
WINGS Program, Inc.

Consolidated Financial Report
June 30, 2025

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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, 2025 and 2024 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, 2025 and 2024 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.

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.

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.

To the Board of Directors
WINGS Program, Inc.

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 8, 2025 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 & Moreau, PLLC

October 8, 2025

Consolidated Statement of Financial Position

		June 30, 2025 and 2024	
		2025	2024
Assets			
Current Assets			
Cash and cash equivalents	\$	3,575,384	\$ 3,041,224
Investments - Unrestricted		825,315	790,119
Receivables:			
Government contracts receivable		1,760,312	1,272,670
Contributions receivable		1,051,613	450,000
Total receivables		2,811,925	1,722,670
Assets held for sale		79,000	79,000
Prepaid expenses and other current assets		640,395	840,700
Total current assets		7,932,019	6,473,713
Investments - Restricted		6,312,669	5,746,281
Other Assets		112,818	72,786
Fixed Assets - Net		11,432,709	11,749,112
IHDA Escrow		240,603	229,794
Right-of-use Operating Lease Assets - Net		2,403,003	2,799,439
Total assets	\$	28,433,821	\$ 27,071,125

Consolidated Statement of Financial Position (Continued)

	June 30, 2025 and 2024	
	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 386,265	\$ 358,905
Accrued liabilities and other	635,124	624,232
Current portion of mortgage loans and other notes payable	246,835	309,804
Current portion of lease liabilities - Operating	411,424	403,949
Deferred revenue	378,476	272,000
Other current liabilities	147,586	131,509
Cash held for others	5,687	8,154
Total current liabilities	2,211,397	2,108,553
Mortgage Loans and Other Notes Payable - Net of current portion	1,783,906	2,010,304
Lease Liabilities - Operating	2,086,735	2,490,270
Deferred Grant Revenue	880,000	880,000
Total liabilities	6,962,038	7,489,127
Net Assets		
Without donor restrictions:		
Undesignated	9,889,570	9,647,209
Board designated - End of year	1,747,939	1,394,063
Total net assets without donor restrictions	11,637,509	11,041,272
With donor restrictions	9,834,274	8,540,726
Total net assets	21,471,783	19,581,998
Total liabilities and net assets	\$ 28,433,821	\$ 27,071,125

Consolidated Statement of Activities

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Income						
Government contracts:						
All Chicago	\$ 1,394,511	\$ -	\$ 1,394,511	\$ 519,677	\$ -	\$ 519,677
FHHS	184,685	-	184,685	165,503	-	165,503
FEMA	50,700	-	50,700	55,496	-	55,496
Department of Justice OVAW	259,016	-	259,016	122,933	-	122,933
Cook County CDBG	33,024	-	33,024	27,796	-	27,796
Cook County JAC	503,973	-	503,973	310,423	-	310,423
Townships and Municipalities	107,606	-	107,606	80,111	-	80,111
City of Chicago	725,437	-	725,437	411,096	-	411,096
HUD-CEDV	73,764	-	73,764	65,051	-	65,051
HUD-SHP	1,501,436	-	1,501,436	1,248,505	-	1,248,505
State of IL - Attorney General	158,338	-	158,338	102,428	-	102,428
State of IL - DHS	2,938,686	-	2,938,686	2,825,734	-	2,825,734
State of IL - DCEO	-	-	-	650,000	-	650,000
ICADV - DV Flex Support	25,001	-	25,001	-	-	-
Total government contracts	7,956,177	-	7,956,177	6,584,753	-	6,584,753
Other revenue:						
United Way	35,000	-	35,000	35,000	-	35,000
Contributions of cash and other financial assets	3,862,902	1,631,121	5,494,023	2,363,351	703,580	3,066,931
Contributions of nonfinancial assets	545,193	-	545,193	508,239	-	508,239
Program service fees	65,641	-	65,641	65,094	-	65,094
Special event income (net of direct costs of \$545,704 and \$446,582, respectively)	1,395,242	-	1,395,242	1,264,737	-	1,264,737
Resale store sales	2,865,864	-	2,865,864	2,796,873	-	2,796,873
Contributions of nonfinancial assets - Resale stores	2,637,804	-	2,637,804	2,584,967	-	2,584,967
Total other revenue	11,407,646	1,631,121	13,038,767	9,618,261	703,580	10,321,841
Other income (loss):						
Miscellaneous	15,928	-	15,928	38,794	-	38,794
Partnerships & stipends	87,139	-	87,139	27,083	-	27,083
Investment income	92,940	3,134	96,074	99,746	1,544	101,290
Net assets released from restrictions	1,072,251	(1,072,251)	-	708,458	(708,458)	-
Total other income (loss)	1,268,258	(1,069,117)	199,141	874,081	(706,914)	167,167
Total income (loss)	20,632,081	562,004	21,194,085	17,077,095	(3,334)	17,073,761
Expenses						
Program services:						
Safehouse services	1,943,912	-	1,943,912	1,701,203	-	1,701,203
Safehouse at WINGS Metro	2,079,177	-	2,079,177	2,098,327	-	2,098,327
Transitional services	2,332,832	-	2,332,832	1,743,229	-	1,743,229
Permanent housing	2,878,064	-	2,878,064	1,937,559	-	1,937,559
Community-based services	1,790,600	-	1,790,600	1,098,828	-	1,098,828
Resale stores	5,600,788	-	5,600,788	5,456,635	-	5,456,635
Total program services	16,625,373	-	16,625,373	14,035,781	-	14,035,781

Consolidated Statement of Activities (Continued)

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
General and administrative	\$ 1,869,016	\$ -	\$ 1,869,016	\$ 1,492,038	\$ -	\$ 1,492,038
Development	1,577,098	-	1,577,098	1,229,322	-	1,229,322
Total functional expenses	20,071,487	-	20,071,487	16,757,141	-	16,757,141
Change in Net Assets before Nonoperating Activity	560,594	562,004	1,122,598	319,954	(3,334)	316,620
Investment Income (Loss)						
Interest and dividends	19,385	208,277	227,662	14,873	186,008	200,881
Less investment fees	(2,908)	(21,438)	(24,346)	(1,526)	(4,313)	(5,839)
Realized and unrealized gain on investments	19,166	544,035	563,201	12,406	562,890	575,296
Interfund borrowing interest expense	-	670	670	-	10,050	10,050
Total investment income - Net	35,643	731,544	767,187	25,753	754,635	780,388
Change in Net Assets	596,237	1,293,548	1,889,785	345,707	751,301	1,097,008
Net Assets - Beginning of year	11,041,272	8,540,726	19,581,998	10,695,565	7,789,425	18,484,990
Net Assets - End of year	\$ 11,637,509	\$ 9,834,274	\$ 21,471,783	\$ 11,041,272	\$ 8,540,726	\$ 19,581,998

Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services							General and Administrative		Total Functional Expenses	Special Events	Total Expenses
	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Community-based Services	Permanent Housing	Resale	Total Program	Administrative	Development			
Personnel												
Salaries and wages	\$ 1,073,257	\$ 999,359	\$ 732,670	\$ 989,827	\$ 610,815	\$ 1,204,231	\$ 5,610,159	\$ 1,173,711	\$ 1,001,181	\$ 7,785,051	\$ -	\$ 7,785,051
Payroll taxes	77,785	72,444	53,117	71,875	44,267	87,692	407,180	85,097	72,639	564,916	-	564,916
Health insurance	131,897	95,528	94,221	110,257	78,047	89,404	599,354	110,800	54,880	765,034	-	765,034
Workers compensation	6,802	6,291	4,398	5,692	3,973	35,137	62,293	7,446	6,295	76,034	-	76,034
Miscellaneous employee costs	(6,197)	(4,579)	1,550	20,556	(5,019)	25,590	31,901	71,277	7,808	110,986	-	110,986
Total personnel	1,283,544	1,169,043	885,956	1,198,207	732,083	1,442,054	6,710,887	1,448,331	1,142,803	9,302,021	-	9,302,021
Program Expense	-	-	-	-	-	-	-	-	-	-	-	-
Rent expense	-	-	551,350	18,743	346,900	-	916,993	-	-	916,993	-	916,993
Food expense	48,935	47,585	17,853	-	9,980	-	124,353	-	-	124,353	-	124,353
Client support and other program expense	190,573	106,546	400,476	330,317	1,650,149	-	2,678,061	-	-	2,678,061	-	2,678,061
Cost of goods sold	-	-	-	-	-	2,637,804	2,637,804	-	-	2,637,804	-	2,637,804
Total program expense	239,508	154,131	969,679	349,060	2,007,029	2,637,804	6,357,211	-	-	6,357,211	-	6,357,211
Operations Expense	-	-	-	-	-	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	99,292	-	99,292	-	99,292
Bank fees	-	7	1,686	45	330	85,675	87,743	4,905	41,735	134,383	-	134,383
Periodicals	-	-	-	-	-	-	-	833	175	1,008	-	1,008
Consultants	1,010	40,581	2,485	1,010	1,010	-	46,096	37,491	110,800	194,387	-	194,387
Equipment	10,332	6,404	17,110	-	6,249	4,357	44,452	-	-	44,452	-	44,452
Equipment rental	4,609	4,290	3,415	7,018	3,932	1,455	24,719	5,280	6,259	36,258	-	36,258
Interest expense	-	-	-	-	-	-	-	15,931	-	15,931	-	15,931
Technology	61,978	51,182	43,866	54,583	21,967	46,868	280,444	112,001	41,132	433,577	-	433,577
Legal and accounting	-	3,240	-	42,945	-	1,350	47,535	10,407	371	58,313	-	58,313
Licenses and fees	1,029	268	326	227	189	622	2,661	1,029	218	3,908	-	3,908
Meetings and food	2,714	2,791	1,199	3,886	692	2,983	14,265	14,472	9,531	38,268	-	38,268
Memberships and dues	1	-	655	175	745	584	2,160	1,852	2,773	6,785	-	6,785
Mileage and travel	6,239	4,953	14,827	17,048	26,584	1,628	71,279	3,463	14,828	89,570	-	89,570
Supplies	21,276	23,699	4,664	9,483	1,149	66,150	126,421	15,317	11,048	152,786	-	152,786
Postage	149	225	5	161	2	23	565	2,248	4,125	6,938	-	6,938
Printing	860	1,570	1,399	18,192	935	4,355	27,311	2,402	16,517	46,230	-	46,230
Miscellaneous	-	-	2,247	-	-	-	2,247	953	-	3,200	-	3,200
Vehicles	86	75	626	41	308	36,725	37,861	11	4,717	42,589	-	42,589
Total operations expense	110,283	139,285	94,510	154,814	64,092	252,775	815,759	327,887	264,229	1,407,875	-	1,407,875
Development Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-	-	-	545,704	545,704
Advertising	-	-	-	-	-	599	599	-	7,546	8,145	-	8,145
Appeal expense	-	-	-	-	-	-	-	-	20,543	20,543	-	20,543
Marketing	1,454	1,634	1,447	4,156	1,444	-	10,135	2,157	43,316	55,608	-	55,608
Sales tax	-	-	-	-	-	226,686	226,686	-	-	226,686	-	226,686

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses (Continued)

Year Ended June 30, 2025

	Program Services							General and Administrative		Total Functional Expenses	Special Events	Total Expenses
	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Community-based Services	Permanent Housing	Resale	Total Program	Administrative	Development			
Community relations	\$ 23	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ 223	\$ 20,069	\$ 12,113	\$ 32,405	\$ -	\$ 32,405
Annual meeting	-	-	-	-	-	-	-	-	13,030	13,030	-	13,030
Total development expenses	1,477	1,634	1,447	4,356	1,444	227,285	237,643	22,226	96,548	356,417	545,704	902,121
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	54,924	59,839	94,256	13,870	28,044	118,470	369,403	12,708	13,754	395,865	-	395,865
Telephone	8,071	7,210	6,892	12,674	5,770	9,280	49,897	12,717	9,421	72,035	-	72,035
Mortgage interest	-	33,789	15,894	-	-	3,366	53,049	-	-	53,049	-	53,049
Rent	455	24	26,232	8,345	12,336	752,814	800,206	-	26,520	826,726	-	826,726
Insurance	14,628	35,805	24,685	8,212	4,668	19,266	107,264	5,460	4,060	116,784	-	116,784
Repairs	173,754	158,576	157,402	26,538	15,985	46,663	578,918	17,092	11,892	607,902	-	607,902
Depreciation and amortization	57,268	319,841	55,879	14,524	6,613	91,011	545,136	22,595	7,871	575,602	-	575,602
Total occupancy expenses	309,100	615,084	381,240	84,163	73,416	1,040,870	2,503,873	70,572	73,518	2,647,963	-	2,647,963
Total functional expenses	\$ 1,943,912	\$ 2,079,177	\$ 2,332,832	\$ 1,790,600	\$ 2,878,064	\$ 5,600,788	\$ 16,625,373	\$ 1,869,016	\$ 1,577,098	\$ 20,071,487	\$ 545,704	\$ 20,617,191

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services							General and Administrative		Total Functional Expenses	Special Events	Total Expenses
	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Community-based Services	Permanent Housing	Resale	Total Program	Administrative	Development			
Personnel												
Salaries and wages	\$ 984,544	\$ 1,005,797	\$ 567,161	\$ 667,046	\$ 537,899	\$ 1,130,174	\$ 4,892,621	\$ 892,062	\$ 732,790	\$ 6,517,473	\$ -	\$ 6,517,473
Payroll taxes	71,463	73,461	41,106	47,822	38,986	82,286	355,124	65,022	53,488	473,634	-	473,634
Health insurance	92,352	92,383	74,628	67,816	55,047	91,761	473,987	76,942	31,378	582,307	-	582,307
Workers compensation	9,231	9,486	5,415	6,059	5,261	21,343	56,795	8,074	6,992	71,861	-	71,861
Miscellaneous employee costs	18,164	14,203	15,464	19,540	11,972	17,624	96,967	72,262	20,663	189,892	-	189,892
Total personnel	1,175,754	1,195,330	703,774	808,283	649,165	1,343,188	5,875,494	1,114,362	845,311	7,835,167	-	7,835,167
Program Expense	-	-	-	-	-	-	-	-	-	-	-	-
Rent expense	-	-	300,850	8,800	211,477	-	521,127	-	-	521,127	-	521,127
Food expense	66,958	66,968	8,486	562	9,727	-	152,701	-	153	152,854	-	152,854
Client support and other program expense	87,302	133,261	284,323	142,738	957,939	-	1,605,563	-	-	1,605,563	-	1,605,563
Cost of goods sold	-	-	-	-	-	2,584,967	2,584,967	-	-	2,584,967	-	2,584,967
Total program expense	154,260	200,229	593,659	152,100	1,179,143	2,584,967	4,864,358	-	153	4,864,511	-	4,864,511
Operations Expense	-	-	-	-	-	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	103,755	-	103,755	-	103,755
Bank fees	-	30	1,046	13	-	83,413	84,502	3,815	37,990	126,307	-	126,307
Periodicals	-	-	-	-	-	-	-	275	219	494	-	494
Consultants	2,665	59,119	5,120	-	4,780	44,615	116,299	15,587	108,213	240,099	-	240,099
Equipment	25,159	6,030	38,262	275	1,285	643	71,654	650	850	73,154	-	73,154
Equipment rental	4,743	4,404	2,525	4,960	1,638	1,573	19,843	5,154	4,635	29,632	-	29,632
Interest expense	-	-	-	-	-	-	-	26,312	-	26,312	-	26,312
Technology	44,252	39,909	67,119	36,916	22,064	45,346	255,606	88,253	25,456	369,315	-	369,315
Legal and accounting	-	1,160	-	1,500	-	-	2,660	(700)	-	1,960	-	1,960
Licenses and fees	1,244	262	284	194	152	803	2,939	408	403	3,750	-	3,750
Meetings and food	961	1,487	658	1,090	857	1,504	6,557	14,226	7,648	28,431	-	28,431
Memberships and dues	1,636	1,636	1,550	-	500	810	6,132	2,810	2,793	11,735	-	11,735
Mileage and travel	4,260	3,554	13,982	2,800	19,423	395	44,414	7,907	14,106	66,427	-	66,427
Supplies	18,581	38,365	13,051	16,870	2,639	72,800	162,306	12,450	7,890	182,646	-	182,646
Postage	138	108	4	124	4	-	378	5,306	10,180	15,864	-	15,864
Printing	1,489	1,460	2,038	4,331	899	3,970	14,187	2,476	24,509	41,172	-	41,172
Miscellaneous	-	3	-	-	-	-	3	663	-	666	-	666
Vehicles	-	-	-	-	-	45,660	45,660	-	2,200	47,860	-	47,860
Total operations expense	105,128	157,527	145,639	69,073	54,241	301,532	833,140	289,347	247,092	1,369,579	-	1,369,579
Development Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-	1,646	1,646	446,582	448,228
Advertising	-	-	-	-	-	2,911	2,911	-	-	2,911	-	2,911
Appeal expense	-	-	-	-	-	-	-	-	18,509	18,509	-	18,509
Marketing	280	260	336	4,279	151	-	5,306	5,301	43,789	54,396	-	54,396
Sales tax	-	-	-	-	-	225,762	225,762	-	-	225,762	-	225,762

See notes to consolidated financial statements.

Statement of Functional Expenses (Continued)

Year Ended June 30, 2024

	Program Services							General and Administrative		Total Functional Expenses	Special Events	Total Expenses
	Safehouse Services	Safehouse at WINGS Metro	Transitional Services	Community- based Services	Permanent Housing	Resale	Total Program	Administrative	Development			
Community relations	\$ 45	\$ 11	\$ 34	\$ 183	\$ 32	\$ 210	\$ 515	\$ 14,085	\$ 9,113	\$ 23,713	\$ -	\$ 23,713
Annual meeting	-	-	-	-	-	-	-	-	2,577	2,577	-	2,577
Total development expenses	325	271	370	4,462	183	228,883	234,494	19,386	75,634	329,514	446,582	776,096
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	49,566	62,610	65,880	13,028	14,848	111,466	317,398	8,939	8,929	335,266	-	335,266
Telephone	5,792	4,992	6,592	11,994	6,478	5,185	41,033	10,719	6,586	58,338	-	58,338
Mortgage interest	-	39,125	15,075	-	-	6,547	60,747	-	-	60,747	-	60,747
Rent	928	16	9,495	3,493	6,075	714,044	734,051	-	26,520	760,571	-	760,571
Insurance	14,268	23,942	20,918	7,906	4,420	21,029	92,483	5,085	3,308	100,876	-	100,876
Repairs	143,544	94,187	120,956	17,856	15,490	52,436	444,469	21,367	9,305	475,141	-	475,141
Depreciation and amortization	51,638	320,098	60,871	10,633	7,516	87,358	538,114	22,833	6,484	567,431	-	567,431
Total occupancy expenses	265,736	544,970	299,787	64,910	54,827	998,065	2,228,295	68,943	61,132	2,358,370	-	2,358,370
Total functional expenses	\$ 1,701,203	\$ 2,098,327	\$ 1,743,229	\$ 1,098,828	\$ 1,937,559	\$ 5,456,635	\$ 14,035,781	\$ 1,492,038	\$ 1,229,322	\$ 16,757,141	\$ 446,582	\$ 17,203,723

Consolidated Statement of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 1,889,785	\$ 1,097,008
Adjustments to reconcile change in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation and amortization	575,602	567,431
Amortization of right-of-use assets	396,436	362,251
Imputed interest expense	15,894	15,075
Realized loss on investments	-	44,449
Unrealized gain on investments	(563,201)	(619,745)
Addition to operating right-of-use assets	409,292	-
Changes in current assets and liabilities:		
Contracts receivable	(487,642)	1,661,597
Contributions receivable	(601,613)	(33,321)
Prepaid expenses and other current assets	200,305	(71,931)
Increase in other assets	(20,224)	(1,488)
Accounts payable	27,360	(162,815)
Deferred revenue and deferred rent	106,476	211,440
Other current liabilities	24,502	(81,520)
Operating lease liabilities	(805,352)	(362,580)
Net cash, cash equivalents, and restricted cash provided by operating activities	1,167,620	2,625,851
Cash Flows from Investing Activities		
Purchase of marketable securities	(1,500,660)	(1,262,538)
Proceeds on sale of marketable securities	1,462,277	414,656
Purchase of fixed assets	(259,199)	(295,462)
Net cash, cash equivalents, and restricted cash used in investing activities	(297,582)	(1,143,344)
Cash Flows Used in Financing Activities - Repayments on debt - Mortgage loans	(305,261)	(109,468)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	564,777	1,373,039
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	3,318,064	1,945,025
Cash, Cash Equivalents, and Restricted Cash - End of year	\$ 3,882,841	\$ 3,318,064
Consolidated Statement of Financial Position Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	\$ 3,575,384	\$ 3,041,224
IHDA escrow	240,603	229,794
Security deposit	61,167	38,892
Cash held for others	5,687	8,154
Total cash, cash equivalents, and restricted cash	\$ 3,882,841	\$ 3,318,064
Supplemental Cash Flow Information - Noncash		
Interest paid	\$ 36,485	\$ 138,462
Lease liabilities arising from obtaining right-of-use assets	409,292	3,088,620

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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 33 percent and 23 percent of its total revenue from contributions for the years ended June 30, 2025 and 2024, respectively, and 38 percent and 39 percent of its total revenue from government contracts for the years ended June 30, 2025 and 2024, 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 WM Initiatives LLC, 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 Stage 2 Housing

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, 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.

Note 2 - Significant Accounting Policies

Principles of Consolidation

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

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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

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, 2025 and 2024, 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.

WINGS maintains cash and cash equivalents at several financial institutions, such as JPMorgan Chase Bank, N.A.; Wintrust Bank; Flourish Financial LLC; and others, that at times may exceed federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Restricted Cash/Cash Held for Others

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, 2025 and 2024.

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 2025 and 2024, there was no allowance recorded.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

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, clothing, personal care items, household supplies, and cleaning products have 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 10 for further details.

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 \$940,339 and \$821,281 for 2025 and 2024, respectively.

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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

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, 2025 and 2024 were \$1,051,613 and \$450,000, respectively. As of June 30, 2025, the Organizations have recorded a net present value discount of \$73,387 applied to long-term contributions receivable through the fiscal year ending June 30, 2030. As of June 30, 2024, there was no net present value discount recorded. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. In 2025 and 2024, 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 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, 2025, WINGS is eligible to receive and recognize approximately \$4,100,000 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, 2025 and 2024, the Organizations recognized revenue from contracts with customers of \$2,865,864 and \$2,796,873, respectively, that includes resale store sales. The Organizations did not recognize any impairment losses on trade receivables for the years ended June 30, 2025 and 2024.

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, 2025 and 2024.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

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, 2025 and 2024, sales tax amounted to \$226,686 and \$225,762, 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).

WM Initiatives LLC and WINGS Metro, LLC are single-member LLCs 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.

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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

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 based on the following:

- Salaried and other personnel costs for support departments - Based on time and effort spent by employee within each function
- Occupancy costs of the main office - Based on the staff count to various cost centers

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including October 8, 2025, which is the date the consolidated financial statements were issued.

Note 3 - Commitments

Not-for-profit

WINGS enters into contracts for space for its events in advance. As of June 30, 2025 and 2024, WINGS is liable for \$67,500 and \$43,500, respectively, in the event of cancellation of all its upcoming events.

WINGS Metro, LLC

WINGS Metro, 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 5th anniversary of the construction completion date (which 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 for the years ended June 30, 2025 and 2024. Deferred grant revenue related to the DPD grant is \$600,000 at June 30, 2025 and 2024.

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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 3 - Commitments (Continued)

Grant income recognized related to the CLIHTF grant was \$0 for the years ended June 30, 2025 and 2024. Deferred grant revenue related to the CLIHTF grant is \$280,000 at June 30, 2025 and 2024.

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.

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.

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, 2025 and 2024 due to the remote likelihood of noncompliance and default of the grant agreements.

Note 4 - 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 the Organizations 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. The Organizations' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024
Note 4 - Fair Value Measurements (Continued)

The following tables present information about the Organizations' assets measured at fair value on a recurring basis at June 30, 2025 and 2024 and the valuation techniques used by the Organizations to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2025				
	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, 2025
Investments				
Mutual funds:				
U.S. fixed income	\$ 1,357,850	\$ -	\$ -	\$ 1,357,850
International bonds	554,829	-	-	554,829
Total mutual funds	1,912,679	-	-	1,912,679
Equities:				
U.S. large cap	2,424,263	-	-	2,424,263
U.S. mid cap	629,251	-	-	629,251
U.S. small cap	351,058	-	-	351,058
Emerging market	432,640	-	-	432,640
Global	94,861	-	-	94,861
Energy infrastructure	202,489	-	-	202,489
Total equities	4,134,562	-	-	4,134,562
Real estate funds	261,245	-	-	261,245
Equity funds	820,323	-	-	820,323
Total investments	<u>\$ 7,128,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,128,809</u>
Assets Measured at Fair Value on a Recurring Basis at June 30, 2024				
	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, 2024
Investments				
Mutual funds:				
U.S. fixed income	\$ 1,284,176	\$ -	\$ -	\$ 1,284,176
International bonds	368,937	-	-	368,937
Total mutual funds	1,653,113	-	-	1,653,113
Equities:				
U.S. large cap	2,270,171	-	-	2,270,171
U.S. mid cap	593,232	-	-	593,232
U.S. small cap	330,298	-	-	330,298
Emerging market	282,354	-	-	282,354
Global	91,966	-	-	91,966
Energy infrastructure	160,179	-	-	160,179
Total equities	3,728,200	-	-	3,728,200
Real estate funds	234,097	-	-	234,097
Equity funds	904,605	-	-	904,605
Total investments	<u>\$ 6,520,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,520,015</u>

Not included in the above tables is \$9,175 and \$16,385 of money market funds as of June 30, 2025 and 2024, 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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 5 - Fixed Assets

The cost of the Organizations' fixed assets as of June 30, 2025 and 2024 was as follows:

	2025	2024
Land	\$ 1,191,989	\$ 1,191,989
WINGS Metro, LLC land and improvements	383,743	383,743
Buildings and improvements	15,219,041	14,971,952
Furniture and fixtures	432,828	432,828
Computer equipment and software	230,495	220,285
Vehicles	189,006	171,832
Construction in progress	-	15,315
Total cost	17,647,102	17,387,944
Less accumulated depreciation	6,214,393	5,638,832
Net book value	\$ 11,432,709	\$ 11,749,112

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$575,602 and \$567,431, respectively.

Note 6 - Line of Credit

On May 3, 2022, WINGS entered into a secured revolving line of credit agreement with Wintrust Bank, N.A., which expired on May 3, 2025. On August 19, 2025, WINGS renewed the agreement for \$750,000. This line of credit bears interest at a variable interest rate not to be less than 2.99 percent and matures on August 18, 2026. The line is collateralized by substantially all assets of WINGS. The outstanding balance on the line of credit is \$0 as of June 30, 2025 and 2024.

Note 7 - Mortgage Loans and Other Notes Payable

Mortgage loans payable at June 30, 2025 and 2024 are as follows:

	2025	2024
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, 2025 and 2024 was \$442,300 and \$443,500, respectively. Imputed interest as of June 30, 2025 and 2024 was \$159,696 and \$175,590, respectively, at 5.75 percent	\$ 282,604	\$ 267,910
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

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 7 - Mortgage Loans and Other Notes Payable (Continued)

	2025	2024
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, with \$2,286.47 payable monthly, including interest at a rate of 2.435 percent per annum, and due on August 9, 2024. This loan was paid off in the current fiscal year	\$ -	\$ 216,022
Wintrust Bank, N.A. loan dated May 3, 2022 for \$496,811, with \$3,564.40 payable monthly, including interest at 3.50 percent, and due on May 3, 2029. The note is subject to certain financial covenants related to debt service coverage ratio	415,042	442,554
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, and due on June 10, 2029	1,004,116	1,064,643
Total mortgage loans payable	<u>\$ 2,030,741</u>	<u>\$ 2,320,108</u>

Maturities of the mortgage loans are as follows:

Years Ending	Amount
2026	\$ 246,835
2027	279,836
2028	104,264
2029	1,122,002
2030	1,200
Thereafter	436,300
Less interest factor	(159,696)
Total	<u>\$ 2,030,741</u>

For the years ended June 30, 2025 and 2024, WINGS paid interest for all mortgage loans payable and the line of credit in Note 6 in the amount of \$36,485 and \$45,672, respectively. The remainder was imputed interest expense related to the interest-free notes.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 8 - Net Assets with Donor Restrictions

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

	2025	2024
Subject to expenditures for a specified purpose or time restrictions:		
McCabe House	\$ 150,783	\$ 147,649
Building Safer Futures Fund	654,649	796,970
A New Direction	136,263	183,836
Restricted to programs	1,919,750	987,596
Fire Relief Fund	201,798	201,798
Endowment earnings	4,023,322	3,456,934
Interfund borrowing interest	27,475	29,815
Imputed interest	161,147	177,041
Total subject to expenditures for a specified purpose or time restrictions	7,275,187	5,981,639
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	\$ 9,834,274	\$ 8,540,726

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 2025 and 2024, which resulted in interest expense of \$223 and \$1,340, respectively. During June 30, 2025 and 2024, WINGS paid \$0 and \$3,010, respectively, on the accumulated interest. The outstanding loan as of June 30, 2025 is \$77,698 and includes \$27,475 of accumulated interest. The outstanding loan as of June 30, 2024 is \$76,805 and includes \$26,805 of accumulated interest.

Note 9 - 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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 9 - Endowment (Continued)

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 2025 and 2024, which resulted in interest expense of \$670 and \$8,710, respectively. The balance of the endowment loan was \$46,990 as of June 30, 2025 and 2024.

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 2025 and 2024.

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.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024
Note 9 - Endowment (Continued)

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, 2025 and 2024.

Information regarding the endowment net assets as of June 30, 2025 and 2024 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, 2025				
	Without Donor Restrictions	With Donor Restrictions and Subject to Appropriation	With Donor Restrictions to be Maintained in Perpetuity	Total
Donor-designated endowment funds	\$ (46,990)	\$ 4,023,322	\$ 2,336,337	\$ 6,312,669
Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025				
	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	\$ (46,990)	\$ 3,456,934	\$ 2,336,337	\$ 5,746,281
Release from endowment earnings	-	(164,486)	-	(164,486)
Investment income	-	208,277	-	208,277
Investment expense	-	(21,438)	-	(21,438)
Net appreciation (realized and unrealized)	-	544,035	-	544,035
Endowment net assets - End of year	\$ (46,990)	\$ 4,023,322	\$ 2,336,337	\$ 6,312,669
Endowment Net Asset Composition by Type of Fund as of June 30, 2024				
	Without Donor Restrictions	With Donor Restrictions and Subject to Appropriation	With Donor Restrictions to be Maintained in Perpetuity	Total
Donor-designated endowment funds	\$ (46,990)	\$ 3,456,934	\$ 2,336,337	\$ 5,746,281

Notes to Consolidated Financial Statements

June 30, 2025 and 2024
Note 9 - Endowment (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024				
	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	\$ (691,120)	\$ 2,703,639	\$ 2,336,337	\$ 4,348,856
Repayment of endowment loan	652,840	-	-	652,840
Investment income	-	186,008	-	186,008
Investment expense	-	(4,313)	-	(4,313)
Interfund borrowing interest expense	(8,710)	8,710	-	-
Net appreciation (realized and unrealized)	-	562,890	-	562,890
Endowment net assets - End of year	<u>\$ (46,990)</u>	<u>\$ 3,456,934</u>	<u>\$ 2,336,337</u>	<u>\$ 5,746,281</u>

Note 10 - Contributed Nonfinancial Assets

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

	2025	2024
Goods	\$ 3,090,542	\$ 3,042,751
Gift cards	14,726	13,501
Services	57,233	15,600
Facilities	20,496	21,354
Total	<u>\$ 3,182,997</u>	<u>\$ 3,093,206</u>

Contributed goods are comprised of donated clothing, furniture, and household items for resale stores and food, clothing, personal care items, household supplies, and cleaning products 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 similarly 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.

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.

Contributed services comprise 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. Such donations are used for development and program needs.

Contributed use of facilities are valued and recorded at estimated fair value in the financial statements based on market rental rates for similar real estate properties in the area. Such donations are used for program needs and reported as unrestricted support.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 10 - Contributed Nonfinancial Assets (Continued)

WINGS received 53,995 and 53,550 hours of volunteer time in the years ended June 30, 2025 and 2024, 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 11 - 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 5 years. On April 3, 2017, an amendment was signed adding space and extending the lease for 2½ more years. On September 21, 2021, an amendment was signed extending the lease for 8 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 5 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. On June 6, 2024, the lease was amended to expand the original premises and include additional square footage and extend the lease to June 30, 2028. Monthly rent expense is \$13,292, 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 5 years. On August 31, 2020, an amendment was signed adding space and extending the lease for 5½ more years. Monthly rent expense is \$17,270, plus an annually determined amount for common area costs and real estate taxes.

In February 2024, WINGS entered into an operating lease agreement effective February 1, 2024 for the office space at 3501 Algonquin Road, Rolling Meadows, Illinois for 5 years. Monthly rent expense is \$3,719, plus utilities, and base rent increases each year by 3 percent.

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 1-year operating leases for program residences as of June 30, 2025. 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 4.28 percent. The leases require the Organizations to pay taxes, utilities, and maintenance costs. Total rent expense under these leases was \$1,938,346 and \$1,451,861 for 2025 and 2024, respectively.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 11 - Leases (Continued)

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

Years Ending June 30	Amount
2026	\$ 491,778
2027	529,387
2028	530,823
2029	521,261
2030	339,241
Thereafter	339,732
Total	2,752,222
Less amount representing interest	254,063
Present value of net minimum lease payments	2,498,159
Less current obligations	411,424
Long-term obligations under leases	\$ 2,086,735

Expenses recognized under these leases for the years ended June 30, 2025 and 2024 consist of the following:

	2025	2024
Finance lease cost	\$ -	\$ -
Operating lease cost	497,100	441,652
Short-term lease cost	940,339	821,281
Variable lease cost	176,911	188,928
Other information:		
Weighted-average remaining lease term (years) - Operating leases	5.18	6.18
Weighted-average discount rate - Operating leases	3.5 %	3.5 %

Note 12 - 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. The plan requires 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, 2025 and 2024, the total employer contribution expense was \$26,616 and \$26,649, respectively.

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Note 13 - 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:

	2025	2024
Cash and cash equivalents	\$ 3,575,384	\$ 3,041,224
Investments - Unrestricted	825,315	790,119
Government contracts receivable	1,760,312	1,272,670
Contributions receivable - Net	1,051,613	450,000
Investments - Restricted	6,312,669	5,746,281
NMTC loan receivable	-	1,000
Financial assets - At year end	13,525,293	11,301,294
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	3,251,865	2,524,705
Contributed property	222,750	222,750
Endowment funds	6,359,659	5,793,271
Internal designations - Board designations - Quasi-endowment fund, primarily for long-term investing	1,747,939	1,394,063
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,943,080</u>	<u>\$ 1,366,505</u>

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, 2025 and 2024, the level of liquidity and reserves was managed within the policy requirements. See Note 6 for more information on the line of credit available for the Organizations' cash needs.

Note 14 - 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 was recorded and recognized as other income on the consolidated statement of activities during the year ended June 30, 2023. An amount of \$25,983 as of June 30, 2024 is included as an outstanding receivable balance and is included in other assets on the accompanying consolidated statement of financial position. As of June 30, 2025, the outstanding balance was collected in full.