Functional Expenses**

The costs of providing 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 supporting services benefited.

**(d) Contributions and Contributed Services**

Contributions are recognized in the period received or when the donor makes an unconditional promise to give. Luke's Wings receives a significant amount of donated services from a number of unpaid volunteers who assist in fundraising and management. The value of contributed services meeting the requirement for recognition in the financial statements was not material and has not been recorded.

**(e) In-Kind Contributions**

The value of contributed services, other than that provided by unpaid volunteers, is based on fair values established from information provided by the donor. Such items have been reflected as both in kind contributions support and as fund raising expense.



**LUKE'S WINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**(e) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles sometimes requires management to make certain estimates and assumptions that may affect the reported amounts and disclosure. Accordingly, actual results could differ from those estimates.