WINGS Program, Inc.

Consolidated Financial Report
June 30, 2023

Contents

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Independent Auditor's Report

To the Board of Directors
WINGS Program, Inc.

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of WINGS Program, Inc. and its subsidiaries (the "Organizations"), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organizations as of June 30, 2023 and 2022 and the changes in their net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organizations and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes 3 and 15 to the consolidated financial statements, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

To the Board of Directors
WINGS Program, Inc.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 audits conducted in accordance with GAAS and *Government 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 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 consolidated financial statements.

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organizations' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023 on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organizations' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 9, 2023

Consolidated Statement of Financial Position

June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 2,444,598	$ 3,467,545
Receivables:		
Government contracts receivable	2,934,267	1,002,878
Contributions receivable	416,679	211,679
Total receivables	3,350,946	1,214,557
Assets held for sale	79,000	79,000
Prepaid expenses and other current assets	768,769	557,113
Total current assets	6,643,313	5,318,215
Contributions Receivable - Net	-	200,000
Other Assets		
Restricted investments	4,348,856	3,891,277
IHDA escrow	218,225	211,261
Security deposit	38,380	33,895
Emergency fund receivables	20,114	12,354
Loan receivable - NMTC	1,000	-
Timeshare membership - Net of amortization	3,138	3,179
Cash held for others	8,188	10,851
Total other assets	4,637,901	4,162,817
Fixed Assets - Net	12,021,081	12,332,628
Right-of-use Operating Lease Assets	2,752,398	-
Total assets	**$ 26,054,693**	**$ 22,013,660**

See notes to consolidated financial statements.

Consolidated Statement of Financial Position (Continued)

June 30, 2023 and 2022

	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 521,720	$ 487,771
Accrued liabilities and other	563,519	475,489
Current portion of mortgage loans and other notes payable	112,483	108,566
Current portion of lease liabilities - Operating	345,292	-
Deferred revenue	60,560	91,950
Deferred rent	-	90,286
Other current liabilities	273,708	255,363
Cash held for others	8,188	10,851
Total current liabilities	1,885,470	1,520,276
Mortgage Loans and Other Notes Payable - Net of current portion	2,302,018	2,402,725
Lease Liabilities - Operating	2,502,215	-
Deferred Grant Revenue	880,000	880,000
Total liabilities	7,569,703	4,803,001
Net Assets		
Without donor restrictions:		
Undesignated	9,274,496	8,727,083
Board designated - End of year	1,421,069	1,100,797
Total net assets without donor restrictions	10,695,565	9,827,880
With donor restrictions	7,789,425	7,382,779
Total net assets	18,484,990	17,210,659
Total liabilities and net assets	**$ 26,054,693**	**$ 22,013,660**

WINGS Program, Inc.

Consolidated Statement of Activities

Year Ended June 30, 2023

	2023		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Income			
Government Contracts			
All Chicago	$ 339,294	$ -	$ 339,294
FHHS	99,812	-	99,812
FEMA	119,762	-	119,762
Cook County CDBG	27,053	-	27,053
Cook County ESG	7,264	-	7,264
Townships and Municipalities	117,258	-	117,258
City of Chicago	310,570	-	310,570
HUD-CEDV	63,996	-	63,996
HUD-SHP	747,589	-	747,589
State of IL - Attorney General	80,000	-	80,000
State of IL - DHS	2,918,979	-	2,918,979
State of IL - DCEO	600,000	-	600,000
State of IL - ESG	72,093	-	72,093
State of IL - ESGCV	177,673	-	177,673
State of IL - ICADV	515,587	-	515,587
State of IL - ICJIA	161,100	-	161,100
State of IL - ICJIA - Other	54,000	-	54,000
Total Government Contracts	6,412,030	-	6,412,030
Other Revenues			
United Way	46,713	-	46,713
Contributions of cash and other financial assets	1,657,816	337,692	1,995,508
Contributions of nonfinancial assets	449,624	-	449,624
Program Service Fees	77,288	-	77,288
Special Event Income (Net of Direct costs of $396,265)	1,246,359	-	1,246,359
Contributions of nonfinancial assets - resale stores	2,470,367	-	2,470,367
Resale store sales	2,687,131	-	2,687,131
Total Other Revenues	8,635,298	337,692	8,972,990
Other Income			
Miscellaneous	3,351	-	3,351
NCH Partership	19,625	-	19,625
Investment Income	52,408	61	52,469
Management Fees	-	-	-
Rental Income	78,832	-	78,832
Total Other Income	154,216	61	154,277
Released from Restriction	407,448	(407,448)	-
Total Income	15,608,992	(69,695)	15,539,297
Expenses			
Program Expenses			
Safehouse	2,263,095	-	2,263,095
Safehouse at WINGS Metro	2,355,444	-	2,355,444
Transitional Housing	1,556,307	-	1,556,307
Permanent Supportive Housing	1,135,131	-	1,135,131
Community Based Services	908,515	-	908,515
Total Program Expenses	8,218,492	-	8,218,492
Adminstrative	1,287,784	-	1,287,784
Development	926,540	-	926,540
Total Functional Expenses Before Resale Store Expenses	10,432,816	-	10,432,816
Resale Stores	4,322,856	-	4,322,856
Total Functional Expenses	14,755,672	-	14,755,672
Change in Net Assets Before Non-Operating Activity	853,320	(69,695)	783,625
Investment Income (Loss)			
Interest and Dividends	4,605	140,262	144,867
Less: Investment Fees	(1,820)	(16,627)	(18,447)
Realized and Unrealized Gain on Investments	11,580	333,946	345,526
Interfund borrowing interest expense	-	18,760	18,760
Total Investment Income - Net	14,365	476,341	490,706
Gain on new market tax credit unwind	-	-	-
Total Non-Operating Activity	14,365	476,341	490,706
Change in Net Assets	867,685	406,646	1,274,331
Change in Net Assets Attributable to Non-controlling Interest	-	-	-
Change in Net Assets Attributable to WINGS Program, Inc.	867,685	406,646	1,274,331
Beginning Net Assets	9,827,880	7,382,779	17,210,659
Ending Net Assets	$ 10,695,565	$ 7,789,425	$ 18,484,990

Consolidated Statement of Activities

Year Ended June 30, 2022

	2022		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Income			
Government Contracts			
All Chicago	$ 321,981	$ -	$ 321,981
FEMA	59,875	-	59,875
Department of Justice OVAW	19,728	-	19,728
Cook County CDBG	25,449	-	25,449
Cook County ESG	70,255	-	70,255
Townships and Municipalities	71,630	-	71,630
City of Chicago	293,806	-	293,806
HUD-CEDV	45,998	-	45,998
HUD-SHP	470,547	-	470,547
State of IL - Attorney General	30,000	-	30,000
State of IL - DHS	652,450	-	652,450
State of IL - ESG	71,657	-	71,657
State of IL - ESGCV	700,417	-	700,417
State of IL - ICADV	598,757	-	598,757
State of IL - ICJIA	185,843	-	185,843
State of IL - ICJIA - Other	71,952	-	71,952
Total Government Contracts	3,690,345	-	3,690,345
Other Revenues			
United Way	50,001	-	50,001
Contributions of cash and other financial assets	2,565,668	824,441	3,390,109
Contributions of nonfinancial assets	511,622	-	511,622
Program Service Fees	103,742	-	103,742
Special Event Income (Net of Direct costs of $411,668)	1,518,791	-	1,518,791
Contributions of nonfinancial assets - resale stores	1,964,877		1,964,877
Resale store sales	2,427,367	-	2,427,367
Total Other Revenues	9,142,068	824,441	9,966,509
Other Income			
Miscellaneous	-	-	-
Employee Retention Credit	-	-	-
NCH Partership	19,615	-	19,615
Investment Income	47,571	61	47,632
Management Fees	2,400	-	2,400
Rental Income	101,231	-	101,231
Total Other Income	170,817	61	170,878
Released from Restriction	714,714	(714,714)	-
Total Income	13,717,944	109,788	13,827,732
Expenses			
Program Expenses			
Safehouse	1,852,147	-	1,852,147
Safehouse at WINGS Metro	2,568,566	-	2,568,566
Transitional Housing	1,649,576	-	1,649,576
Permanent Supportive Housing	864,718	-	864,718
Community Based Services	567,417	-	567,417
Total Program Expenses	7,502,424	-	7,502,424
Adminstrative	1,277,518	-	1,277,518
Development	936,283	-	936,283
Total Functional Expenses Before Resale Store Expenses	9,716,225	-	9,716,225
Resale Stores	3,733,803	-	3,733,803
Total Functional Expenses	13,450,028	-	13,450,028
Change in Net Assets Before Non-Operating Activity	267,916	109,788	377,704
Investment Income (Loss)			
Interest and Dividends	-	136,992	136,992
Less: Investment Fees	-	(13,968)	(13,968)
Realized and Unrealized Gain on Investments	-	(630,040)	(630,040)
Interfund borrowing interest expense	-	18,760	18,760
Total Investment Income - Net	-	(488,256)	(488,256)
Gain on new market tax credit unwind	1,006,655	-	1,006,655
Total Non-Operating Activity	1,006,655	(488,256)	518,399
Change in Net Assets	1,274,571	(378,468)	896,103
Change in Net Assets Attributable to Non-controlling Interest	(50,000)	-	(50,000)
Change in Net Assets Attributable to WINGS Program, Inc.	1,274,570	(378,468)	896,102
Beginning Net Assets	8,603,310	7,761,247	16,364,557
Ending Net Assets	$ 9,827,880	$ 7,382,779	$ 17,210,659

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Permanent Housing	Community Based Svcs	Total Program	Administrative	Development	Total Functional Expenses Before Resale stores	Resale Stores	Total Functional Expenses	Special Event	Total Expenses
Personnel													
Salaries & Wages	$ 878,017	$ 1,025,744	$ 432,982	$ 370,072	$ 434,873	$ 3,141,688	$ 721,731	$ 612,188	$ 4,475,607	$ 940,150	$ 5,415,757	$ -	$ 5,415,757
Payroll Taxes	65,350	76,380	33,702	28,170	30,076	233,678	49,073	44,249	327,000	68,445	395,445	-	395,445
Health Insurance	68,183	65,547	47,955	32,072	39,130	252,887	65,057	21,923	339,867	66,707	406,574	-	406,574
Workers Compensation	11,609	13,633	5,613	5,242	5,694	41,791	9,889	8,591	60,271	22,505	82,776	-	82,776
Other Personnel Costs	26,890	18,105	13,298	12,333	11,258	81,884	67,984	27,731	177,599	32,352	209,951	-	209,951
Total Personnel	1,050,049	1,199,409	533,550	447,889	521,031	3,751,928	913,734	714,682	5,380,344	1,130,159	6,510,503	-	6,510,503
Program Expense													
Rent Expense	-	-	218,594	160,117	10,020	388,731	-	-	388,731	-	388,731	-	388,731
Food Expense	90,049	86,232	3,544	3,012	36	182,873	-	-	182,873	-	182,873	-	182,873
Other Program Expenses	102,083	105,902	296,607	315,085	81,583	901,260	-	-	901,260	-	901,260	-	901,260
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	2,470,367	2,470,367	-	2,470,367
Total Program	192,132	192,134	518,745	478,214	91,639	1,472,864	-	-	1,472,864	2,470,367	3,943,231	-	3,943,231
Operations Expense													
Audit	-	-	-	-	-	-	79,520	-	79,520	-	79,520	-	79,520
Bank Fees	-	145	1,326	313	-	1,784	3,979	25,926	31,689	70,030	101,719	-	101,719
Periodicals	123	112	7	22	54	318	476	150	944	-	944	-	944
Consultants	1,325	39,696	4,365	4,550	200	50,136	20,523	3,800	74,459	29,851	104,310	-	104,310
Equipment	107,253	34,425	5,442	3,093	4,030	154,243	6,604	4,986	165,833	1,348	167,181	-	167,181
Equipment Rental	4,949	5,221	1,568	307	788	12,833	3,309	2,885	19,027	777	19,804	-	19,804
Interest Expense	-	-	-	-	-	-	35,902	-	35,902	-	35,902	-	35,902
Technology	99,649	82,412	26,865	13,833	26,533	249,292	74,404	31,623	355,319	47,858	403,177	-	403,177
Legal & Accounting	14,854	29,018	-	-	-	43,872	-	-	43,872	4,961	48,833	-	48,833
Licenses & Fees	818	(158,700)	405	872	276	(156,329)	50,133	337	(105,859)	194	(105,665)	-	(105,665)
Meetings & Food	631	2,090	397	838	1,573	5,529	7,792	5,806	19,127	876	20,003	-	20,003
Memberships & Dues	1,374	1,391	652	581	119	4,117	1,984	2,486	8,587	-	8,587	-	8,587
Mileage & Travel Expense	1,790	4,092	7,450	3,031	1,142	17,505	3,189	11,163	31,857	518	32,375	-	32,375
Supplies	131,584	48,347	12,704	1,962	138,772	333,369	10,306	(2,728)	340,947	53,440	394,387	-	394,387
Postage	136	339	-	-	159	634	4,222	5,225	10,081	-	10,081	-	10,081
Printing	2,015	2,498	2,407	1,257	2,771	10,948	907	14,376	26,231	687	26,918	-	26,918
Miscellaneous	-	-	-	-	-	-	(190)	-	(190)	-	(190)	-	(190)
Vehicles	-	-	-	-	-	-	-	1,861	1,861	43,043	44,904	-	44,904
Total Operations	366,501	91,086	63,588	30,659	176,417	728,251	303,060	107,896	1,139,207	253,583	1,392,790	-	1,392,790

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses (continued)

Year Ended June 30, 2023

	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Permanent Housing	Community Based Svcs	Total Program	Administrative	Development	Total Functional Expenses Before Resale stores	Resale Stores	Total Functional Expenses	Special Events	Total Expenses
Development Expenses													
Special Events	-	-	-	-	-	-	-	-	-	-	-	396,265	396,265
Advertising	-	-	-	-	-	-	-	1,787	1,787	4,130	5,917	-	5,917
Appeal Expense	-	-	-	-	-	-	-	17,158	17,158	-	17,158	-	17,158
Marketing	83	232	82	83	3,221	3,701	1,255	9,541	14,497	-	14,497	-	14,497
Sales Tax	-	-	-	-	-	-	-	-	-	216,552	216,552	-	216,552
Community Relations	18	18	18	18	18	90	6,931	11,118	18,139	200	18,339	-	18,339
Annual Meeting	-	-	-	-	-	-	-	6,126	6,126	-	6,126	-	6,126
Total Development	101	250	100	101	3,239	3,791	8,186	45,730	57,707	220,882	278,589	396,265	674,854
Occupancy Expenses													
Utilities	69,803	74,766	74,088	22,246	13,469	254,372	7,992	9,941	272,305	52,049	324,354	-	324,354
Telephone	7,138	8,550	6,633	5,143	7,597	35,061	7,927	6,650	49,638	2,438	52,076	-	52,076
Mortgage Interest	-	44,726	14,301	-	-	59,027	-	-	59,027	7,018	66,045	-	66,045
Rent	182,004	139,147	124,841	91,331	72,933	610,256	-	23,400	633,656	125,818	759,474	-	759,474
Insurance	19,261	29,227	20,947	6,192	1,935	77,562	1,922	1,391	80,875	8,901	89,776	-	89,776
Repairs & Maintenance	311,008	234,460	130,562	40,892	12,812	729,734	25,085	11,110	765,929	18,894	784,823	-	784,823
Depreciation & Amortization	65,098	341,689	68,952	12,464	7,443	495,646	19,878	5,740	521,264	32,747	554,011	-	554,011
Total Occupancy	654,312	872,565	440,324	178,268	116,189	2,261,658	62,804	58,232	2,382,694	247,865	2,630,559	-	2,630,559
Total Functional Expenses	$ 2,263,095	$ 2,355,444	$ 1,556,307	$ 1,135,131	$ 908,515	$ 8,218,492	$ 1,287,784	$ 926,540	$ 10,432,816	$ 4,322,856	$ 14,755,672	$ 396,265	$ 15,151,937

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Permanent Housing	Community Based Svcs	Total Program	Administrative	Development	Total Functional Expenses Before Resale stores	Resale Stores	Total Functional Expenses	Special Event	Total Expenses
Personnel													
Salaries & Wages	$ 810,207	$ 833,739	$ 482,492	$ 266,789	$ 331,426	$ 2,724,651	$ 712,389	$ 641,315	$ 4,078,355	$ 938,336	$ 5,016,692	$ -	$ 5,016,692
Payroll Taxes	59,246	61,185	35,394	19,584	23,922	199,332	52,137	46,876	298,344	67,995	366,339	-	366,339
Health Insurance	65,175	56,589	60,109	22,095	31,527	235,496	61,365	25,331	322,192	63,936	386,127	-	386,127
Workers Compensation	9,159	9,064	6,213	2,920	4,033	31,389	8,672	8,021	48,082	15,473	63,555	-	63,555
Other Personnel Costs	5,591	7,130	2,225	4,188	10,594	29,727	49,737	(8,634)	70,831	4,663	75,493	-	75,493
Total Personnel	949,377	967,707	586,432	315,577	401,501	3,220,595	884,300	712,909	4,817,804	1,090,403	5,908,206	-	5,908,206
Program Expense													
Rent Expense	-	-	199,569	129,832	2,160	331,561	-	-	331,561	-	331,561	-	331,561
Food Expense	87,681	91,709	2,040	721	50	182,201	-	148	182,349	150	182,498	-	182,498
Other Program Expenses	273,573	42,294	298,604	252,012	48,146	914,628	-	125	914,753	-	914,753	-	914,753
Costs of Good Sold	-	-	-	-	-	-	-	-	-	1,964,877	1,964,877	-	1,964,877
Total Program	361,253	134,003	500,213	382,564	50,356	1,428,390	-	273	1,428,662	1,965,027	3,393,689	-	3,393,689
Operations Expense													
Audit	-	-	-	-	-	-	69,246	-	69,246	-	69,246	-	69,246
Bank Fees	-	137	1,282	403	64	1,886	1,978	25,187	29,051	58,367	87,417	-	87,417
Periodicals	16	42	-	-	-	58	340	51	449	-	449	-	449
Consultants	-	43,480	1,840	1,325	-	46,645	5,692	29,800	82,137	10,425	92,562	-	92,562
Equipment	5,426	9,033	11,679	1,049	237	27,423	799	742	28,964	251	29,215	-	29,215
Equipment Rental	6,060	5,329	1,662	337	692	14,081	2,813	2,175	19,069	1,845	20,914	-	20,914
Interest Expense	-	-	-	-	-	-	20,209	-	20,209	-	20,209	-	20,209
Technology	85,547	87,796	41,173	4,471	25,598	244,585	63,863	31,077	339,525	52,617	392,142	-	392,142
Legal & Accounting	-	94,573	-	-	-	94,573	78,462	-	173,035	-	173,035	-	173,035
Licenses & Fees	476	176,513	213	7,738	68	185,008	48,229	43	233,280	26	233,306	-	233,306
Meetings & Food	1,003	832	660	476	1,043	4,015	5,416	2,880	12,311	778	13,089	-	13,089
Memberships & Dues	1,632	1,656	595	550	32	4,465	2,269	2,335	9,069	-	9,069	-	9,069
Mileage & Travel Expense	7,195	3,931	9,034	1,524	805	22,489	1,784	5,972	30,245	301	30,546	-	30,546
Supplies	14,070	31,925	10,716	892	4,248	61,850	15,069	6,711	83,630	60,867	144,497	-	144,497
Postage	120	182	-	-	-	302	4,689	1,888	6,880	-	6,880	-	6,880
Printing	834	973	1,533	655	2,428	6,423	1,187	14,356	21,966	843	22,809	-	22,809
Miscellaneous	-	-	-	-	-	-	1,999	-	1,999	-	1,999	-	1,999
Vehicles	-	-	-	-	-	-	-	1,712	1,712	57,679	59,391	-	59,391
Total Operations	122,377	456,403	80,388	19,419	35,214	713,802	324,044	124,929	1,162,775	243,999	1,406,774	-	1,406,774

Consolidated Statement of Functional Expenses (continued)

Year Ended June 30, 2022

	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Permanent Housing	Community Based Svcs	Total Program	Administrative	Development	Total Functional Expenses Before Resale stores	Resale Stores	Total Functional Expenses	Special Event	Total Expenses
Development Expenses													
Special Events	-	-	-	-	-	-	-	-	-	-	-	411,668	411,668
Advertising	-	-	-	-	-	-	-	5,789	5,789	4,505	10,294	-	10,294
Appeal Expense	-	-	-	-	-	-	-	13,290	13,290	-	13,290	-	13,290
Marketing	189	135	223	76	1,295	1,919	1,018	3,692	6,629	85	6,714	-	6,714
Sales Tax	-	-	-	-	-	-	-	-	-	194,226	194,226	-	194,226
Community Relations	6	7	7	0	-	20	2,383	4,900	7,303	-	7,303	-	7,303
Resale Store	-	-	-	-	-	-	-	6,131	6,131	-	6,131	-	6,131
Total Development	195	142	230	76	1,295	1,939	3,401	33,802	39,141	198,815	237,957	411,668	649,625
Occupancy Expenses													
Utilities	55,778	71,189	77,558	19,835	6,784	231,144	7,979	11,142	250,264	44,981	295,245	-	295,245
Telephone	5,555	5,530	8,679	2,917	4,704	27,385	3,634	4,427	35,446	2,377	37,823	-	37,823
Mortgage Interest	15,248	108,095	15,367	640	1,671	141,021	5,647	5,239	151,907	7,689	159,597	-	159,597
Rent	177,438	165,693	158,106	82,850	53,853	637,940	-	23,400	661,340	129,058	790,398	-	790,398
Insurance	16,840	27,886	18,934	5,000	1,066	69,726	1,222	1,163	72,111	7,791	79,901	-	79,901
Repairs & Maintenance	83,347	177,326	132,199	23,917	4,947	421,736	27,147	11,709	460,591	21,249	481,840	-	481,840
Depreciation & Amortization	64,738	454,592	71,470	11,921	6,026	608,748	20,144	7,291	636,183	22,414	658,597	-	658,597
Total Occupancy	418,944	1,010,310	482,313	147,081	79,050	2,137,699	65,774	64,370	2,267,843	235,560	2,503,402	-	2,503,402
Total Functional Expenses	$ 1,852,147	$ 2,568,566	$ 1,649,576	$ 864,718	$ 567,417	$ 7,502,424	$ 1,277,519	$ 936,283	$ 9,716,225	$ 3,733,803	$ 13,450,029	$ 411,668	$ 13,861,697

Consolidated Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 1,274,331	$ 896,102
Adjustments to reconcile change in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation and amortization	554,011	554,850
Amortization of right-of-use assets	336,222	-
Amortization of debt issuance costs	-	105,734
Imputed interest expense	14,301	13,571
Realized (gain) loss on investments	(16,253)	56,034
Unrealized (gain) loss on investments	(329,273)	574,004
Gain on New Markets Tax Credit unwind	-	(1,006,655)
Changes in current assets and liabilities:		
Increase in contracts receivable	(1,931,389)	(262,039)
(Increase) decrease in contributions receivable	(5,000)	122,923
(Increase) decrease in prepaid expenses and other current assets	(211,656)	104,678
Increase in other assets	(8,719)	(1,280)
Increase in accounts payable	33,949	254,407
(Decrease) increase in deferred revenue and deferred rent	(31,390)	103,569
Increase in other current liabilities	103,712	255,223
Decrease in operating lease liabilities	(331,399)	-
Net cash, cash equivalents, and restricted cash (used in) provided by operating activities	(548,553)	1,771,121
Cash Flows from Investing Activities		
Purchase of marketable securities	(660,057)	(392,864)
Proceeds on sale of marketable securities	548,004	269,842
Purchase of fixed assets	(242,464)	(13,458)
Buyout of minority interest	-	(50,000)
Net cash, cash equivalents, and restricted cash used in investing activities	(354,517)	(186,480)
Cash Flows from Financing Activities		
Construction loan payments	-	(1,769,499)
Repayments on debt - Mortgage loans	(111,091)	(565,597)
Proceeds on loan with new lender	-	1,691,959
Net cash, cash equivalents, and restricted cash used in financing activities	(111,091)	(643,137)
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(1,014,161)	941,504
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	3,723,552	2,782,048
Cash, Cash Equivalents, and Restricted Cash - End of year	**$ 2,709,391**	**$ 3,723,552**
Consolidated Statement of Financial Position Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	$ 2,444,598	$ 3,467,545
IHDA escrow	218,225	211,261
Security deposit	38,380	33,895
Cash held for others	8,188	10,851
Total cash, cash equivalents, and restricted cash	**$ 2,709,391**	**$ 3,723,552**
Supplemental Cash Flow Information - Interest paid	$ 32,984	$ 127,265

See notes to consolidated financial statements.

Note 1 - Nature of Business

WINGS Program, Inc. (WINGS) provides housing and supportive services, some through community-based services, for families who are fleeing the devastating effects of domestic violence, the major cause of homelessness among women and children. Supportive services provided include counseling, job training, skills for living, and children-focused services, all designed to promote financial and emotional independence. WINGS received 34 percent and 51 percent of its total revenue from contributions for the years ended June 30, 2023 and 2022, respectively, and 66 percent and 49 percent of its total revenue from government contracts for the years ended June 30, 2023 and 2022, respectively. The remainder of WINGS' revenue is from special events, resale, United Way, program fees, and investment income.

On July 3, 2014, WINGS Metro, LLC (the "LLC") was formed for the purpose of constructing and redeveloping the property located at 3501-3519 West 63rd Street in the Chicago Lawn neighborhood on the southwest side of Chicago (the "Redevelopment Project").

The Redevelopment Project was completed in February 2016. The property is leased by the LLC to a related party and is operated as a mixed-use facility (the "Project") consisting of four basic components as follows:

1. The Shelter - A 40-bed supportive housing facility with 24-hour staff to provide support services for women in need

2. Stage 2 Housing - Three units of rental housing for residents leaving the Shelter or similarly situated individuals and families

3. Office space - Offices for counseling and other social services to serve the current and former residents of the Shelter and similarly situated individuals

4. Retail space - Commercial retail space of approximately 4,630 square feet to support operations of the Shelter and the Stage 2 Housing

In prior years, the LLC consisted of two members - WINGS Program, Inc. and GSDC DV, LLC (the "Manager"); the members had a 95 percent and 5 percent interest, respectively, in the LLC. Profits and losses, after compensation of the Manager, were generally allocated based on the membership interest percentages. On May 20, 2022, WINGS Program, Inc. purchased GSDC DV, LLC's interest in the LLC.

On July 23, 2014, WM Initiatives LLC (WMI) was formed for the purpose of operating a domestic shelter and extended-stay housing in the building being constructed and managed by the LLC. The LLC (the "landlord") entered into a lease with WM Initiatives LLC (the "Lessee") on April 8, 2015. The Lessee is a related party, as it is wholly owned by Wings Program, Inc., a member of the LLC. The lease is for the Shelter, Stage 2 Housing, and office space of the Project, as discussed above. The initial term commenced on February 14, 2016 and continues for a period of 10 years thereafter. Base rent for the lease period shall equal the landlord's debt service for the premises plus the Lessee's share of operating expenses, less the total amount of rent (base rent and operating expenses) due from the retail space tenants, as discussed above.

On April 13, 2022, WINGS Program, Inc. exercised the put/call option relating to the New Markets Tax Credit Program, in which the investor put its interest into the USBCDC Investment Fund 150, LLC (the "Investment Fund") to Wings Metro, LLC, as described in Note 11.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of WINGS, WMI, and the Investment Fund (collectively, the "Organizations"). All significant intercompany transactions and balances have been eliminated in consolidation.

Note 2 - Significant Accounting Policies (Continued)

Basis of Presentation

The consolidated financial statements of WINGS have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

The net assets of WINGS are classified as follows:

- Net assets without donor restrictions - Represent the portion of expendable net assets that are available for operations. Contributed net assets that relate to fixed assets are also recorded as unrestricted at the time of their receipt. These net assets may be used at the discretion of management. As of June 30, 2023 and 2022, the board-designated amount is used to satisfy operating reserve requirements.
- Net assets with donor restrictions - Represent contributed net assets for which donor-imposed time and purpose restrictions have not been met. Some donor restrictions are temporary in nature; those restrictions will be met by actions of WINGS Program, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles (U.S. GAAP) 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, WINGS considers its checking, unrestricted money market, and petty cash to be cash and cash equivalents.

Restricted Cash/Cash Held for Others

The LLC, under the terms of its loan agreements disclosed in Note 11, has agreed to maintain a restricted cash balance to cover quarterly management fees. Cash held for others represents cash held for a similarly focused, newly formed nonprofit organization. WINGS serves as a fiscal agent for this new nonprofit and pays program expenses on behalf of the organization.

Investments - Restricted for Endowment

Investments are reported at their fair values in the consolidated statement of financial position. Donated investments are recorded at their fair value as of the date of contribution. Changes in unrealized gains and losses are included in the accompanying consolidated statement of activities. The investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term that could materially affect the amounts reported in the consolidated financial statements. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. No impairment losses were recognized for the years ended June 30, 2023 and 2022.

Government Contracts Receivable

WINGS has receivables from government contracts that arise in the normal course of business. It is the policy of management to review the outstanding contracts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. In 2023 and 2022, there was no allowance recorded.

Note 2 - Significant Accounting Policies (Continued)

Loan Receivable

The loan receivable is stated at unpaid principal balances less an allowance for loan losses. Interest is recognized over the term of the loan and is calculated using the simple interest method. Management considers a note impaired when, based on current information or factors (such as payment history, value of collateral, and assessment of the customer's current creditworthiness), it is probable that the principal and interest payments will not be collected according to the loan agreement. Management does not consider its loan receivable to be impaired.

The carrying amount of the loan receivable would be reduced by an allowance for loan losses if management, based on its evaluation of the collectibility of the loan receivable, including the nature of the loan, economic conditions, and other risks inherent in the loan receivable, deems all or a portion of the loan receivable to be uncollectible. Due to the New Markets Tax Credit unwind described in Note 11, during the year ended June 30, 2022, the loan receivable eliminates with a loan payable of the newly acquired Investment Fund.

Fixed Assets

Fixed assets are carried at cost for current additions, if purchased, or at fair value, if contributed. Depreciation is computed using the straight-line method over 5 to 40 years for improvements, 40 years for buildings, 5 to 20 years for computer equipment and furniture and office equipment, and 5 years for vehicles. Maintenance, repairs, and minor renewals are expensed as incurred. When fixed assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts, and any gain or loss on disposition is credited or charged to operations.

Contributed Nonfinancial Assets

The value of donated food has been estimated by the Organizations and recorded as in-kind revenue and expenses. Donated professional services offered at the Organizations that are coordinated with the activities of other third-party health and welfare organizations are not reflected in the consolidated financial statements. The Organizations also receive donated goods in their resale stores, which are sold and valued based on the subsequent sales revenue recorded by the stores. See Note 14 for further details.

Timeshare Membership

Timeshare membership reflects the fair value of a donated timeshare unit, which is being amortized using the straight-line method over the finite life of the use of the timeshare unit, which is 100 years.

Debt Issuance Costs and Amortization

Debt issuance costs are amortized over the life of the loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs. However, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Leases

The Organizations have operating leases for their resale stores. The Organizations recognize expense for operating leases on a straight-line basis over the lease term. The Organizations recognized operating lease right-of-use assets and related operating lease liabilities equal to the present value of the fixed rental payments over the term of the lease. Operating right-of-use assets are amortized over the remaining term of the lease.

The Organizations have operating leases for program residencies with a lease term of one year or less that the Organizations elected to account for as short-term leases. As these leases are short-term leases, they are not included in the right-of-use asset and lease liability. Total expense related to short-term leases was $696,212 and $584,306 for 2023 and 2022, respectively.

Note 2 - Significant Accounting Policies (Continued)

The Organizations elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all resale operating leases.

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 restrictions. Support restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (i.e., 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 consolidated statement of activities as net assets released from restrictions.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. 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 discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. The contributions receivable as of June 30, 2023 and 2022 were approximately $450,000 and $400,000, respectively. The Organizations have recorded a net present value discount of approximately $33,000 as of June 30, 2023 and 2022. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. In 2023 and 2022, there was no allowance recorded.

Government Contracts

WINGS enters into contracts with certain governmental and private agencies, which are conditioned upon the incurrence of allowable, qualifying expenses. Amounts received are recognized when WINGS has incurred expenditures in compliance with specific contract or grant provisions. Amounts that have not been awarded, but not yet recognized as revenue are treated as conditional contributions and are not reflected in the accompanying financial statements. As of June 30, 2023, WINGS is eligible to receive and recognize approximately $2,080,000 of these conditional contributions upon the occurrence of future qualifying expenses.

The activities of WINGS relating to certain contracts are subject to review or audit by the responsible governmental agency to determine compliance with award documents and may be subject to possible adjustments based on negotiations with the funding agencies. WINGS has not provided allowances in the consolidated financial statements for potential adjustments since such amounts, if any, are not expected to be significant.

Revenue Recognition for Contracts with Customers

The Organizations' revenue streams under contracts with customers are composed of program service fees and resale store sales.

The program service fees relate to monthly rental fee to be recognized at point in time.

During the years ended June 30, 2023 and 2022, the Organizations recognized revenue from contracts with customers of $2,687,131 and $2,427,367, respectively, that includes resale store sales. The Organizations did not recognize any impairment losses on trade receivables for the years ended June 30, 2023 and 2022.

Note 2 - Significant Accounting Policies (Continued)

Revenue recorded for resale store sales is recorded based on the sale price of goods and services sold and is recorded at the point in time when the sale occurs. Cash is due at the time of sale, and the Organizations do not allow returns or refunds to customers, who predominantly are individuals. The Organizations did not have any trade receivables or contract liabilities recorded at June 30, 2023; June 30, 2022; and July 1, 2022.

Imputed Interest

WINGS entered into a non-interest-bearing note payable with the Illinois Housing Development Authority (IHDA). In the year that the loan was issued, interest was imputed at the effective rate, resulting in temporarily restricted contribution revenue. Each year, as the interest expense is recognized, the corresponding amount of temporarily restricted revenue is released to unrestricted revenue. WINGS determined its rate for valuation purposes as a rate at which it can obtain financing of a similar nature from other sources at the date of the transaction. The difference between the present value and the face amount of the note payable shall be treated as a discount and amortized as interest expense over the life of the note in such a way as to result in a constant rate of interest when applied to the amount outstanding at the beginning of any given period. The rate remains unchanged throughout the term of the respective note.

Taxes Collected from Customers

WINGS collects sales tax from its customers that is remitted to the state governmental authority when due. WINGS' policy is to record sales tax collected from customers as a component of resale income on the consolidated statement of activities, with the corresponding expense as a component of direct resale costs on that same statement. For the years ended June 30, 2023 and 2022, sales tax amounted to $216,552 and $194,226, respectively.

Income Taxes

Not-for-profit: WINGS is exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). In addition, WINGS qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under IRC Section 509(a)(1).

As described in Note 1, as of May 20, 2022, WINGS Metro, LLC is considered a single member LLC and is consolidated with WINGS for financial reporting purposes. As a result, the LLC is a disregarded entity for income tax purposes. Together they are exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). No provision or benefit for income taxes is included in these consolidated financial statements. Prior to May 20, 2022, WINGS Metro, LLC was treated as a partnership for federal income tax purposes. Consequently, federal income taxes were not payable or provided for by the LLC. Members were taxed individually on their pro rata share of the LLC's earnings. The LLC's income or loss was allocated among the members in accordance with the LLC operating agreement.

WM Initiatives LLC and USBCDC Investment Fund 150, LLC: WMI and the Investment Fund are single-member LLC's that are treated as disregarded entities for income tax purposes. Therefore, no provision or benefit for income taxes is included in these consolidated financial statements since taxable income or loss passes through to, and is reportable by, the members individually.

- Salaries and other personnel costs for support departments - Based on time and effort spent by employee within each function
- Occupancy and operational costs of resale stores - Based on square footage and relative benefit to each program
- Occupancy costs of main office - Based on the staff count to various cost centers

Note 2 - Significant Accounting Policies (Continued)

Impairment of Long-lived Assets

The Organizations review the long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less than annually. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Endowment

U.S. GAAP addresses the net asset classification of donor-restricted endowment funds for organizations subject to the State Prudent Management of Institutional Funds Act (SPMIFA). A key component of SPMIFA is a requirement to clarify the portion of the donor-designated endowment fund that is not classified as with donor restrictions to be maintained in perpetuity as with donor restrictions and subject to appropriation until appropriated for expenditure.

Functional Allocation of Expenses

In the consolidated statement of functional expenses, expenses are charged first to the various program and support services on the basis of actual expense. Expenses are then allocated based on various criteria, such as relative program salaries and/or service units provided. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount. Some costs have been allocated between the various program and support services on several bases and estimates.

Reclassification

Certain 2022 amounts have been reclassified to conform to the 2023 presentation. Donations of goods that are sold in WINGS' resale stores have been recorded as in-kind contribution revenue with a corresponding cost of sales. Additionally, 2022 resale store sales are now presented gross of the associated costs of operating the stores. Total operating costs for the stores and costs of goods sold are reflected on the accompanying consolidated statement of functional expense. The total impact was a $3,733,803 increase to both revenue and expenses.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including October 9, 2023, which is the date the consolidated financial statements were issued.

Note 3 - Adoption of New Accounting Pronouncement

As of July 1, 2022, the Organizations adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases*. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The Organizations elected to adopt the ASU using the modified retrospective method as of July 1, 2022 and applied the following practical expedients:

- The Organizations did not reassess if expired or existing contracts are or contain a lease.
- The Organizations did not reassess the lease classification for expired or existing leases.
- The Organizations did not reassess initial direct costs for any existing leases.
- The Organizations used hindsight to determine the lease term and to assess impairment of the right-of-use assets for existing leases.

Note 3 - Adoption of New Accounting Pronouncement (Continued)

As a result of the adoption of the ASU, the Organizations recorded a right-of-use asset of $3,088,620 and a lease liability of $3,178,688 as of July 1, 2022 for existing operating leases. There was no impact on net assets as a result of adopting the new ASU.

Note 4 - Commitments

Not-for-profit

WINGS enters into contracts for space for its events in advance. As of June 30, 2023 and 2022, WINGS is liable for $45,000 and $42,000, respectively, in the event of cancellation of all its upcoming events.

WINGS Metro, LLC

The LLC has grants and land awarded by the City of Chicago, Illinois (the "City") and the Chicago Low-Income Housing Trust Fund that are contingent on the LLC's ability to maintain compliance with applicable provisions defined in the grant and Regulatory Agreements.

City of Chicago Department of Planning and Development (DPD)

The amount of the construction grant awarded by DPD totaled $1,226,016, which has been funded to the LLC. There are certain construction benchmark requirements to receive funds, as defined by the construction grant agreement.

The grant requires that, in the event of default, the full amount of the grant not forgiven under the terms of the agreement shall be immediately recoverable by the City. A portion of the grant, $600,000, shall be forgiven on the first day of the fifth anniversary of the construction completion date (completion date is considered to be February 14, 2016). The remainder of the grant shall be forgiven upon the first day of the 10th anniversary of the construction completion date, provided that no event of default has occurred pursuant to the grant documents.

Grant income recognized related to the DPD grant was $0 and $(32,980) for the years ended June 30, 2023 and 2022, respectively. Deferred grant revenue related to the DPD grant is $600,000 at June 30, 2023 and 2022.

Chicago Low-income Housing Trust Fund (CLIHTF)

The amount of the construction grant awarded by CLIHTF totaled $400,000, which has been funded to the LLC.

Provided that no event of default has occurred, as defined by the grant documents and Regulatory Agreement, beginning on the first anniversary after the completion date, and annually thereafter during the project term, the LLC shall be deemed to have earned a portion of the grant in an amount equal to $20,000 each year. Any portion of the grant not forgiven shall be recapturable on the expiration of the project term, as defined in the grant agreement.

Grant income recognized related to the CLIHTF grant was $0 and $12,498 for the years ended June 30, 2023 and 2022, respectively. Deferred grant revenue related to the CLIHTF grant is $280,000 at June 30, 2023 and 2022.

The LLC recorded the receipt of all grant funds as of June 30, 2016, which totaled $1,626,016, as deferred revenue until the commencement of operations of the facility began on February 14, 2016. The LLC is recognizing the grant income on a straight-line basis over the terms of each grant.

City of Chicago, Illinois Donated Land

Land was donated to the LLC from the City of Chicago, Illinois on April 1, 2015, with the understanding that the Redevelopment Project and the Project would operate in accordance with all related city agreements and grants executed and entered into by the City, the LLC, and the LLC's members.

Note 4 - Commitments (Continued)

It was determined at the time of the donation that the estimated fair value of the land was $170,000. The LLC recorded the land at its fair value at the time of transfer in the accompanying financial statements as donation revenue. The land was reconveyed back to the City of Chicago, Illinois as collateral until the forgiveness period of the grants awarded expires; however, the LLC believes that recording the land as an asset of the LLC is appropriate at June 30, 2023 and 2022 due to the remote likelihood of noncompliance and default of the grant agreements.

Note 5 - Concentration of Credit Risk

WINGS maintains the majority of its cash at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2023 and 2022, WINGS' uninsured cash balance totaled $902,206 and $1,294,783, respectively.

Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that WINGS has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. WINGS' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Level 1 includes mutual funds, marketable equities, structure securities, and equity funds for which quoted market prices are available in an active market.

WINGS currently uses no Level 2 or 3 inputs.

Note 6 - Fair Value Measurements (Continued)

The following tables present information about WINGS' assets measured at fair value on a recurring basis at June 30, 2023 and 2022 and the valuation techniques used by WINGS to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Investments				
Mutual funds:				
U.S. fixed income	$ 209,056	$ -	$ -	$ 209,056
International bonds	290,000	-	-	290,000
Total mutual funds	499,056	-	-	499,056
Equities:				
U.S. large cap	1,743,152	-	-	1,743,152
U.S. mid cap	449,792	-	-	449,792
U.S. small cap	272,217	-	-	272,217
Emerging market	303,627	-	-	303,627
Global	156,495	-	-	156,495
Energy infrastructure	149,126	-	-	149,126
Total equities	3,074,409	-	-	3,074,409
Real estate funds	119,737	-	-	119,737
Equity funds	650,456	-	-	650,456
Total investments	$ 4,343,658	$ -	$ -	$ 4,343,658

Note 6 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Investments				
Mutual funds:				
U.S. fixed income	$ 293,787	$ -	$ -	$ 293,787
International bonds	257,343	-	-	257,343
High-yield bonds	97,663	-	-	97,663
Total mutual funds	648,793	-	-	648,793
Equities:				
U.S. large cap	1,363,644	-	-	1,363,644
U.S. mid cap	303,206	-	-	303,206
U.S. small cap	243,916	-	-	243,916
Emerging market	288,877	-	-	288,877
Global	171,946	-	-	171,946
Energy infrastructure	132,520	-	-	132,520
Total equities	2,504,109	-	-	2,504,109
Real estate funds	125,891	-	-	125,891
Equity funds	597,726	-	-	597,726
Total investments	$ 3,876,519	$ -	$ -	$ 3,876,519

Not included in the above table is $5,198 and $14,758 of money market funds as of June 30, 2023 and 2022, respectively. WINGS considers money market funds held in brokerage accounts to be comparable to cash, which can be used to buy or sell investments in marketable equity securities or fixed-income securities.

Note 7 - Fixed Assets

The cost of the Organizations' fixed assets as of June 30, 2023 and 2022 was as follows:

	2023	2022
Land	$ 1,191,989	$ 1,191,989
WINGS Metro, LLC land and improvements	383,743	383,743
Buildings and improvements	14,575,128	14,575,128
Furniture and fixtures	432,828	432,828
Computer equipment and software	220,285	222,733
Vehicles	170,832	53,121
Construction in progress	117,719	12,919
Total cost	17,092,524	16,872,461
Less accumulated depreciation	5,071,443	4,539,833
Net book value	$ 12,021,081	$ 12,332,628

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was $554,011 and $554,850, respectively.

Note 8 - Line of Credit

On September 20, 2012, WINGS entered into a secured revolving line of credit agreement with JPMorgan Chase Bank, N.A. to expire on October 1, 2013. The line of credit is not to exceed $250,000 and bears an interest rate of 4.75 percent. It was renewed until October 1, 2018 and automatically renewed for one-year terms on an annual basis. The loan was collateralized by the mortgage and assignment of all rents of real property located in Park Ridge, Rolling Meadows, and Barrington. On April 19, 2022, the line of credit was closed.

On May 3, 2022, WINGS entered into a secured revolving line of credit agreement with Wintrust Bank, N.A. to expire on May 3, 2029. The line of credit is not to exceed $750,000 and bears a variable interest rate not to be less than 2.99 percent. The line is collateralized by substantially all assets of WINGS. As of June 30, 2023 and 2022, there was no outstanding balance.

Note 9 - Mortgage Loans and Other Notes Payable

Mortgage loans payable at June 30, 2023 and 2022 are as follows:

	2023	2022
IHDA mortgage loan dated March 1, 2003 for $468,000, with $100 payable monthly with no interest; due on January 31, 2034 and secured by the building at 7920 Niles Avenue, Skokie, Illinois. The mortgage agreement requires an escrow reserve for a working capital reserve. Total amount due as of June 30, 2023 and 2022 was $448,300. Imputed interest as of June 30, 2023 and 2022 was $190,665 and $204,966, respectively, at 5.75 percent	$ 254,035	$ 240,934
On August 25, 2014, WINGS received property at 7000 Plumtree Lane, Hanover Park, Illinois with a loan attached. The property needs to be operated in compliance with the Neighborhood Stabilization Program until December 16, 2026, at which time the entire loan will be forgiven	179,227	179,227
On August 25, 2014, WINGS received property at 1623 McKool Avenue, Streamwood, Illinois with a loan attached. The property needs to be operated in compliance with the Neighborhood Stabilization Program until December 15, 2025, at which time the entire loan will be forgiven	149,752	149,752
JPMorgan Chase Bank, N.A. mortgage loan dated July 28, 2014 for $350,000, with $1,888.11 payable monthly, including interest at 2.68 percent; due on August 1, 2019 and secured by property at 1265 Oakton, Elk Grove, Illinois. This loan was refinanced on August 7, 2019 with a principal balance of $294,191 and $2,286.47 payable monthly, including interest at a rate of 2.435 percent per annum; due on August 9, 2024. This loan agreement is subject to certain financial covenants related to debt service coverage ratio	234,014	251,535
Wintrust Bank, N.A. loan dated May 3, 2022 for $496,811, with $3,564.40 payable monthly, including interest at 3.50 percent; due on May 3, 2029	469,065	494,696
Wintrust Bank, N.A. loan dated June 10, 2022 for $1,195,147, with $8,574.18 payable monthly, including interest at 3.50 percent; due on June 10, 2029	1,128,408	1,195,147
Total mortgage loans payable	$ 2,414,501	$ 2,511,291

Note 9 - Mortgage Loans and Other Notes Payable (Continued)

Maturities of the mortgage loans are as follows:

Years Ending	Amount
2024	$ 112,483
2025	306,762
2026	246,835
2027	279,836
2028	104,264
Thereafter	1,552,142
Less interest factor	(187,821)
Total	$ 2,414,501

For the years ended June 30, 2023 and 2022, WINGS paid interest for all mortgage loans payable and the line of credit in Note 8 in the amount of $51,744 and $38,643, respectively. The remainder was imputed interest expense related to the interest-free notes.

Note 10 - Construction Loan Payable

The LLC entered into a $4,000,000 construction loan with its lender on April 8, 2015. The promissory note allowed advances to be taken under the note from the date of commencement through April 15, 2017 (the "Draw Period"). On April 24, 2017, the LLC renegotiated the construction loan into a new promissory note with the lender. The note extended the Draw Period to October 15, 2017. Total draws amounted to $3,510,345 as of June 30, 2016. No additional amounts were drawn in 2017. The note required principal-only payments of $300,000 on or before April 15, 2017; $300,000 on or before July 15, 2017; and $600,000 on or before October 15, 2017. Beginning on November 15, 2017, monthly principal and interest payments of approximately $29,000 were required through November 15, 2018. Then, beginning on November 15, 2018, monthly principal and interest payments of approximately $17,000 were required through the maturity date of April 15, 2022, at which time any and all principal and interest became due. The interest rate of the note was the London Interbank Offered Rate (LIBOR) plus 2.47 percent (an effective rate of 2.56 percent at June 30, 2022), and the note was collateralized by substantially all of the assets of the LLC. WINGS Program, Inc. was the guarantor on the note. A total of $44,716 of interest was expensed as a period cost for the year ended 2022. As of June 30, 2022, the construction loan was paid in full and no outstanding balance remains.

Note 11 - New Markets Tax Credit Program and Financing

The New Markets Tax Credit (NMTC) program was designed to stimulate investment and economic growth in low-income communities by offering taxpayers a 39 percent tax credit against federal income taxes over a seven-year period for qualified equity investments (QEIs) in designated community development entities (CDEs). The CDEs received NMTC allocations pursuant to Section 45D of the Internal Revenue Code. These designated CDEs must use substantially all of the proceeds to make qualified low income community investments (QLICIs). To earn the tax credit, the QEI must remain invested in the CDE for a seven-year period. Also, the entity receiving the loans needs to be treated as a qualified active low income community business (QALICB) for the duration of the seven-year period. The QALICB requirements are outlined in Treasury Regulation Section 1.45D-1(d)(4)(i).

On March 31, 2016, the LLC entered into a debt transaction to access additional funds through the NMTC program. The LLC, as the QALICB in this transaction, received $5,000,000 in the form of two QLICI loans from PNBI Subsidiary CDE11, LLC (a sub-CDE of the tax credit investor, U.S. Bank National Association). These funds were used for the construction of the Redevelopment Project, as discussed in Note 1.

Note 11 - New Markets Tax Credit Program and Financing (Continued)

PNBI QLICI Loan A, in the amount of $3,993,345, required quarterly interest-only payments of $13,964 through June 30, 2022. Interest was at a fixed rate of 1.39 percent, and interest expense as of June 30, 2023 and 2022 was $0 and $43,909, respectively.

PNBI QLICI Loan B, in the amount of $1,006,655, required quarterly interest-only payments of $3,520 through June 30, 2022. Interest was at a fixed rate of 1.39 percent, and interest expense as of June 30, 2023 and 2022 was $0 and $11,068, respectively.

Unamortized debt issuance costs related to the loans amounted to $0 as of June 30, 2023 and 2022, respectively.

The transaction was subject to a put/call option. U.S. Bank National Association, the tax credit investor (TCI), had a put option whereby, upon exercise of the option after the last day of the tax credit investment period, the LLC is obligated to purchase the TCI's 100 percent interest in USBCDC Investment Fund 150, LLC; the state investment fund; and CDE for $1,000. At the end of the seven-year tax credit investment period, the LLC has the call option whereby, if exercised, it has the right to purchase the TCI's 100 percent membership interest in USBCDC Investment Fund 150, LLC at fair value.

As part of the NMTC program, WINGS Program, Inc. finalized an agreement on March 31, 2016 to lend $3,993,345 to USBCDC Investment Fund 150, LLC, wholly owned by U.S. Bank National Association. The loan receivable balance was $0 and $3,993,345 as of June 30, 2023 and 2022, respectively.

On April 13, 2022, WINGS Program, Inc. exercised the put/call option in which TCI, the tax credit investor, put its interest in the USBCDC Investment Fund 150, LLC to the QALICB. The PNBI Subsidiary CDE 11, LLC liquidated and distributed Loan A and Loan B to the Investment Fund. The Investment Fund then assigned Loan A to the leverage lender, WINGS Program, Inc., in satisfaction of the leverage loan. The Investment Fund liquidated and distributed Loan B to the QALICB, WINGS Metro, LLC. The loan receivable and payable are all with related parties and eliminated in consolidation. The QALICB, WINGS Metro, LLC, has a gain of $1,006,655 on the New Markets Tax Credit unwind as a result of acquiring the Investment Fund.

Note 12 - Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2023	2022
Subject to expenditures for a specified purpose or time restrictions:		
McCabe House	$ 146,105	$ 148,944
Building Safer Futures Fund	905,817	919,610
A New Direction	215,889	247,352
Restricted to programs	836,499	843,460
Fire Relief Fund	201,798	201,798
Endowment earnings	2,703,639	2,229,981
Interfund borrowing interest	28,475	26,130
Imputed interest	192,116	206,417
Total subject to expenditures for a specified purpose or time restrictions	5,230,338	4,823,692
Not subject to appropriation or expenditure:		
Contributed property	222,750	222,750
Endowment funds	2,336,337	2,336,337
Total not subject to appropriation or expenditure	2,559,087	2,559,087
Total net assets with donor restrictions	$ 7,789,425	$ 7,382,779

Note 12 - Net Assets with Donor Restrictions (Continued)

During July 2017, WINGS borrowed $300,000 from the restricted to programs fund in order to pay off a portion of its construction loan payable. Interest expense was calculated at a rate of 2.68 percent for 2023 and 2022, which resulted in interest expense of $2,345 and $2,680, respectively. The outstanding loan as of June 30, 2023 and 2022 was $128,475 and $126,130, respectively.

Note 13 - Endowment

WINGS' endowment consists of five donor-restricted individual funds established to ensure the future of WINGS. As required by U.S. GAAP, these funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

WINGS is subject to the State Prudent Management of Institutional Funds Act and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of WINGS had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, WINGS considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. WINGS has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, WINGS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of WINGS and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of WINGS
- The investment policies of WINGS

Return Objectives and Risk Parameters

The investment objective of the endowment assets is to ensure that the future growth of these assets is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for future generations. It is expected that the endowment funds, over time, will provide an average rate of return of approximately 5 percent annually above the Consumer Price Index (CPI). Actual returns in any given year may vary from this amount.

During October 2017, WINGS borrowed $600,000 from its accumulated endowment earnings in order to pay off a portion of its construction loan payable. Interest expense was calculated at a rate of 2.68 percent for 2023 and 2022, which resulted in interest expense of $16,080. The balance of the endowment loan was $691,120 and $675,040 as of June 30, 2023 and 2022, respectively. WINGS is currently in pursuit of state capital funding to repay the remaining loan balance.

Note 13 - Endowment (Continued)

Spending Policy and Relationship with Investment Objectives

It is WINGS' policy to have available for annual discretionary distribution 5 percent of a trailing three-year or five-year average of the endowment's total asset value, with the understanding that this spending rate plus inflation will not normally exceed total return from investment. There were no appropriations in 2023 and 2022.

Strategies Employed for Achieving Objectives

WINGS has established investment policies, guidelines, and restrictions that serve as a framework to help the endowment and its investment managers achieve the investment objectives at an acceptable level of risk. The general policy is to diversify investments among equity securities and fixed-income securities to provide a balance that will enhance total return while avoiding undue risk from concentration in any single asset class or investment category.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires to be retained as a fund of perpetual duration. There were no deficiencies as of June 30, 2023 and 2022.

Information regarding the endowment net assets as of June 30, 2023 and 2022 and changes in endowment net assets for the years then ended is as follows:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2023			
	Without Donor Restrictions	With Donor Restrictions and Subject to Appropriation	With Donor Restrictions to be Maintained in Perpetuity	Total
Donor-designated endowment funds	$ (691,120)	$ 2,703,639	$ 2,336,337	$ 4,348,856

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023			
	Without Donor Restrictions	With Donor Restrictions and Subject to Appropriation	With Donor Restrictions to be Maintained in Perpetuity	Total
Endowment net assets - Beginning of year	$ (675,040)	$ 2,229,980	$ 2,336,337	$ 3,891,277
Investment income	-	140,262	-	140,262
Investment expense	-	(16,627)	-	(16,627)
Interfund borrowing interest expense	(16,080)	16,080	-	-
Net appreciation (realized and unrealized)	-	333,944	-	333,944
Endowment net assets - End of year	$ (691,120)	$ 2,703,639	$ 2,336,337	$ 4,348,856

Note 13 - Endowment (Continued)

	Endowment Net Asset Composition by Type of Fund as of June 30, 2022			
	Without Donor Restrictions	With Donor Restrictions and Subject to Appropriation	With Donor Restrictions to be Maintained in Perpetuity	Total
Donor-designated endowment funds	$ (675,040)	$ 2,229,980	$ 2,336,337	$ 3,891,277

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2022			
	Without Donor Restrictions	With Donor Restrictions and Subject to Appropriation	With Donor Restrictions to be Maintained in Perpetuity	Total
Endowment net assets - Beginning of year	$ (658,960)	$ 2,720,917	$ 2,336,337	$ 4,398,294
Investment income	-	136,992	-	136,992
Investment expense	-	(13,968)	-	(13,968)
Interfund borrowing interest expense	(16,080)	16,080	-	-
Net depreciation (realized and unrealized)	-	(630,041)	-	(630,041)
Endowment net assets - End of year	$ (675,040)	$ 2,229,980	$ 2,336,337	$ 3,891,277

Note 14 - Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the consolidated statement of activities consisted of the following for June 30:

	2023	2022
Goods	$ 2,863,399	$ 2,278,428
Gift certificates	15,208	15,895
Services	19,815	161,591
Facilities	21,569	20,585
Total	$ 2,919,991	$ 2,476,499

Contributed goods are comprised of donated clothing, furniture, and household items for resale stores and food donated and distributed to program members. The goods are valued and recorded at their estimated fair value in the financial statements based on market value for similar priced goods at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Conditional transfers of assets are recognized when the conditions upon which they depend are substantially met. During the years ended June 30, 2023 and 2022, WINGS received in-kind donations of goods totaling $2,863,399 and $2,278,428, respectively. In-kind cost of goods sold expense of $2,470,367 and $1,964,877 was recorded at the time of sale during 2023 and 2022, respectively.

Contributed gift cards are valued and recorded based on the market value of the gift card at the date of donation and are used for program needs. During the years ended June 30, 2023 and 2022, WINGS received donations of gift certificates of $15,208 and $15,895, respectively.

Note 14 - Contributed Nonfinancial Assets (Continued)

Contributed services comprise of services that enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. The contributed services are valued and recorded at their estimated fair value in the financial statements based on current rates for similar professional services. During the years ended June 30, 2023 and 2022, WINGS recorded donated services of $19,815 and $161,591, respectively.

Contributed use of facilities are valued and recorded at is estimated fair value in the financial statements based on market rental rates for similar real estate properties in the area. Such donations are reported as unrestricted support. During the years ended June 30, 2023 and 2022, WINGS received donated use of facilities valued at $21,569 and $20,585, respectively.

WINGS received 47,305 and 41,638 hours of volunteer time in the years ended June 30, 2023 and 2022, respectively. While some of this time was from professional services, the value of all such services is not estimable. The majority of the donated services are not considered specialized or as enhancements to a nonfinancial asset and, thus, are not recorded in the consolidated financial statements.

Note 15 - Leases

In June 2014, WINGS entered into an operating lease agreement effective September 26, 2014 for the resale store at 300 West Golf Road, Schaumburg, Illinois for five years. On April 3, 2017, an amendment was signed adding space and extending the lease for two and a half more years. On September 21, 2021, an amendment was signed extending the lease for eight years to July 31, 2029. Monthly rent expense is $13,883, plus an annually determined amount for common area costs, as well as real estate taxes.

In December 2014, WINGS extended its operating lease agreement effective June 1, 2015 for the resale store at 8349 West Golf Road, Niles, Illinois for five years. On May 29, 2019, the lease was extended for five more years to May 31, 2025. Monthly rent expense is $9,572, plus an annually determined amount for common area costs, as well as real estate taxes.

In March 2015, WINGS entered into an operating lease agreement effective June 1, 2015 for the resale store at 1302 North Rand Road, Prospect Heights, Illinois for five years. On August 31, 2020, an amendment was signed adding space and extending the lease for five and a half more years. Monthly rent expense is $17,270, plus an annually determined amount for common area costs as well as real estate taxes.

In connection with the operating leases for 1302 North Rand Road and 300 West Golf Road, the Organizations were granted lease incentives related to deferred rent. Lease incentives are treated as a reduction of the right-of-use asset and are recognized as a reduction in lease expense on a straight-line basis over the term of the lease.

There are numerous one-year operating leases for program residences as of June 30, 2023. These are funded under contracts with the U.S. Department of Housing and Urban Development, as well as collaborations with other community agencies.

The right-of-use asset and related lease liability have been calculated using discount rates ranging from 2.88 percent to 2.92 percent. The leases require the Organizations to pay taxes, utilities, and maintenance costs. Total rent expense under these leases was $1,383,382 and $1,427,184 for 2023 and 2022, respectively.

Note 15 - Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending June 30	Amount
2024	$ 423,057
2025	425,404
2026	432,216
2027	441,448
2028	441,650
Thereafter	1,004,755
Total	3,168,530
Less amount representing interest	321,023
Present value of net minimum lease payments	2,847,507
Less current obligations	345,292
Long-term obligations under leases	$ 2,502,215

Expenses recognized under these leases for the year ended December 31, 2023 consist of the following:

Finance lease cost	$ -
Operating lease cost	423,578
Short-term lease cost	696,212
Variable lease cost	263,592
Other information:	
Weighted-average remaining lease term (years) - Operating leases	8.36 years
Weighted-average discount rate - Operating leases	2.9 %

Note 16 - Operating Leases - Lessor

WINGS Program, Inc. purchased real estate located at 5104 Tollview Drive, Suite A on May 6, 2020, which included a lease agreement with the current tenant of the building. WINGS Program, Inc. continues to lease this property to unrelated party under operating leases expiring on March 31, 2023. Upon the expiration date, the lease moves to a month-to-month lease with a 90 day notice of cancellation. Approximately $79,000 of rental income was expected for the years ended June 30, 2023 and 2022. This arrangement terminated with the lease period ended March 31, 2023.

Note 17 - Retirement Plans

WINGS has established a 403(b) plan that allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. At the discretion of the board of directors, WINGS may make a matching contribution. Effective January 1, 2020, the plan was amended to require an employer matching contribution of 25 percent of the first $4,000 contributed by the employee, with a maximum employer contribution of $1,000 per calendar year. For the years ended June 30, 2023 and 2022, the total employer contribution expense was $20,325 and $22,193, respectively.

Note 18 - Grants from Townships and Municipalities

Grants from townships and municipalities for the years ended June 30 consist of the following:

	2023	2022
City of Des Plaines, Illinois	$ -	$ 170
Elk Grove Township	12,500	-
Hanover Township	16,254	6,300
Maine Township	8,000	7,701
Niles Township	-	10,500
Northfield Township	5,700	-
Schaumburg Township	15,000	15,000
Wheeling Township	8,000	9,084
Palatine Township	7,200	7,750
City of Des Plaines	8,703	-
Village of Arlington Heights, Illinois	6,500	9,500
Village of Hanover Park, Illinois	7,000	-
Village of Mt. Prospect, Illinois	5,120	5,130
Village of Palatine, Illinois	1,699	3,646
Village of Schaumburg, Illinois	10,922	(3,151)
Village of Skokie, Illinois	4,660	-
Total	$ 117,258	$ 71,630

Note 19 - Liquidity and Availability of Resources

The following reflects the Organizations' financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or board designations that limit availability within one year of the consolidated statement of financial position date:

	2023	2022
Cash and cash equivalents	$ 2,444,598	$ 3,467,545
Contracts receivable	2,934,267	1,002,878
Contributions receivable - Net	416,679	411,679
Restricted investments	4,348,856	3,891,277
NMTC loan receivable	1,000	-
Financial assets - At year end	10,145,400	8,773,379
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	2,383,006	2,540,657
Endowment funds	5,039,976	4,566,317
Internal designations - Board designations:		
Quasi-endowment fund, primarily for long-term investing	1,421,069	1,100,797
Financial assets available to meet cash needs for general expenditures within one year	$ 1,301,349	$ 565,608

Note 19 - Liquidity and Availability of Resources (Continued)

WINGS receives significant contributions and promises to give restricted by donors and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. WINGS manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. WINGS has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days' operating expenses. WINGS has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 90 days of expected expenditures. To achieve these targets, WINGS forecasts its future cash flows, monitors its liquidity quarterly, and monitors its reserves annually. During the years ended June 30, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements. See Note 8 for more information on the line of credit available for the Organizations' cash needs.

Note 20 - Employee Retention Credit

WINGS Program, Inc. filed for the Employee Retention Credit (ERC) as expanded by the Consolidated Appropriations Act in the amount of $321,504 during fiscal year 2021. The amount has been recorded and recognized as other income on the accompanying consolidated statement of activities during the year ended June 30, 2022. An amount of $27,078 and $227,728 as of June 30, 2023 and 2022, respectively, is still included as an outstanding receivable balance and is included in other assets on the accompanying consolidated statement of financial position.