



**WHEELER MISSION MINISTRIES, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**  
**MAY 31, 2022 AND 2021**

*CPAs / ADVISORS*



**WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES**

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MAY 31, 2022 AND 2021

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
Wheeler Mission Ministries, Inc. and Subsidiaries  
Indianapolis, Indiana

### Opinion

We have audited the accompanying consolidated financial statements of Wheeler Mission Ministries, Inc., a nonprofit organization, and subsidiaries (hereby collectively referred to as the Ministry), which comprise the consolidated statements of financial position as of May 31, 2022 and 2021, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Ministry as of May 31, 2022 and 2021, and changes in their net assets and their 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Ministry and to meet our other 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 Ministry's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **REPORT OF INDEPENDENT AUDITORS** **(Continued)**

### Auditor's Responsibilities for the Audit 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 an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- 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 audit 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 Ministry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated statement of program expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such

**REPORT OF INDEPENDENT AUDITORS**  
**(Continued)**

information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Blue & Co., LLC*

Carmel, Indiana  
September 28, 2022

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MAY 31, 2022 AND 2021

### ASSETS

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,448,628	\$ 5,939,282
Restricted cash	342,315	342,317
Investments - capital and general operating	15,699,244	9,484,233
Accounts receivable, net	693,976	418,086
Contributions receivable, net	374,225	314,641
Government grants receivable	2,970,595	-0-
Note receivable	6,086,700	6,086,700
Inventory	188,982	208,896
Prepaid and other assets	52,960	30,818
Property and equipment, net	28,724,506	28,236,938
Investments - endowment	14,765,744	15,041,218
Investments - other		
Charitable gift annuities	196,301	210,683
Charitable remainder trust	<u>3,668,696</u>	<u>3,758,952</u>
	<u>\$ 75,212,872</u>	<u>\$ 70,072,764</u>

### LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 454,883	\$ 1,343,447
Accrued payroll and other liabilities	558,726	383,446
Charitable gift annuities payable	52,418	62,144
Charitable remainder trust payable	2,648,943	2,739,199
Notes payable	<u>8,640,000</u>	<u>8,640,000</u>
Total liabilities	12,354,970	13,168,236
Net assets		
Without donor restrictions		
Undesignated	43,967,363	26,530,667
Board designated - endowment	1,573,872	1,735,451
Board designated - operating reserve	<u>500,000</u>	<u>500,000</u>
	46,041,235	28,766,118
With donor restrictions		
Purpose restricted	2,239,872	12,795,504
Time restricted for future periods	1,384,923	1,037,136
Endowment	<u>13,191,872</u>	<u>14,305,770</u>
	<u>16,816,667</u>	<u>28,138,410</u>
Total net assets	<u>62,857,902</u>	<u>56,904,528</u>
	<u>\$ 75,212,872</u>	<u>\$ 70,072,764</u>

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED MAY 31, 2022

(With Comparative Total for the Year Ended May 31, 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Support and revenue</b>				
Support				
Contributions	\$ 12,731,738	\$ 4,434,294	\$ 17,166,032	\$ 18,867,064
Contributions - wills and estates	420,910	-0-	420,910	2,600,026
Government grants - employee retention credits	2,970,595	-0-	2,970,595	
Other fees and grants from government agencies - contributions	1,337,139	-0-	1,337,139	-0-
Gifts-in-kind	1,067,854	-0-	1,067,854	883,397
Revenue				
Fees and grants from government agencies - exchange	-0-	-0-	-0-	1,049,406
Program service revenue	2,708,495	-0-	2,708,495	1,989,358
Other	119,072	-0-	119,072	217,101
Change in value of annuity and trust liabilities	5,298	(216,879)	(211,581)	(1,242,580)
Investment return, net	(355,361)	(1,304,894)	(1,660,255)	4,594,223
Gain on debt extinguishment	-0-	-0-	-0-	1,531,300
Net assets released from restrictions	14,234,264	(14,234,264)	-0-	-0-
	35,240,004	(11,321,743)	23,918,261	30,489,295
Special events				
Registration fees and other support	1,511,135	-0-	1,511,135	882,934
Gift-in-kind support	803,038	-0-	803,038	758,626
Direct expenses of events	(445,803)	-0-	(445,803)	(208,013)
Gift-in-kind expenses	(803,038)	-0-	(803,038)	(758,626)
	1,065,332	-0-	1,065,332	674,921
Total support and revenue	36,305,336	(11,321,743)	24,983,593	31,164,216
<b>Expenses</b>				
Program services				
Men's residential center	1,247,260	-0-	1,247,260	1,199,357
Shelter for men	2,482,545	-0-	2,482,545	1,993,882
Center for women and children	2,849,320	-0-	2,849,320	2,054,421
Camp Hunt	1,068,211	-0-	1,068,211	950,039
Industry	1,719,750	-0-	1,719,750	1,206,462
Edwards residence	98,205	-0-	98,205	68,877
Thrift shop	586,884	-0-	586,884	602,181
Ministry services	1,540,475	-0-	1,540,475	1,372,019
Center for men (Bloomington)	807,052	-0-	807,052	661,735
Center for women and children (Bloomington)	154,111	-0-	154,111	154,876
Food services	1,261,951	-0-	1,261,951	1,073,215
Restored creations	94,645	-0-	94,645	71,038
	13,910,409	-0-	13,910,409	11,408,102
Supporting activities				
Management and general	1,114,156	-0-	1,114,156	889,994
Fundraising and development	4,005,654	-0-	4,005,654	3,585,605
	5,119,810	-0-	5,119,810	4,475,599
Total expenses	19,030,219	-0-	19,030,219	15,883,701
<b>Change in net assets</b>	17,275,117	(11,321,743)	5,953,374	15,280,515
<b>Net assets, beginning of year</b>	28,766,118	28,138,410	56,904,528	41,624,013
<b>Net assets, end of year</b>	\$ 46,041,235	\$ 16,816,667	\$ 62,857,902	\$ 56,904,528

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED MAY 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Support			
Contributions	\$ 13,439,202	\$ 5,427,862	\$ 18,867,064
Contributions - wills and estates	2,600,026	-0-	2,600,026
Gifts-in-kind	883,397	-0-	883,397
Revenue			
Fees and grants from government agencies - exchange	1,049,406	-0-	1,049,406
Program service revenue	1,989,358	-0-	1,989,358
Other	217,101	-0-	217,101
Change in value of annuity and trust liabilities	(30,122)	(1,212,458)	(1,242,580)
Investment return, net	547,062	4,047,161	4,594,223
Gain on debt extinguishment	1,531,300	-0-	1,531,300
Net assets released from restrictions	1,651,970	(1,651,970)	-0-
	23,878,700	6,610,595	30,489,295
Special events			
Registration fees and other support	882,934	-0-	882,934
Gift-in-kind support	758,626	-0-	758,626
Direct expenses of events	(208,013)	-0-	(208,013)
Gift-in-kind expenses	(758,626)	-0-	(758,626)
	674,921	-0-	674,921
Total support and revenue	24,553,621	6,610,595	31,164,216
<b>Expenses</b>			
Program services			
Men's residential center	1,199,357	-0-	1,199,357
Shelter for men	1,993,882	-0-	1,993,882
Center for women and children	2,054,421	-0-	2,054,421
Camp Hunt	950,039	-0-	950,039
Industry	1,206,462	-0-	1,206,462
Edwards residence	68,877	-0-	68,877
Thrift shop	602,181	-0-	602,181
Ministry services	1,372,019	-0-	1,372,019
Center for men (Bloomington)	661,735	-0-	661,735
Center for women and children (Bloomington)	154,876	-0-	154,876
Food services	1,073,215	-0-	1,073,215
Restored creations	71,038	-0-	71,038
	11,408,102	-0-	11,408,102
Supporting activities			
Management and general	889,994	-0-	889,994
Fundraising and development	3,585,605	-0-	3,585,605
	4,475,599	-0-	4,475,599
Total expenses	15,883,701	-0-	15,883,701
<b>Change in net assets</b>	8,669,920	6,610,595	15,280,515
<b>Net assets, beginning of year</b>	20,096,198	21,527,815	41,624,013
<b>Net assets, end of year</b>	\$ 28,766,118	\$ 28,138,410	\$ 56,904,528

*See accompanying notes to consolidated financial statements.*



## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MAY 31, 2022 (With Comparative Total for the Year Ended May 31, 2021)

	2022					2021 Total
	Program Services	Supporting Activities			Total	
		Management and General	Fundraising and Development	Total Supporting Activities		
Salaries and benefits	\$ 7,057,706	\$ 291,784	\$ 1,554,690	\$ 1,846,474	\$ 8,904,180	\$ 7,860,633
Gift-in-kind expenses	1,066,803	-0-	803,038	803,038	1,869,841	1,636,889
Public relations and direct mailing	3,491	4,780	1,759,024	1,763,804	1,767,295	1,781,693
Direct expenses of events	-0-	-0-	445,803	445,803	445,803	208,013
Telephone and utilities	665,410	33,420	4,487	37,907	703,317	622,043
Depreciation expense	1,299,977	142,727	-0-	142,727	1,442,704	985,463
Postage	1,084	27,470	412,894	440,364	441,448	171,529
Maintenance	431,048	33,070	51,379	84,449	515,497	356,333
Insurance	217,361	1,536	5,994	7,530	224,891	243,701
Food	957,984	-0-	2,000	2,000	959,984	865,207
Equipment repair and maintenance	194,903	13,083	9,878	22,961	217,864	198,194
Cleaning supplies	97,210	1,434	-0-	1,434	98,644	69,668
Fuel and oil	64,250	2,021	804	2,825	67,075	54,875
Professional services	313,710	352,052	113,948	466,000	779,710	618,486
Program materials	119,359	-0-	1,650	1,650	121,009	108,333
Office supplies	17,968	996	2,415	3,411	21,379	16,658
Staff travel and conferences	36,586	7,692	11,937	19,629	56,215	17,811
Industry and supplies	1,298,770	-0-	-0-	-0-	1,298,770	848,194
Grants and scholarships	29,575	-0-	-0-	-0-	29,575	31,125
Interest, net of capitalized amounts	-0-	(333)	-0-	(333)	(333)	10,222
Membership fees	19,376	277	1,900	2,177	21,553	15,455
Sales and property tax	-0-	3,339	-0-	3,339	3,339	(18,614)
Capital campaign expenses	-0-	95,040	-0-	95,040	95,040	(59,686)
Lockbox and bank fees	11,097	103,795	72,421	176,216	187,313	198,355
Miscellaneous	6,741	(27)	233	206	6,947	9,760
Total expenses	<u>13,910,409</u>	<u>1,114,156</u>	<u>5,254,495</u>	<u>6,368,651</u>	<u>20,279,060</u>	<u>16,850,340</u>
Less expenses netted with support and revenues on the statement of activities	<u>-0-</u>	<u>-0-</u>	<u>(1,248,841)</u>	<u>(1,248,841)</u>	<u>(1,248,841)</u>	<u>(966,639)</u>
Total expenses reported on the statement of activities	<u>\$ 13,910,409</u>	<u>\$ 1,114,156</u>	<u>\$ 4,005,654</u>	<u>\$ 5,119,810</u>	<u>\$ 19,030,219</u>	<u>\$ 15,883,701</u>

*See accompanying notes to consolidated financial statements.*

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MAY 31, 2021

	Supporting Activities				Total
	Program Services	Management and General	Fundraising and Development	Total Supporting Activities	
Salaries and benefits	\$ 6,214,650	\$ 268,797	\$ 1,377,186	\$ 1,645,983	\$ 7,860,633
Gift-in-kind expenses	878,263	-0-	758,626	758,626	1,636,889
Public relations and direct mailing	2,819	2,505	1,776,369	1,778,874	1,781,693
Direct expenses of events	-0-	-0-	208,013	208,013	208,013
Telephone and utilities	588,934	28,628	4,481	33,109	622,043
Depreciation expense	831,771	153,692	-0-	153,692	985,463
Postage	3,319	14,074	154,136	168,210	171,529
Maintenance	279,184	20,127	57,022	77,149	356,333
Insurance	231,547	3,813	8,341	12,154	243,701
Food	844,709	-0-	20,498	20,498	865,207
Equipment repair and maintenance	162,563	18,769	16,862	35,631	198,194
Cleaning supplies	68,553	1,115	-0-	1,115	69,668
Fuel and oil	51,021	1,082	2,772	3,854	54,875
Professional services	214,661	330,369	73,456	403,825	618,486
Program materials	106,283	-0-	2,050	2,050	108,333
Office supplies	11,340	3,392	1,926	5,318	16,658
Staff travel and conferences	10,189	1,370	6,252	7,622	17,811
Industry and supplies	848,194	-0-	-0-	-0-	848,194
Grants and scholarships	31,125	-0-	-0-	-0-	31,125
Interest, net of capitalized amounts	-0-	10,222	-0-	10,222	10,222
Membership fees	10,508	1,388	3,559	4,947	15,455
Sales and property tax	-0-	(18,614)	-0-	(18,614)	(18,614)
Capital campaign expenses	-0-	(59,686)	-0-	(59,686)	(59,686)
Lockbox and bank fees	10,687	108,945	78,723	187,668	198,355
Miscellaneous	7,782	6	1,972	1,978	9,760
Total expenses	11,408,102	889,994	4,552,244	5,442,238	16,850,340
Less expenses netted with support and revenues on the statement of activities	-0-	-0-	(966,639)	(966,639)	(966,639)
Total expenses reported on the statement of activities	\$ 11,408,102	\$ 889,994	\$ 3,585,605	\$ 4,475,599	\$ 15,883,701

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED MAY 31, 2022 AND 2021

	2022	2021
<b>Operating activities</b>		
Change in net assets	\$ 5,953,374	\$ 15,280,515
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,442,704	985,463
(Gain) loss on disposal of property and equipment	5,793	(25,284)
Realized and unrealized (gains) losses on investments, net	2,728,723	(4,209,672)
Change in value of annuity and trust liabilities	211,581	1,242,580
Change in allowance for doubtful accounts	95,041	(59,686)
Proceeds from contributions restricted for purchase and renovation of buildings	(1,418,732)	(2,865,075)
Proceeds from contributions restricted for investment in endowment	-0-	(100,000)
Contribution related to release of charitable gift annuity liability	-0-	(8,280)
Gain on debt extinguishment	-0-	(1,531,300)
Changes in assets and liabilities		
Accounts receivable	(333,733)	(247,125)
Contributions receivable	(96,782)	103,005
Government grants receivable	(2,970,595)	-0-
Other assets	(2,228)	(20,036)
Accounts payable	107,820	37,651
Accrued payroll and other liabilities	175,280	52,110
Net cash flows from operating activities	5,898,246	8,634,866
<b>Investing activities</b>		
Capital expenditures	(2,932,449)	(9,816,246)
Proceeds from sale of property and equipment	-0-	166,233
Purchases of investments	(17,241,401)	(16,195,168)
Proceeds from sale of investments	8,677,779	9,496,185
Net cash flows from investing activities	(11,496,071)	(16,348,996)
<b>Financing activities</b>		
Borrowings (repayments) under line of credit	-0-	(1,000,000)
Proceeds from contributions restricted for purchase and renovation of buildings	1,418,732	2,865,075
Proceeds from contributions restricted for investment in endowment	-0-	100,000
Annuities and trusts payments	(311,563)	(274,205)
Net cash flows from financing activities	1,107,169	1,690,870
Net change in cash	(4,490,656)	(6,023,260)
<b>Cash and restricted cash, beginning of year</b>	<b>6,281,599</b>	<b>12,304,859</b>
<b>Cash and restricted cash, end of year</b>	<b>\$ 1,790,943</b>	<b>\$ 6,281,599</b>
<b>Included in the consolidated statements of financial position as</b>		
Cash	\$ 1,448,628	\$ 5,939,282
Restricted cash	342,315	342,317
Total cash and restricted cash, end of year	\$ 1,790,943	\$ 6,281,599
<b>Supplemental disclosure of cash flow information</b>		
Change in accounts payable related to capital expenditures	\$ (996,384)	\$ 582,018
Cash paid for interest, net of capitalized amounts	\$ -0-	\$ 10,222

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### 1. NATURE OF ACTIVITIES

The accompanying consolidated financial statements include the accounts of Wheeler Mission Ministries, Inc. and its wholly owned subsidiaries, Wheeler East Street Holdings, Inc., Drumstick Dash, LLC and Wheeler Stores, LLC. (collectively referred to as the Ministry). All significant intercompany balances and transactions have been eliminated in consolidation.

Wheeler Mission Ministries, Inc. (WMM), an Indiana not-for-profit corporation, is a non-denominational Christian organization that exists to provide Christ-centered programs and services for individuals experiencing homelessness and those in need. The vision of the Ministry is to see every man, woman, and child we serve be equipped to be productive citizens who enjoy lasting success in Christ.

Services to the community are provided through seven separate facilities, each offering unique programs to the homeless and those in need in Indiana. These facilities include Men's Residential Center, Shelter for Men, Center for Women and Children, and Edwards Residence in the greater Indianapolis, Indiana area, as well as the Training Center at Camp Hunt, the Center for Men, and Center for Women and Children in Bloomington, Indiana.

WMM offers a long-term residential treatment program for addiction recovery that is offered to men at the Training Center at Camp Hunt and to women at the Center for Women and Children.

In addition to the seven service centers, WMM owns and operates a thrift shop on the south side of Indianapolis and a pallet manufacturing shop at the Training Center on the Camp Hunt campus in Bloomington. The Wheeler Mission Thrift Store sells used clothing and household items, along with providing no-cost items to individuals and families in need and employment opportunities and training to program participants. Wheeler Pallet and Industry manufactures pallets and provides employment opportunities and training to program participants. Through Restored Creations, women being served by WMM produce candles and develop transferable job skills needed to obtain and maintain employment.

WMM is a member of the Citygate Network, the Evangelical Council for Financial Accountability, and the National Society of Fund Raising Executives.

WMM receives the majority of its support from individuals, churches, businesses, civic organizations, and foundations within the Indianapolis metropolitan area.

Wheeler East Street Holdings, Inc. (ESH), an Indiana public benefit corporation, serves as a holding company for two properties that WMM utilizes to operate various programs. ESH received its initial start-up funding from WMM. WMM also provides ongoing operational support to ESH.

Drumstick Dash, LLC (DD) is a single member limited liability company. DD was formed to house the activities of the annual Drumstick Dash event.

During the year ended May 31, 2021, WMM formed Wheeler Stores, LLC (WS) a single member limited liability company. WS was formed to house activities of the new thrift store and eventually, the existing thrift store activities. WS had no assets or liabilities at May 31, 2022 and 2021, and incurred no income or expense during the years then ended.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The consolidated financial statements report net assets and changes in net assets in classes that are based upon the existence or absence of restrictions on use that are placed by the Ministry's donors, as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Ministry, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Ministry's unspent contributions are classified in this class if the donor limited their use. Earnings on donor restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure. Additionally, some net assets are subject to donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Ministry. Included in this classification are endowment funds, which are subject to the restrictions of gift instruments requiring that the principal be maintained in perpetuity and invested for the purpose of producing present and future income.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated statement of activities by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of property and equipment (or the contribution of those assets directly) are reported as net assets with donor restrictions until the donated or acquired assets are placed in service, unless the donor provides more specific directions about the period of its use.

#### Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### Cash and Restricted Cash

For purposes of the consolidated statement of cash flows, cash excludes cash held by various fund managers which is included in investments.

At May 31, 2022 and 2021, restricted cash consists of ESH funds which are required to be set aside as a reserve related to the net market tax credits (Note 11).

### Accounts Receivable

Accounts receivable (contract receivables) are recorded at net invoice amounts and consist primarily of billings for the Ministry's enterprise operations at the Training Center on the Camp Hunt campus, which include the production and sales of wood pallets and other wood products. The Ministry's policy for determining when receivables are past due is on a case by case basis. Management estimates an allowance for uncollectible accounts receivable based on an evaluation of current economic conditions, historical trends, and other factors unique to the Ministry's customer base. No late fees or finance charges are assessed. Amounts are considered uncollectible at the time management believes all collection efforts have been exhausted. Management has determined that an allowance for doubtful accounts receivable of \$57,843 is necessary at May 31, 2022. No allowance for doubtful accounts receivable was determined necessary at May 31, 2021. At May 31, 2022 and 2021 and June 1, 2020, net accounts receivable have a balance of \$693,976, \$418,086 and \$170,961, respectively.

### Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable are initially recorded at fair value based on estimated future cash flows of the unconditional pledges and are reported net of an allowance for doubtful amounts. The computation of a present value discount on contributions due in future years has been determined to be insignificant.

Management estimates an allowance for uncollectible contributions receivable based on current economic conditions, historical trends, and current and past experience with their donor base.

### Government Grants Receivable

Government grants receivable represent amounts awarded by government agencies. Government grants receivable are due within one year and are recorded at their net realizable value. Management estimates an allowance for uncollectible government grants receivable based on current economic conditions, historical trends, and current and past experience with the individual grantors. Management determined that no allowance was necessary as of May 31, 2022.

The Coronavirus Aids, Relief, and Economic Security (CARES) Act included a provision for the Employee Retention Credit (ERC). The ERC is a fully refundable tax credit for employers that may be available based on specified declines in gross receipts (revenues) in calendar quarters in 2020 or 2021 compared to the corresponding quarters in 2019. The credit is calculated at

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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defined percentages of qualified wages that eligible employers pay their employees during the qualifying quarters. The Ministry recognized \$2,970,595 of ERC grant revenue during fiscal 2022, which is included in government grants – employee retention credits in the consolidated statement of activities. Additionally, \$2,970,595 has not yet been received and is included in government grants receivable in the consolidated statement of financial position at May 31, 2022.

### Note Receivable

The note receivable represents the outstanding amount due to the Ministry from Chase NMTC Wheeler Mission Investment Fund, LLC which matures March 1, 2051. At May 31, 2022 and 2021, the outstanding balance of this note is \$6,086,700. It is secured by a 99.9% interest in the sub-CDE (see Note 11). The note requires quarterly interest payments through March 10, 2027, then quarterly principal and interest payments of \$74,854 through maturity (interest rate of 1.411%).

The note receivable is reported at its carrying value. The Ministry considers the note to be fully collectible; therefore, no allowance for doubtful accounts has been provided. Interest income related to the note receivable is recorded as an increase in net assets without donor restrictions.

### Inventory

Inventory consists of thrift store goods donated for resale and lumber used to build pallets. Purchased items of inventory are valued at the lower of cost or net realizable value with cost being determined using the first-in, first-out (FIFO) basis. Donated goods received by the Ministry that are to be distributed or sold in the thrift stores are valued at one-twelfth of the current year's sales, which approximates fair value.

### Property and Equipment

Property and equipment are capitalized at cost, including expenditures that substantially increase the useful lives of existing assets. Costs of ordinary maintenance and repairs are expensed as incurred.

Gifts of property and equipment are recorded as support at their estimated fair value at the date of the gift. Such gifts are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose or stipulated how long those long-lived assets must be used. Gifts for the acquisition of property and equipment are reported as support in net assets with donor restrictions. Absent explicit donor restrictions on use or how long the donated assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Ministry reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

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Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Useful Lives</u>
Buildings and improvements	5 – 40 years
Equipment	3 – 20 years
Vehicles	3 – 10 years

### Impairment of Long-Lived Assets

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. During the years ended May 31, 2022 and 2021, there was no impairment loss recognized for long-lived assets.

### Investments and Investment Return

Investments having a readily determinable market value are carried at fair value.

Investment return includes interest, dividends, and realized and unrealized gains and losses. Changes in unrealized appreciation or depreciation of investments are recorded in the period in which such changes occur. Interest and dividend income are recorded when earned. Realized gains and losses are recorded based on the cost of the specific securities sold.

### Split-Interest Agreements

#### *Charitable Gift Annuities*

The Ministry administers (through a third party administrator) various charitable gift annuities. A charitable gift annuity provides for the payment of distributions to the donor or other designated beneficiaries over a specified term (usually the designated beneficiary's lifetime). At the end of the specified term, the remaining assets are available for the unrestricted use of the Ministry. The portion of the charitable gift annuities attributable to the present value of future benefits to be received by the Ministry is recorded in the consolidated statement of activities as donor restricted contributions in the period the gift is received. There were no such contributions during the years ended May 31, 2022 and 2021. During the year ended May 31, 2021, liability for future payments under three of the charitable gift annuities administered ceased upon the previous deaths of the annuity's beneficiary. A contribution for the release of the liabilities related to the present value of estimated future payments of \$8,280 was recognized as contribution income during the year ended May 31, 2021. There were no liabilities released for the year ended May 31, 2022.

Assets held in trust total \$196,301 and \$210,683 at May 31, 2022 and 2021, respectively, and primarily consist of mutual funds and are reported at their fair value as charitable gift annuity investments in the consolidated statements of financial position. The present value of the estimated future payments to beneficiaries amounts to \$52,418 and \$62,144 at May 31, 2022 and 2021, respectively. The fair value (Level 2 in the fair value hierarchy – see Note 5 for



# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

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definition) of the estimated future payments to beneficiaries is based on the present value of the future payments and was calculated using a discount rate of 3.0% and the applicable mortality tables.

### *Charitable Remainder Trust*

The Ministry, serving as the trustee, administers (through a third party administrator) a charitable remainder trust. The trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (the designated beneficiaries' lifetimes). At the end of the trust's term, the remaining assets are available for the Ministry's use. The portion of the charitable remainder trust attributable to the present value of future benefits to be received by the Ministry is reported in the consolidated statement of activities as donor restricted contributions in the period the contributions are made to the trust. Contributions of \$410,556 and \$400,000, were made to the charitable remainder trust during the years ended May 31, 2022 and 2021, respectively.

Assets held in trust total \$3,668,696 and \$3,758,952 at May 31, 2022 and 2021, respectively, and primarily consist of mutual funds and are reported at their fair value as charitable remainder trust investments in the consolidated statements of financial position. On an annual basis, the Ministry revalues the liability for distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments to beneficiaries amounted to \$2,648,943 and \$2,739,199 at May 31, 2022 and 2021, respectively. The fair value (Level 2 in the fair value hierarchy – see Note 5 for definition) of the estimated future payments is calculated using a discount rate of 3.0% and the applicable mortality tables.

### Accounting for Contributions and Revenue Recognition

The Ministry recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as contributions with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year.

Program service revenues relate to pallet sales and thrift store sales and are recorded as revenue at the point of sale. Program service revenues also include services provided to individuals in need and are recorded as revenue over time in the year to which they relate (in which performance obligations are fulfilled). All program service revenues represent exchange transactions.

All other revenues are recognized when earned.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### Gifts-In-Kind Contributions

Donated goods used in the operations of the Ministry are recorded at their estimated "thrift store" fair market value on the date the gifts are received. Donated goods that are used for special events are recorded at their estimated fair market value on the date the gifts are received, which includes discounting their value based on quantities donated. All other donated goods received by the Ministry are channeled to the thrift store and recorded as revenue when sold. Donated goods contributed to the Ministry in excess of requirements for the Ministry's internal programs are distributed to other relief organizations within the Indianapolis area.

### Functional Allocation of Expenses

The costs of providing the programs and services of the Ministry have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting activities benefited based on estimates of time and usage by personnel and programs and the benefits derived. Expenses allocated include salaries and benefits, telephone and utilities, depreciation, maintenance, insurance, professional services and travel. Although the method used was appropriate, other methods could produce different results.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Ministry generally does not conduct its fundraising activities in conjunction with its other activities. In a case in which it does, such costs have been allocated between fundraising and development, program services or management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

### Income Taxes

WMM and ESH are exempt from Federal and state income taxes on related income under Section 501(c)(3) of the United States Internal Revenue Code and similar state law.

The activities of DD and WS are exempt as programs under WMM's not-for-profit exemption and are included in the income tax filings of WMM. The exemption is on all income except unrelated business income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Ministry and recognize a tax liability if the Ministry has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management believes that as of May 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Ministry is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, the Ministry is generally exempt from income taxes. However, WMM and ESH are required to file Federal Form 990 – Return of Organization Exempt from Income Tax and a corresponding state return, which are informational returns only. WMM and ESH have filed

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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their federal and state income tax returns for periods through May 31, 2021. The activities of DD are included in WMM's tax filings. WS had no activity as of May 31, 2022, but all future activity will be included on WMM's tax filings. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

#### Recently Issued Accounting Standards

In September 2020, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new standard is intended to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit (NFP) organizations, including information on how those assets are used and how they are valued. This new standard requires that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, there are expanded disclosure requirements. The Ministry will be required to adopt this new standard in the year ending May 31, 2023.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. This new standard, which the Ministry will be required to adopt in its year ending May 31, 2023, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

The Ministry is presently evaluating the effects these ASUs will have on its future financial statements, including related disclosures.

#### Subsequent Events

The Ministry evaluates events or transactions occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through September 28, 2022, which is the date the consolidated financial statements were available to be issued.

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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#### 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at May 31:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 362,777	\$ 343,695
Due in one to five years	<u>77,700</u>	<u>-0-</u>
Contributions receivable	440,477	343,695
Less allowance for doubtful accounts	<u>(66,252)</u>	<u>(29,054)</u>
Contributions receivable, net	<u>\$ 374,225</u>	<u>\$ 314,641</u>

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 2,017,552	\$ 2,017,552
Buildings and improvements	34,101,255	23,012,875
Equipment	3,279,487	2,993,840
Vehicles	729,662	712,617
Construction in process	<u>388,409</u>	<u>10,212,670</u>
	40,516,365	38,949,554
Accumulated depreciation	<u>(11,791,859)</u>	<u>(10,712,616)</u>
	<u>\$ 28,724,506</u>	<u>\$ 28,236,938</u>

Land and buildings aggregating a total cost of \$6,275,721 at May 31, 2022 and 2021, have been partially funded through grants from the Federal Home Loan Bank of Indianapolis (FHLBI) for the development of affordable housing. The Ministry is subject to various reporting requirements in addition to meeting certain occupancy and low-income housing requirements, as defined in the grants, for a retention period of fifteen years beginning after project completion. If the Ministry does not fulfill the compliance requirements over the fifteen year retention period under the grants, it could be liable to repay a portion of the funding. Management believes the likelihood of not fulfilling its requirements under the FHLBI grants is remote. The retention period of FHLBI grants aggregating \$375,000, \$500,000 and \$500,000 end during March 2023, January 2031, and May 2036, respectively.

Construction in process includes costs associated with building construction and improvements not completed as of the end of the fiscal year. At May 31, 2022, the Ministry has contracts in place with various vendors of approximately \$244,000 to complete additional improvements. All of these improvements are anticipated to be completed during fiscal 2023.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### 5. INVESTMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Ministry has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2022 and 2021.

- *Money market mutual funds*: Generally transact subscription and redemption activity at a \$1 stable net asset value (NAV); however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Ministry are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Ministry are deemed to be actively traded.
- *Exchange traded funds*: Valued at the closing price reported on the active market on which the individual securities are traded.
- *US government obligations*: Valued using pricing models maximizing the use of observable inputs for similar securities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the

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## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

Ministry believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The following tables set forth the Ministry's investment portfolio as of May 31:

	2022		
	Level 1	Level 2	Total
Money market mutual fund	\$ -0-	\$ 2,525,761	\$ 2,525,761
Mutual funds			
Equity			
Large cap growth	1,625,209	-0-	1,625,209
Large cap value	1,242,144	-0-	1,242,144
Large cap blended	2,139,711	-0-	2,139,711
Midcap	1,427,408	-0-	1,427,408
Small cap	876,018	-0-	876,018
International	1,046,099	-0-	1,046,099
Other	1,205,323	-0-	1,205,323
Fixed income	2,554,876	-0-	2,554,876
Exchange traded funds			
Equity			
Large cap growth	985,351	-0-	985,351
Large cap value	1,436,089	-0-	1,436,089
Large cap blended	2,287,784	-0-	2,287,784
Midcap	424,244	-0-	424,244
Small cap	519,053	-0-	519,053
International	761,582	-0-	761,582
Other	644,371	-0-	644,371
Fixed income			
Ultrashort bond	686,290	-0-	686,290
Intermediate-core bond	2,664,630	-0-	2,664,630
Other bond	445,677	-0-	445,677
US government obligations			
Treasury notes	-0-	5,702,015	5,702,015
Total fair value	\$ 22,971,860	\$ 8,227,776	31,199,636
Cash			3,130,349
Total investments			\$ 34,329,985

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

	2021		
	Level 1	Level 2	Total
Money market mutual fund	\$ -0-	\$ 2,523,238	\$ 2,523,238
Mutual funds			
Equity			
Large cap growth	887,299	-0-	887,299
Large cap value	772,639	-0-	772,639
Large cap blended	1,281,899	-0-	1,281,899
Midcap	901,920	-0-	901,920
Small cap	1,054,304	-0-	1,054,304
International	704,116	-0-	704,116
Other	366,129	-0-	366,129
Fixed income	3,911,118	-0-	3,911,118
Exchange traded funds			
Equity			
Large cap growth	1,252,156	-0-	1,252,156
Large cap value	1,928,626	-0-	1,928,626
Large cap blended	2,996,931	-0-	2,996,931
Midcap	771,555	-0-	771,555
Small cap	594,193	-0-	594,193
International	1,078,064	-0-	1,078,064
Other	464,561	-0-	464,561
Fixed income			
Ultrashort bond	704,583	-0-	704,583
Inflation-protected bond	732,517	-0-	732,517
Intermediate-core bond	2,936,781	-0-	2,936,781
Corporate bond	705,669	-0-	705,669
Other bond	468,244	-0-	468,244
Total fair value	<u>\$ 24,513,304</u>	<u>\$ 2,523,238</u>	27,036,542
Cash			<u>1,458,544</u>
Total investments			<u>\$ 28,495,086</u>

The Ministry's investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying consolidated financial statements.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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Investments are reported on the consolidated statements of financial position as follows at May 31:

	<u>2022</u>	<u>2021</u>
Investments - capital and general operating	\$ 15,699,244	\$ 9,484,233
Investments - endowment	14,765,744	15,041,218
Investments - other		
Charitable gift annuities	196,301	210,683
Charitable remainder trust	<u>3,668,696</u>	<u>3,758,952</u>
	<u>\$ 34,329,985</u>	<u>\$ 28,495,086</u>

The following schedule summarizes investment return for the years ended May 31:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 1,165,531	\$ 475,070
Realized and unrealized gains (losses), net	(2,728,723)	4,209,672
Investment service fees	<u>(97,063)</u>	<u>(90,519)</u>
Investment return, net	<u>\$ (1,660,255)</u>	<u>\$ 4,594,223</u>

### 6. LINE OF CREDIT AGREEMENTS

The Ministry has a \$1,000,000 revolving line of credit facility available with a bank through November 24, 2022. Borrowings under this facility are secured by substantially all assets of the Ministry, and bear interest at the prime rate less 1.25% (2.75% at May 31, 2022). There were no borrowings on this facility as of May 31, 2022 and 2021.

During the year ended May 31, 2020, the Ministry obtained a \$5,500,000 revolving line of credit facility in connection with the New Market Tax Credits project (Note 11). This line of credit facility was available with the bank through June 30, 2021. Borrowings under this facility were secured by substantially all assets of the Ministry, and bore interest at prime rate less 1.25% (2.00% at May 31, 2021). There were no borrowings outstanding at May 31, 2021. The Ministry elected not to renew the line of credit facility at its maturity date.



# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

### 7. NOTES PAYABLE

Notes payable consist of the following at May 31:

	<u>2022</u>	<u>2021</u>
Note payable to IR CDE Twelve, LLC (Note 11) with an annual interest rate of 1.00%. Quarterly interest only payments through March 1, 2027, then quarterly principal and interest payments of \$62,863 through maturity on December 1, 2054; secured by a mortgage on the financed ESH property (with a net book value of \$12,643,572 at May 31, 2022) and assignment of contracts and rents; guaranteed by WMM.	\$ 6,086,700	\$ 6,086,700
Note payable to IR CDE Twelve, LLC (Note 11) with an annual interest rate of 1.00%. Quarterly interest only payments through March 1, 2027, then quarterly principal and interest payments of \$26,370 through maturity on December 1, 2054; secured by a mortgage on the financed ESH property (with a net book value of \$12,643,572 at May 31, 2022) and assignment of contracts and rents; guaranteed by WMM.	<u>2,553,300</u>	<u>2,553,300</u>
	<u>\$ 8,640,000</u>	<u>\$ 8,640,000</u>

The above notes payable to IR CDE Twelve, LLC contain certain restrictive covenants, primarily related to ESH, including limitations on the creation of additional indebtedness and liens.

On April 24, 2020, the Ministry received a low interest loan in the amount of \$1,531,300 under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA). The PPP loan was unsecured, bore interest at 1% and funds advanced under the program were subject to forgiveness, if certain criteria were met, with the remaining balance repayable within two years of disbursement. PPP loans may be forgivable to the extent that employers incur and spend the funds on qualified expenditures, which include payroll, employee health insurance, rent, utilities and interest costs during the covered period as defined by the PPP guidance. In addition, employers must maintain specified employment and wage levels during the pandemic and submit adequate documentation of such expenditures to qualify for loan forgiveness.

On April 17, 2021, the Ministry was released from its creditor and notified by the SBA its loan had been forgiven. The total loan amount of \$1,531,300 is recorded as gain on debt extinguishment on the consolidated statement of activities for the year ended May 31, 2021, as the Ministry utilized the debt accounting model. The SBA retains the right to audit the forgiveness of the loan for six years.

Future maturities on notes payable of \$8,640,000 at May 31, 2022 are all due beyond May 31, 2027 (Note 11).

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

#### 8. NET ASSETS

##### Net Assets Without Donor Restrictions – Board Designated

Board designated net assets are net assets without donor restrictions subject to self-imposed limits determined by action of the Board of Directors. The designations are as follows at May 31:

	2022	2021
Funds functioning as endowment:		
General operations	\$ 1,573,872	\$ 1,735,451
Other board designated:		
Operating reserve	500,000	500,000
	\$ 2,073,872	\$ 2,235,451

##### Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at May 31:

	2022	2021
Purpose restricted		
Center for Women and Children	\$ 266,735	\$ 88,452
Capital campaign for expansion of Center for Women and Children	214,014	11,371,862
Lilly Endowment - capital investments	301,748	327,184
Lilly Endowment - technology and security	-0-	9,642
Lilly Endowment - optimization study	12,184	25,000
COVID-19	473,549	432,800
Outreach addiction recovery	282,773	300,000
Other programs	688,869	240,564
	2,239,872	12,795,504
Time restricted for future periods		
Charitable remainder trusts	1,019,754	1,019,754
Drumstick Dash	273,556	16,321
Other	91,613	1,061
	1,384,923	1,037,136
Endowment		
Future sustainability	10,922,831	12,009,859
Director of food service support	655,506	689,356
Center for Women and Children or Training Center at Camp Hunt	1,298,824	1,362,197
Other	314,711	244,358
	13,191,872	14,305,770
	\$ 16,816,667	\$ 28,138,410

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

### Net Assets Released From Restrictions

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows during the years ended May 31:

	<u>2022</u>	<u>2021</u>
Purpose restriction:		
Center for Women and Children	\$ 623,185	\$ 352,048
Capital campaign for expansion of Center for Women and Children	11,956,509	61,882
Provide shelter, food, and medical assistance under various other programs	1,179,360	889,301
Lilly Endowment - capital investments	25,436	110,999
Lilly Endowment - technology and security	9,642	20,241
Lilly Endowment - optimization study	12,816	-0-
COVID-19	403,251	181,299
Director of food service	-0-	33,200
Time restriction:		
Drumstick Dash	24,065	3,000
	<u>\$ 14,234,264</u>	<u>\$ 1,651,970</u>

## 9. ENDOWMENT

The Ministry's endowments consist of donor restricted and board designated funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

### Interpretation of Relevant Law

Management is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) 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 expenditure. Those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted SPMIFA as not requiring the preservation of the purchasing power of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Ministry 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.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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The Ministry has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measure required under the law. Additionally, in accordance with SPMIFA, the Ministry considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Ministry and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Ministry
- (7) The investment policies of the Ministry

### Underwater Endowment Funds

From time to time, due to unfavorable market fluctuations, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the Ministry to retain as a fund of perpetual duration. There were no deficiencies of this nature at May 31, 2022 and 2021.

### Return Objectives and Risk Parameters

The Ministry has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Directors, the endowment investments are invested in a manner that is intended to protect the purchasing power of the original investment and to maximize the total return of the Ministry within reasonable and prudent levels of risk. Actual returns in any given year may vary.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Ministry relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Ministry, as it relates to its endowment investments, targets a diversified asset allocation that places an emphasis on a balance between equity and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Ministry has a policy of appropriating for distributions each year up to 3% of the net asset value of the endowment as calculated on May 31 of the preceding fiscal year, except for those donor restricted endowment funds held to support future sustainability. Appropriations in excess of 3% of the net asset value of the endowment or appropriations that would cause deterioration of the corpus of the endowment require an affirmative vote of 75% of the entire of Board of Directors then serving. The endowment fund held for future sustainability (Note 8) is

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## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

limited by the donor, at such times when the balance of the fund is below the historic dollar value of the grant, to spending of 2% of the grant fund balance, and at such times when the grant fund balance is over the historic dollar value of the grant but when planned spending would cause the grant fund balance to fall below the historic dollar value of the grant, to spending of the greater of up to 2% of the grant fund balance or the excess of the grant fund balance over the historic dollar value of the grant. In establishing its policies, the Ministry intends to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The composition of the Ministry's endowment is as follows at May 31:

	2022		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Board designated endowment funds	\$ 1,573,872	\$ -0-	\$ 1,573,872
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	10,403,400	10,403,400
Accumulated investment gains	-0-	2,788,472	2,788,472
	\$ 1,573,872	\$ 13,191,872	\$ 14,765,744
	2021		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Board designated endowment funds	\$ 1,735,451	\$ -0-	\$ 1,735,451
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	10,403,400	10,403,400
Accumulated investment gains	-0-	3,902,370	3,902,370
	\$ 1,735,451	\$ 14,305,770	\$ 16,041,221

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

The change in endowment net assets is as follows for the years ended May 31:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,735,451	\$ 14,305,770	\$ 16,041,221
Investment return, net	<u>(161,579)</u>	<u>(1,113,898)</u>	<u>(1,275,477)</u>
Endowment net assets, end of year	<u>\$ 1,573,872</u>	<u>\$ 13,191,872</u>	<u>\$ 14,765,744</u>

  

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 554,450	\$ 11,057,474	\$ 11,611,924
Deposits	1,000,000	100,000	1,100,000
Distributions	-0-	(33,200)	(33,200)
Investment return, net	<u>181,001</u>	<u>3,181,496</u>	<u>3,362,497</u>
Endowment net assets, end of year	<u>\$ 1,735,451</u>	<u>\$ 14,305,770</u>	<u>\$ 16,041,221</u>

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

#### 10. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Ministry's financial assets that are available to meet general expenditures within one year of the consolidated statement of financial position date at May 31:

	2022	2021
Financial assets		
Cash	\$ 1,448,628	\$ 5,939,282
Restricted cash	342,315	342,317
Accounts receivable, net	693,976	418,086
Contributions receivable, net	374,225	314,641
Government grants receivable	2,970,595	-0-
Investments	34,329,985	28,495,086
Note receivable	6,086,700	6,086,700
Total financial assets	46,246,424	41,596,112
Restricted cash	(342,315)	(342,317)
Contributions receivable not due within one year	(77,700)	-0-
Charitable gift annuities payable	(52,418)	(62,144)
Charitable remainder trust payable	(2,648,943)	(2,739,199)
Note receivable not due within one year	(6,086,700)	(6,086,700)
Net assets with donor restrictions		
Purpose restricted (net of construction in process expended in cash)	(1,878,843)	(3,606,598)
Time restricted for future periods	(1,384,923)	(1,037,136)
Endowment	(13,191,872)	(14,305,770)
Board designated net assets		
Endowment	(1,573,872)	(1,735,451)
Operating reserve	(500,000)	(500,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 18,508,838	\$ 11,180,797

The Ministry's board-designated net assets are designated by the Board of Directors to provide income to support general operations in the future, as well as an operating reserve. Although the Ministry does not intend to spend the board designated funds to meet general expenditures, the amounts could be made available, if necessary.

As more fully described in Note 6, the Ministry maintains a line of credit of \$1,000,000 with a bank available to be drawn upon as needed during the year. At May 31, 2022, the Ministry has no outstanding borrowings and the full amount is available as needed to meet cash needs for general expenditures.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### 11. NEW MARKET TAX CREDITS PROJECT

In January 2020, the Ministry entered into a New Market Tax Credit (NMTC) financing transaction to fund a portion of the cost of construction and expansion of the Center for Women and Children. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (the Act) and is intended to induce capital investment in qualified low-income communities. The Act permits certain taxpayers to claim credits against their Federal income taxes for up to 39% of qualified investments in the equity of Community Development Entities (CDE). A CDE is a privately managed investment institution that is certified to make qualified low-income community investments (QLICI) loans. The NMTC structure includes the Ministry (through ESH), as a leverage lender, and the tax credit investor is Chase NMTC Wheeler Mission Investment Fund, LLC, an entity formed for purposes of NMTC transactions by Chase Bank, N.A.

In January 2020, Chase Community Equity, LLC made a \$9,000,000 capital contribution to Chase NMTC Wheeler Mission Investment Fund, LLC, a qualified equity investment fund. At the same time, the Ministry (through ESH as leverage lender) made a \$6,086,700 leveraged loan to the same investment fund (Note 2), resulting in a partial return of capital to Chase Community Equity, LLC. In turn, Chase NMTC Wheeler Mission Investment Fund, LLC made a \$9,000,000 capital contribution to IR CDE Twelve, LLC (sub-CDE), which is recognized as a qualified community development entity (noted above) or sub-CDE in this structure. After deducting certain fees associated with the transaction, the sub-CDE made two QLICI loans to the Ministry for a combined total of \$8,640,000. In this structure, the Ministry (through ESH) is designated as a qualified active low-income community benefit entity (QALICB). The QLICI loans bear interest at a rate of 1% and mature on December 1, 2054. Interest only payments due quarterly are made during the first seven years of the notes (Note 7).

The NMTC is subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code. The Ministry is required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Non-compliance with applicable requirements could result in projected tax benefits not being realized and, therefore, could require the Ministry to indemnify the investments for any loss or recapture of NMTCs related to the financing until such time as the Ministry's obligation to deliver tax benefits is relieved. The Ministry does not anticipate any credit recaptures in connection with this arrangement. This transaction includes a put / call provision that becomes effective at the end of the seven year compliance recapture period. Under the put provision, the Ministry may be obligated to purchase the investor's (CDE) interest in the Fund (Chase NMTC Wheeler Mission Investment Fund, LLC) for the sum of \$1,000 plus all transfer or excise taxes imposed on the investor. Under the call provision, the Ministry would be entitled to purchase the investor's interest in the Fund at fair market value. The Ministry believes the investor will exercise the put option in March 2027 at the end of the compliance recapture period. The value attributed to the put / call provision is de minimis.



# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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### 12. EMPLOYEE BENEFITS

#### Retirement Plan

The Ministry offers a voluntary 403(b) program open to all employees upon hire, which acts as the investment vehicle holding any employee contributions. This vehicle holds all of the Ministry's contributions made on behalf of employees, both matched and unmatched. To receive the Ministry's contributions, employees must meet the age and length of service requirements. It is the Ministry's policy to make contributions to the plan as provided annually by the Board of Directors. Contribution expense under this plan was \$275,439 and \$285,208 for the years ended May 31, 2022 and 2021, respectively.

#### Flexible Benefit Plan

The Ministry offers a flexible benefit plan through a Health Saving Account (HSA). The plan offers medical expense reimbursements for certain employees grandfathered into the plan. Employees can make voluntary contributions to the plan for medical expense reimbursements. The Ministry contributed \$26,120 and \$29,050 to the plan during the years ended May 31, 2022 and 2021, respectively.

#### Health Insurance

The Ministry provides its regular full-time employees with medical health insurance. Regular full-time employees may choose to have their eligible family members covered under the health care plan as well. Participants are eligible to purchase coverage through the Ministry for dependents at their own expense by payroll deduction. For employees hired after June 1, 1992, the cost is paid for by the employee. Participants should refer to the benefits booklet for a more complete description of the benefit provisions. Contribution expense under this plan was \$696,054 and \$671,116 for the years ended May 31, 2022 and 2021, respectively.

### 13. FACILITY LEASE

Effective April 27, 2022, the Ministry (through WS) entered into a facility lease to house a new thrift store. The lease is expected to commence in August 2022 and is for a seven year term. Monthly rental payments range from \$14,936 to \$16,429 throughout the term of the lease. The Ministry is also responsible for its proportionate share of the facility's operating costs, insurance and taxes. The lease provides the Ministry one five-year renewal option.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021

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Future minimum lease payments required under this noncancellable operating lease at May 31, 2022 are as follows:

Year Ending May 31,	
2023	\$ 149,356
2024	179,228
2025	184,206
2026	185,202
2027	190,180
Thereafter	<u>420,189</u>
	<u>\$ 1,308,361</u>

### 14. CONTINGENCY

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Ministry's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, shortages of personnel, shortages of supplies, delays, loss of, or reduction to revenue, contributions and funding, and investment portfolio declines. Management believes the Ministry is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

### 15. CONCENTRATIONS

The Ministry maintains its cash in accounts which generally exceed federally insured limits. The Ministry has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

All of the Ministry's investments are managed by one investment management firm. The Ministry was invested in one fund that comprised approximately 10% of total investments at May 31, 2021. There was no such concentration at May 31, 2022.

As of at May 31, 2022, the Ministry has contributions receivable from four donors representing 60% of gross contributions receivable. As of at May 31, 2021, the Ministry has contributions receivable from three donors representing 68% of gross contributions receivable.

# **WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2022 AND 2021**

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### **16. SUBSEQUENT EVENTS**

Effective September 2, 2022, the existing Wheeler Mission Thrift Store has been closed for an indefinite period due to structural issues that were discovered with the building.

Effective September 14, 2022, the Ministry obtained a \$500,000 construction loan to support renovations to a facility at its Center for Men in Bloomington, Indiana.

**SUPPLEMENTARY INFORMATION**

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROGRAM SERVICES EXPENSES

YEAR ENDED MAY 31, 2022

(With Comparative Total for the Year Ended May 31, 2021)

	2022													2021 Total
	Men's Residential Center	Shelter for Men	Center for Women and Children	Camp Hunt	Industry	Edwards Residence	Thrift Shop	Ministry Services	Center for Men (Bloomington)	Center for Women and Children (Bloomington)	Food Services	Restored Creations	Total Program Services	
Salaries and benefits	\$ 727,611	\$ 1,399,592	\$ 1,602,206	\$ 534,719	\$ 198,973	\$ 71,766	\$ 401,866	\$ 1,288,723	\$ 419,259	\$ 117,193	\$ 234,588	\$ 61,210	\$ 7,057,706	\$ 6,214,650
Gift-in-kind expenses	135,669	410,549	181,303	122,555	-0-	-0-	-0-	-0-	216,677	50	-0-	-0-	1,066,803	878,263
Public relations and direct mailing	-0-	-0-	-0-	-0-	-0-	-0-	2,200	-0-	-0-	-0-	-0-	1,291	3,491	2,819
Telephone and utilities	121,593	105,618	136,994	139,441	48,959	10,548	32,378	3,399	51,964	14,516	-0-	-0-	665,410	588,934
Depreciation expense	124,609	223,834	618,641	125,710	99,896	4,918	39,001	-0-	48,834	14,534	-0-	-0-	1,299,977	831,771
Postage	-0-	72	-0-	309	-0-	22	-0-	15	-0-	-0-	-0-	666	1,084	3,319
Maintenance	70,904	75,480	90,758	37,787	9,444	5,357	47,459	38,411	38,761	6,664	9,650	373	431,048	279,184
Insurance	2,546	4,017	6,643	1,858	31,520	389	2,365	165,521	1,428	-0-	837	237	217,361	231,547
Food	-0-	-0-	-0-	9,633	-0-	66	-0-	-0-	-0-	-0-	948,285	-0-	957,984	844,709
Equipment repair and maintenance	10,106	15,400	43,069	21,413	35,533	1,125	10,644	6,972	6,982	1,015	38,185	4,459	194,903	162,563
Cleaning supplies	10,591	17,675	25,605	14,859	-0-	428	178	-0-	10,175	36	17,663	-0-	97,210	68,553
Fuel and oil	2,053	8,427	733	14,233	16,997	952	5,277	6,635	2,318	-0-	6,625	-0-	64,250	51,021
Professional services	-0-	204,061	79,885	-0-	-0-	-0-	29,529	-0-	-0-	-0-	235	-0-	313,710	214,661
Program materials	28,852	10,585	48,682	11,216	531	764	4,583	2,085	9,046	-0-	1,629	1,386	119,359	106,283
Office supplies	785	917	4,507	1,962	1,740	-0-	449	6,823	309	-0-	105	371	17,968	11,340
Staff travel and conferences	3,169	942	9,346	10,943	35	54	894	8,437	266	-0-	2,500	-0-	36,586	10,189
Industry and supplies	-0-	-0-	-0-	-0-	1,275,323	-0-	-0-	-0-	-0-	-0-	-0-	23,447	1,298,770	848,194
Grants and scholarships	8,100	-0-	-0-	20,375	-0-	1,100	-0-	-0-	-0-	-0-	-0-	-0-	29,575	31,125
Membership fees	672	876	798	1,198	799	39	163	13,454	1,015	103	192	67	19,376	10,508
Lockbox and bank fees	-0-	-0-	61	-0-	-0-	-0-	9,898	-0-	-0-	-0-	-0-	1,138	11,097	10,687
Miscellaneous	-0-	4,500	89	-0-	-0-	677	-0-	-0-	18	-0-	1,457	-0-	6,741	7,782
	<u>\$ 1,247,260</u>	<u>\$ 2,482,545</u>	<u>\$ 2,849,320</u>	<u>\$ 1,068,211</u>	<u>\$ 1,719,750</u>	<u>\$ 98,205</u>	<u>\$ 586,884</u>	<u>\$ 1,540,475</u>	<u>\$ 807,052</u>	<u>\$ 154,111</u>	<u>\$ 1,261,951</u>	<u>\$ 94,645</u>	<u>\$ 13,910,409</u>	<u>\$ 11,408,102</u>

See report of independent auditors on pages 1 through 3.