



**WHEELER MISSION MINISTRIES, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**  
**MAY 31, 2024 AND 2023**

*CPAs / ADVISORS*



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

TABLE OF CONTENTS  
MAY 31, 2024 AND 2023

---

	Page
<b>Report of Independent Auditors</b> .....	1
<b>Consolidated Financial Statements</b>	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities .....	5
Consolidated Statements of Functional Expenses.....	7
Consolidated Statements of Cash Flows .....	9
Notes to Consolidated Financial Statements .....	10
<b>Supplementary Information</b>	
Consolidated Statement of Program Services Expenses.....	36

---



Blue & Co., LLC / 12800 N. Meridian Street, Suite 400 / Carmel, IN 46032  
main 317.848.8920 fax 317.573.2458 email blue@blueandco.com

## 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. and Subsidiaries, a nonprofit organization, (hereby collectively referred to as the Ministry), which comprise the consolidated statements of financial position as of May 31, 2024 and 2023, 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, 2024 and 2023, 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 services 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 13, 2024

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MAY 31, 2024 AND 2023

<b>ASSETS</b>		
	2024	2023
Cash	\$ 1,176,057	\$ 1,041,114
Restricted cash	142,110	207,961
Investments - capital and general operating	21,747,949	20,153,281
Accounts receivable	187,704	125,492
Contributions receivable, net	5,134,319	1,126,367
Government grants receivable	-0-	2,970,595
Note receivable	6,086,700	6,086,700
Inventory	369,854	390,017
Prepaid and other assets	31,961	73,457
Property and equipment, net	28,636,501	29,182,757
Right-of use assets under operating leases, net	1,831,011	1,983,061
Investments - endowment	21,758,411	14,869,661
Investments - other		
Charitable gift annuities	215,812	187,951
Charitable remainder trust	3,563,886	3,278,206
	<b>\$ 90,882,275</b>	<b>\$ 81,676,620</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 343,486	\$ 361,595
Accrued payroll and other liabilities	763,927	557,381
Operating lease liabilities	1,915,957	2,019,467
Charitable gift annuities payable	45,517	45,655
Charitable remainder trust payable	1,879,736	2,199,224
Notes payable	8,640,000	8,640,000
Total liabilities	13,588,623	13,823,322
Net assets		
Without donor restrictions		
Undesignated	49,335,532	46,073,708
Board designated - endowment	1,714,749	1,549,321
Board designated - operating reserve	500,000	500,000
	51,550,281	48,123,029
With donor restrictions		
Purpose restricted	3,818,582	4,278,038
Time restricted for future periods	1,886,581	1,380,222
Endowment	20,038,208	14,072,009
	25,743,371	19,730,269
Total net assets	<b>77,293,652</b>	<b>67,853,298</b>
	<b>\$ 90,882,275</b>	<b>\$ 81,676,620</b>

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED MAY 31, 2024

(With Comparative Total for the Year Ended May 31, 2023)

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Support and revenue</b>				
Support				
Contributions	\$ 12,075,099	\$ 6,890,494	\$ 18,965,593	\$ 19,780,079
Contributions - wills and estates	1,899,259	-0-	1,899,259	682,733
Fees and grants from government agencies - contributions	-0-	-0-	-0-	26,307
Gifts-in-kind	1,347,340	-0-	1,347,340	1,444,397
Revenue				
Program service revenue	2,805,753	-0-	2,805,753	2,517,427
Gain (loss) on disposal or sale of property and equipment	460,578	-0-	460,578	(534,420)
Other	185,959	-0-	185,959	122,216
Change in value of annuity and trust liabilities	(4,412)	56,360	51,948	136,986
Investment return, net	2,156,966	2,451,599	4,608,565	37,215
Net assets released from restrictions	3,385,351	(3,385,351)	-0-	-0-
	<u>24,311,893</u>	<u>6,013,102</u>	<u>30,324,995</u>	<u>24,212,940</u>
Special events				
Registration fees and other support	1,095,324	-0-	1,095,324	1,361,791
Gift-in-kind support	1,150,644	-0-	1,150,644	794,494
Direct expenses of events	(523,752)	-0-	(523,752)	(484,340)
Gift-in-kind expenses	(1,150,644)	-0-	(1,150,644)	(794,494)
	<u>571,572</u>	<u>-0-</u>	<u>571,572</u>	<u>877,451</u>
Total support and revenue	24,883,465	6,013,102	30,896,567	25,090,391
<b>Expenses</b>				
Program services				
Men's residential center	1,554,824	-0-	1,554,824	1,472,680
Shelter for men	2,949,153	-0-	2,949,153	2,744,694
Center for women and children	3,996,943	-0-	3,996,943	3,555,890
Camp Hunt	1,061,567	-0-	1,061,567	1,095,675
Industry	1,180,833	-0-	1,180,833	1,394,150
Edwards residence	100,131	-0-	100,131	104,813
Thrift shop	1,619,409	-0-	1,619,409	1,238,907
Ministry services	1,713,629	-0-	1,713,629	1,600,900
Center for men (Bloomington)	948,795	-0-	948,795	977,107
Center for women and children (Bloomington)	72,172	-0-	72,172	191,868
Food services	-0-	-0-	-0-	3,053
Restored creations	111,848	-0-	111,848	79,312
	<u>15,309,304</u>	<u>-0-</u>	<u>15,309,304</u>	<u>14,459,049</u>
Supporting activities				
Management and general	1,737,217	-0-	1,737,217	1,313,407
Fundraising and development	4,409,692	-0-	4,409,692	4,322,539
	<u>6,146,909</u>	<u>-0-</u>	<u>6,146,909</u>	<u>5,635,946</u>
Total expenses	<u>21,456,213</u>	<u>-0-</u>	<u>21,456,213</u>	<u>20,094,995</u>
<b>Change in net assets</b>	3,427,252	6,013,102	9,440,354	4,995,396
<b>Net assets, beginning of year</b>	<u>48,123,029</u>	<u>19,730,269</u>	<u>67,853,298</u>	<u>62,857,902</u>
<b>Net assets, end of year</b>	<u>\$ 51,550,281</u>	<u>\$ 25,743,371</u>	<u>\$ 77,293,652</u>	<u>\$ 67,853,298</u>

See accompanying notes to consolidated financial statements.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED MAY 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Support			
Contributions	\$ 12,464,965	\$ 7,315,114	\$ 19,780,079
Contributions - wills and estates	682,733	-0-	682,733
Fees and grants from government agencies - contributions	26,307	-0-	26,307
Gifts-in-kind	1,444,397	-0-	1,444,397
Revenue			
Program service revenue	2,517,427	-0-	2,517,427
Loss on disposal of property and equipment	(534,420)	-0-	(534,420)
Other	122,216	-0-	122,216
Change in value of annuity and trust liabilities	212	136,774	136,986
Investment return, net	225,025	(187,810)	37,215
Net assets released from restrictions	<u>4,350,476</u>	<u>(4,350,476)</u>	<u>-0-</u>
	21,299,338	2,913,602	24,212,940
Special events			
Registration fees and other support	1,361,791	-0-	1,361,791
Gift-in-kind support	794,494	-0-	794,494
Direct expenses of events	(484,340)	-0-	(484,340)
Gift-in-kind expenses	<u>(794,494)</u>	<u>-0-</u>	<u>(794,494)</u>
	<u>877,451</u>	<u>-0-</u>	<u>877,451</u>
Total support and revenue	22,176,789	2,913,602	25,090,391
<b>Expenses</b>			
Program services			
Men's residential center	1,472,680	-0-	1,472,680
Shelter for men	2,744,694	-0-	2,744,694
Center for women and children	3,555,890	-0-	3,555,890
Camp Hunt	1,095,675	-0-	1,095,675
Industry	1,394,150	-0-	1,394,150
Edwards residence	104,813	-0-	104,813
Thrift shop	1,238,907	-0-	1,238,907
Ministry services	1,600,900	-0-	1,600,900
Center for men (Bloomington)	977,107	-0-	977,107
Center for women and children (Bloomington)	191,868	-0-	191,868
Food services	3,053	-0-	3,053
Restored creations	<u>79,312</u>	<u>-0-</u>	<u>79,312</u>
	14,459,049	-0-	14,459,049
Supporting activities			
Management and general	1,313,407	-0-	1,313,407
Fundraising and development	<u>4,322,539</u>	<u>-0-</u>	<u>4,322,539</u>
	<u>5,635,946</u>	<u>-0-</u>	<u>5,635,946</u>
Total expenses	<u>20,094,995</u>	<u>-0-</u>	<u>20,094,995</u>
<b>Change in net assets</b>	2,081,794	2,913,602	4,995,396
<b>Net assets, beginning of year</b>	<u>46,041,235</u>	<u>16,816,667</u>	<u>62,857,902</u>
<b>Net assets, end of year</b>	<u>\$ 48,123,029</u>	<u>\$ 19,730,269</u>	<u>\$ 67,853,298</u>

*See accompanying notes to consolidated financial statements.*



## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MAY 31, 2024 (With Comparative Total for the Year Ended May 31, 2023)

	2024					2023 Total
	Program Services	Supporting Activities			Total	
		Management and General	Fundraising and Development	Total Supporting Activities		
Salaries and benefits	\$ 8,210,016	\$ 495,079	\$ 1,648,871	\$ 2,143,950	\$ 10,353,966	\$ 9,551,191
Gift-in-kind expenses	1,347,340	-0-	1,150,644	1,150,644	2,497,984	2,047,073
Public relations and direct mailing	7,945	58	2,203,321	2,203,379	2,211,324	1,793,112
Direct expenses of events	-0-	-0-	523,752	523,752	523,752	484,340
Telephone and utilities	696,865	35,075	4,916	39,991	736,856	822,594
Depreciation expense	1,499,368	128,044	-0-	128,044	1,627,412	1,536,154
Postage	1,326	43	133,751	133,794	135,120	615,553
Maintenance	600,441	36,310	57,656	93,966	694,407	525,646
Insurance	320,772	1,240	4,917	6,157	326,929	294,070
Food	241,294	-0-	-0-	-0-	241,294	234,759
Equipment repair and maintenance	234,233	6,960	32,377	39,337	273,570	313,383
Cleaning supplies	113,352	1,087	-0-	1,087	114,439	118,523
Fuel and oil	59,948	3,961	-0-	3,961	63,909	79,195
Professional services	538,173	477,593	243,966	721,559	1,259,732	1,040,517
Program materials	142,254	-0-	3,342	3,342	145,596	175,109
Office supplies	18,741	3,652	1,349	5,001	23,742	26,332
Staff travel and conferences	55,781	9,020	13,296	22,316	78,097	87,777
Industry and supplies	790,153	-0-	-0-	-0-	790,153	990,917
Grants and scholarships	33,815	-0-	-0-	-0-	33,815	55,855
Membership fees	20,820	8,472	2,210	10,682	31,502	19,942
Sales and property tax	-0-	-0-	-0-	-0-	-0-	2,176
Loss provision for uncollectible contributions	-0-	392,925	-0-	392,925	392,925	74,676
Lockbox and bank fees	28,142	137,361	59,720	197,081	225,223	188,716
Facility lease and other costs	341,169	-0-	-0-	-0-	341,169	233,003
Miscellaneous	<u>7,356</u>	<u>337</u>	<u>-0-</u>	<u>337</u>	<u>7,693</u>	<u>63,216</u>
Total expenses	15,309,304	1,737,217	6,084,088	7,821,305	23,130,609	21,373,829
Less expenses netted with support and revenues on the statement of activities	<u>-0-</u>	<u>-0-</u>	<u>(1,674,396)</u>	<u>(1,674,396)</u>	<u>(1,674,396)</u>	<u>(1,278,834)</u>
Total expenses reported on the statement of activities	<u>\$ 15,309,304</u>	<u>\$ 1,737,217</u>	<u>\$ 4,409,692</u>	<u>\$ 6,146,909</u>	<u>\$ 21,456,213</u>	<u>\$ 20,094,995</u>

*See accompanying notes to consolidated financial statements.*

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MAY 31, 2023

	Supporting Activities				Total
	Program Services	Management and General	Fundraising and Development	Total Supporting Activities	
Salaries and benefits	\$ 7,536,385	\$ 387,070	\$ 1,627,736	\$ 2,014,806	\$ 9,551,191
Gift-in-kind expenses	1,252,579	-0-	794,494	794,494	2,047,073
Public relations and direct mailing	2,863	-0-	1,790,249	1,790,249	1,793,112
Direct expenses of events	-0-	-0-	484,340	484,340	484,340
Telephone and utilities	782,686	35,183	4,725	39,908	822,594
Depreciation expense	1,424,457	111,697	-0-	111,697	1,536,154
Postage	1,407	1,046	613,100	614,146	615,553
Maintenance	452,553	30,312	42,781	73,093	525,646
Insurance	288,519	741	4,810	5,551	294,070
Food	234,759	-0-	-0-	-0-	234,759
Equipment repair and maintenance	275,238	18,454	19,691	38,145	313,383
Cleaning supplies	116,319	2,204	-0-	2,204	118,523
Fuel and oil	76,855	2,294	46	2,340	79,195
Professional services	411,831	502,998	125,688	628,686	1,040,517
Program materials	165,881	-0-	9,228	9,228	175,109
Office supplies	18,355	5,420	2,557	7,977	26,332
Staff travel and conferences	66,783	6,427	14,567	20,994	87,777
Industry and supplies	990,917	-0-	-0-	-0-	990,917
Grants and scholarships	31,055	24,800	-0-	24,800	55,855
Membership fees	17,441	-0-	2,501	2,501	19,942
Sales and property tax	-0-	2,176	-0-	2,176	2,176
Loss provision for uncollectible contributions	-0-	74,676	-0-	74,676	74,676
Lockbox and bank fees	19,202	104,664	64,850	169,514	188,716
Facility lease and other costs	233,003	-0-	-0-	-0-	233,003
Miscellaneous	59,961	3,245	10	3,255	63,216
Total expenses	14,459,049	1,313,407	5,601,373	6,914,780	21,373,829
Less expenses netted with support and revenues on the statement of activities	-0-	-0-	(1,278,834)	(1,278,834)	(1,278,834)
Total expenses reported on the statement of activities	<u>\$ 14,459,049</u>	<u>\$ 1,313,407</u>	<u>\$ 4,322,539</u>	<u>\$ 5,635,946</u>	<u>\$ 20,094,995</u>

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED MAY 31, 2024 AND 2023

	2024	2023
<b>Operating activities</b>		
Change in net assets	\$ 9,440,354	\$ 4,995,396
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,627,412	1,536,154
(Gain) loss on disposal or sale of property and equipment	(460,578)	534,420
Realized and unrealized (gains) losses on investments, net	(3,226,994)	1,236,574
Change in value of annuity and trust liabilities	(51,948)	(136,986)
Change in allowance for uncollectible contributions receivable	392,924	74,676
Change in unamortized discount on contributions receivable	190,941	-0-
Proceeds from contributions restricted for purchase and renovation of buildings	(546,397)	(91,346)
Proceeds from contributions restricted for investment in endowment	(667,596)	(333,334)
Changes in assets and liabilities		
Accounts receivable	(62,212)	510,641
Contributions receivable	(4,591,817)	(768,975)
Government grants receivable	2,970,595	-0-
Other assets	61,659	(221,532)
Right-of-use assets under operating leases, net	152,050	(1,983,061)
Accounts payable	46,994	(131,011)
Accrued payroll and other liabilities	206,546	(1,345)
Operating lease liabilities	(103,510)	2,019,467
Net cash flows from operating activities	5,378,423	7,239,738
<b>Investing activities</b>		
Capital expenditures	(1,202,892)	(2,491,102)
Proceeds from sale of property and equipment	517,211	-0-
Purchases of investments	(38,164,549)	(31,301,363)
Proceeds from sale of investments	32,594,584	25,905,675
Net cash flows from investing activities	(6,255,646)	(7,886,790)
<b>Financing activities</b>		
Proceeds from contributions restricted for purchase and renovation of buildings	546,397	91,346
Proceeds from contributions restricted for investment in endowment	667,596	333,334
Proceeds from issuance of notes payable	-0-	500,000
Principal payments on notes payable	-0-	(500,000)
Annuities and trusts payments	(267,678)	(319,496)
Net cash flows from financing activities	946,315	105,184
Net change in cash	69,092	(541,868)
<b>Cash and restricted cash, beginning of year</b>	<b>1,249,075</b>	<b>1,790,943</b>
<b>Cash and restricted cash, end of year</b>	<b>\$ 1,318,167</b>	<b>\$ 1,249,075</b>
<b>Included in the consolidated statements of financial position as</b>		
Cash	\$ 1,176,057	\$ 1,041,114
Restricted cash	142,110	207,961
Total cash and restricted cash, end of year	<b>\$ 1,318,167</b>	<b>\$ 1,249,075</b>
<b>Supplemental disclosure of cash flow information</b>		
Change in accounts payable related to capital expenditures	\$ (65,103)	\$ 37,723

*See accompanying notes to consolidated financial statements.*

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

### 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 five separate properties, each offering unique programs to the homeless and those in need in Indiana. These facilities include Men's Residential Center, Shelter for Men, and Center for Women and Children in the greater Indianapolis, Indiana area, as well as the Training Center at Camp Hunt and the Center for Men 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 five service centers, WMM owns and operates a thrift shop in Fishers, Indiana 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 and the Evangelical Council for Financial Accountability.

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.

Wheeler Stores, LLC (WS) is a single member limited liability company. WS was formed to house activities of the Wheeler Mission Thrift Store.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

### 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 donor-imposed restrictions, 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. 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. Earnings on donor restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure.

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.

#### 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.

---

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

At May 31, 2024 and 2023, restricted cash consists of ESH funds which are required to be set aside as a reserve related to the net market tax credits (Note 14).

### 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 credit losses based on historical experience, the current economic environment, and management's expectation of future economic conditions, 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 no allowance for credit losses is necessary at May 31, 2024 and 2023. At May 31, 2024 and 2023 and June 1, 2022, net accounts receivable have a balance of \$187,704, \$125,492 and \$693,976, respectively.

### Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in more than one year are recorded at fair market value at the date of the promise. Fair value is computed using a present value technique applied to anticipated cash flows. Contributions receivable were discounted to present value using the United States Treasury Bill rates with maturities commensurate to the time period of expected collection of the contributions. The rate used in the present value calculation during fiscal 2024 was approximately 4.9%. There was no such discount computed on contributions receivable during fiscal 2023 as the amount was determined to be immaterial. Amortization of the resulting discount is recognized as additional contribution income. The allowance for uncollectible contributions receivable is determined based on management's evaluation of 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 no allowance was necessary as of May 31, 2024 and 2023.

The Coronavirus Aid, 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 defined percentages of qualified wages that eligible employers pay their employees during the qualifying quarters. During the year ended May 31, 2022, the Ministry recognized \$2,970,595 of ERC grant

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

revenue and a related government grants receivable in the consolidated statements of financial position. The Ministry received the full amount of \$2,970,595 during the year ended May 31, 2024.

### 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, 2024 and 2023, the outstanding balance of this note is \$6,086,700. It is secured by a 99.9% interest in the sub-CDE (see Note 14). 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 credit losses 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 as discussed in Note 12.

### 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 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 such assets must be maintained, the Ministry reports expirations of donor restrictions when the acquired assets are placed in service. The Ministry reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

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

---

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

of the impaired asset is reduced to its fair value. During the years ended May 31, 2024 and 2023, 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, 2024 and 2023. There were no liabilities released for the years ended May 31, 2024 and 2023.

Assets held in trust total \$215,812 and \$187,951 at May 31, 2024 and 2023, 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 \$45,517 and \$45,655 at May 31, 2024 and 2023, respectively. The fair value (Level 2 in the fair value hierarchy – see Note 6 for definition) of the estimated future payments to beneficiaries is based on the present value of the future payments and was calculated using a current discount rate 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. No contributions were made to the trust during the years ended May 31, 2024 and 2023.

Assets held in trust total \$3,563,886 and \$3,278,206 at May 31, 2024 and 2023, respectively, and primarily consist of mutual funds and are reported at their fair value as charitable remainder trust

---



# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

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 \$1,879,736 and \$2,199,224 at May 31, 2024 and 2023, respectively. The fair value (Level 2 in the fair value hierarchy – see Note 6 for definition) of the estimated future payments is calculated using a discount rate of 5.4% (5.0% at May 31, 2023) 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. All program service revenues represent exchange transactions.

All other revenues are recognized when earned.

### 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.

---

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

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, 2024 and 2023, 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 their federal and state income tax returns for periods through May 31, 2023. The activities of DD and WS are included in 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).

### 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 13, 2024, which is the date the consolidated financial statements were available to be issued.

### **3. CHANGE IN ACCOUNTING PRINCIPLE**

On June 1, 2023, the Ministry adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, utilizing the modified retrospective approach. This ASU replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to estimate credit losses. The new guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The Ministry applied the guidance to financial assets measured at amortized cost (primarily accounts receivable and note receivable) that existed as of June 1, 2023 (the date of initial application). The adoption of this ASU did not have a material impact on the Ministry's consolidated financial statements.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

### 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at May 31:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 1,821,288	\$ 699,471
Due in one to five years	<u>4,095,667</u>	<u>625,667</u>
Contributions receivable	5,916,955	1,325,138
Less allowance for uncollectible receivables	(591,695)	(198,771)
Less unamortized discount	<u>(190,941)</u>	<u>-0-</u>
Contributions receivable, net	<u><u>\$ 5,134,319</u></u>	<u><u>\$ 1,126,367</u></u>

### 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 2,000,552	\$ 2,017,552
Buildings and improvements	35,944,077	35,091,643
Equipment	3,211,690	3,068,252
Vehicles	746,694	780,011
Construction in process	<u>210,367</u>	<u>176,705</u>
	42,113,380	41,134,163
Accumulated depreciation	<u>(13,476,879)</u>	<u>(11,951,406)</u>
	<u><u>\$ 28,636,501</u></u>	<u><u>\$ 29,182,757</u></u>

Land and buildings aggregating a total cost of \$5,486,241 at May 31, 2024 and 2023, 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 two FHLBI grants aggregating \$500,000 each end during January 2031 and September 2037, 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, 2024, the Ministry has contracts in place with various vendors of approximately \$166,000 to complete additional improvements. The majority of these improvements are anticipated to be completed during fiscal 2025.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

### 6. 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, 2024 and 2023.

- *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 Ministry believes its valuation methods are appropriate and consistent with other market participants, the

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

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:

	2024		
	Level 1	Level 2	Total
Money market mutual funds	\$ -0-	\$ 7,190,163	\$ 7,190,163
Mutual funds			
Equity			
Large cap growth	2,549,794	-0-	2,549,794
Large cap value	2,325,244	-0-	2,325,244
Large cap blended	3,841,673	-0-	3,841,673
Midcap	1,720,554	-0-	1,720,554
International	1,744,662	-0-	1,744,662
Other	856,697	-0-	856,697
Fixed income	3,268,962	-0-	3,268,962
Exchange traded funds			
Equity			
Large cap growth	1,806,607	-0-	1,806,607
Large cap value	1,632,175	-0-	1,632,175
Midcap	373,592	-0-	373,592
Small cap	503,313	-0-	503,313
International	2,556,896	-0-	2,556,896
Other	885,984	-0-	885,984
Fixed income			
Ultrashort bond	1,246,755	-0-	1,246,755
Intermediate-core bond	3,340,000	-0-	3,340,000
Corporate bond	249,516	-0-	249,516
US government obligations - short-term	-0-	11,099,360	11,099,360
Total fair value	\$ 28,902,424	\$ 18,289,523	47,191,947
Cash			94,111
Total investments			\$ 47,286,058

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

	2023		
	Level 1	Level 2	Total
Money market mutual funds	\$ -0-	\$ 6,861,213	\$ 6,861,213
Mutual funds			
Equity			
Large cap growth	1,327,144	-0-	1,327,144
Large cap value	1,774,331	-0-	1,774,331
Large cap blended	2,628,898	-0-	2,628,898
Midcap	1,075,709	-0-	1,075,709
Small cap	564,247	-0-	564,247
International	1,155,029	-0-	1,155,029
Other	1,237,228	-0-	1,237,228
Fixed income	1,140,567	-0-	1,140,567
Exchange traded funds			
Equity			
Large cap growth	1,034,375	-0-	1,034,375
Large cap value	1,267,134	-0-	1,267,134
Large cap blended	2,120,818	-0-	2,120,818
Midcap	420,202	-0-	420,202
Small cap	423,998	-0-	423,998
International	832,031	-0-	832,031
Other	437,513	-0-	437,513
Fixed income			
Ultrashort bond	853,207	-0-	853,207
Intermediate-core bond	2,868,135	-0-	2,868,135
Other bond	423,613	-0-	423,613
US government obligations - short-term	-0-	9,965,940	9,965,940
Total fair value	<u>\$ 21,584,179</u>	<u>\$ 16,827,153</u>	38,411,332
Cash			<u>77,767</u>
Total investments			<u>\$ 38,489,099</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, 2024 AND 2023

---

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

	<u>2024</u>	<u>2023</u>
Investments - capital and general operating	\$ 21,747,949	\$ 20,153,281
Investments - endowment	21,758,411	14,869,661
Investments - other		
Charitable gift annuities	215,812	187,951
Charitable remainder trust	<u>3,563,886</u>	<u>3,278,206</u>
	<u>\$ 47,286,058</u>	<u>\$ 38,489,099</u>

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

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 1,487,222	\$ 1,364,207
Realized and unrealized gains (losses), net	3,226,994	(1,236,574)
Investment service fees	<u>(105,651)</u>	<u>(90,418)</u>
Investment return, net	<u>\$ 4,608,565</u>	<u>\$ 37,215</u>

### 7. LINE OF CREDIT AGREEMENT

The Ministry has a \$1,000,000 revolving line of credit facility available with a bank through December 24, 2024. Borrowings under this facility are secured by substantially all assets of the Ministry, and bear interest at the prime rate (8.50% at May 31, 2024). There were no borrowings on this facility as of May 31, 2024 and 2023.

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

### 8. NOTES PAYABLE

Notes payable consist of the following at May 31:

	2024	2023
<p>Note payable to IR CDE Twelve, LLC (Note 14) 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 \$11,977,308 at May 31, 2024) and assignment of contracts and rents; guaranteed by WMM.</p>	\$ 6,086,700	\$ 6,086,700
<p>Note payable to IR CDE Twelve, LLC (Note 14) 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 \$11,977,308 at May 31, 2024) and assignment of contracts and rents; guaranteed by WMM.</p>	<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. Interest expense and cash paid for interest was \$86,400 for the years ended May 31, 2024 and 2023.

During the year ended May 31, 2023, the Ministry obtained a construction loan for \$500,000 for the acquisition and rehabilitation of an 84-bed emergency men’s shelter in Bloomington, Indiana. The loan bore interest at adjusted term Secured Overnight Financing Rate (SOFR) plus 3%, with a maturity date of September 30, 2024. The note was secured by a mortgage on the financed property. In January 2023, the loan was repaid in full through the use of grant proceeds received during the fiscal year.

Annual principal maturities of notes payable (Note 14) are as follows as of May 31, 2024:

Year Ending May 31,	
2028	\$ 271,550
2029	274,275
Thereafter	<u>8,094,175</u>
	<u>\$ 8,640,000</u>



# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

### 9. LEASES

The Ministry recognizes right-of-use (ROU) assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This clarification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Ministry has operating leases for buildings, office equipment and other equipment, vehicles, and a security system. Leasing agreements require fixed payments and also include an amount that is probable will be owed under residual value guarantees, if applicable. Lease payments also include payments related to purchase or termination options when the lease is reasonably certain to exercise the option or is reasonably certain not to exercise the option, respectively. The Ministry's agreements do not contain any material restrictive covenants. The leases have remaining terms of three months to 10.25 years.

The Ministry's ROU assets and lease liabilities are recognized on the lease commencement date in an amount that represents the present value of future lease payments over the lease term. The Ministry utilizes its collateralized incremental borrowing rate commensurate to the lease term as the discount rate for its leases unless the Ministry can specifically determine the lessor's implicit rate. Certain lease contracts contain non-lease components such as maintenance and utilities. The Ministry has made a policy to not separate the lease and non-lease components, and thus recognize a single lease component for all of its right-of-use assets and lease liabilities. The operating lease ROU asset also includes any lease payments made and excludes lease incentives, if any.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee or lessor without significant penalties) are not capitalized but are expensed on a straight-line basis over the lease term.

Variable lease costs include variable common area maintenance expenses charged to the Ministry. Such measures are not included in the measurement of the lease liability but are recognized as variable lease expense when they are incurred.

In evaluating contracts to determine if they qualify as a lease, the Ministry considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if the Ministry can direct the use of the asset by making decisions about how and what purpose the asset will be used and if the lessor has substantive substitution rights. Furthermore, the Ministry assesses whether it is reasonably certain to exercise options to terminate a lease considering all relevant factors that create economic incentive to exercise such options, including asset, contract, market, and entity-based factors. These evaluations may require significant judgement.

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

The components of the Ministry's lease cost are as follows for the years ended May 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 300,837	\$ 209,627
Variable lease cost	48,540	62,177
Short-term lease cost	<u>58,584</u>	<u>19,653</u>
Total lease cost	<u>\$ 407,961</u>	<u>\$ 291,457</u>

The Ministry's right-of-use assets and lease liabilities and other disclosures are as follows as of and for the years ended May 31:

	<u>2024</u>	<u>2023</u>
Right-of-use assets, net		
Operating lease assets, net	\$ 1,831,011	\$ 1,983,061
Lease liabilities		
Operating lease liabilities	\$ 1,915,957	\$ 2,019,467
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 252,297	\$ 173,222
Right-of-use asset obtained in exchange for new operating lease liabilities	\$ 36,145	\$ 2,054,667
Weighted-average remaining lease term - operating leases	9.7 years	10.7 years
Weighted-average discount rate - operating leases	5.71%	5.63%

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

Future payments of lease liabilities at May 31, 2024 are as follows:

Year Ending May 31,	
2025	\$ 235,876
2026	231,723
2027	219,115
2028	212,789
2029	195,159
Thereafter	<u>1,475,640</u>
Total lease payments	2,570,302
Less: Interest	<u>(654,345)</u>
Present value of lease liabilities	<u>\$ 1,915,957</u>

### 10. 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:

	<u>2024</u>	<u>2023</u>
Funds functioning as endowment:		
General operations	\$ 1,714,749	\$ 1,549,321
Other board designated:		
Operating reserve	<u>500,000</u>	<u>500,000</u>
	<u>\$ 2,214,749</u>	<u>\$ 2,049,321</u>

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

#### Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Purpose restricted		
Center for Women and Children	\$ 77,762	\$ 151,333
Capital campaign for expansion of Center for Women and Children	635,989	89,505
Lilly Endowment - capacity building support	2,322,822	3,077,299
Outreach addiction recovery	77,684	480,663
Other programs	<u>704,325</u>	<u>479,238</u>
	3,818,582	4,278,038
Time restricted for future periods		
Charitable remainder trusts	1,684,150	1,078,982
Drumstick Dash	160,352	218,221
Other	<u>42,079</u>	<u>83,019</u>
	1,886,581	1,380,222
Endowment		
Contributions receivable - legacy fund	4,296,960	751,669
Invested endowment		
Future sustainability	11,930,505	10,756,534
Legacy fund	1,076,204	334,325
Director of food service support	751,994	641,729
Center for Women and Children or Training Center at Camp Hunt	1,501,918	1,277,950
Other	<u>480,627</u>	<u>309,802</u>
Total invested endowment	<u>15,741,248</u>	<u>13,320,340</u>
	<u>20,038,208</u>	<u>14,072,009</u>
	<u>\$ 25,743,371</u>	<u>\$ 19,730,269</u>

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

### 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>2024</u>	<u>2023</u>
Purpose restriction:		
Center for Women and Children	\$ 501,842	\$ 711,155
Capital campaign for expansion of Center for Women and Children	72,640	242,280
Provide shelter, food, and medical assistance under various other programs	1,021,157	1,125,690
Lilly Endowment - capital investments	-0-	301,748
Lilly Endowment - optimization study	-0-	12,184
Lilly Endowment - capacity building support COVID-19	754,477	322,701
Programs - projects	-0-	473,549
	619,348	702,443
Time restriction:		
Drumstick Dash	107,521	273,573
Other	68,366	90,551
Endowment:		
Lilly Endowment - future sustainability	240,000	94,602
	<u>\$ 3,385,351</u>	<u>\$ 4,350,476</u>

## 11. 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

# WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

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.

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, 2024 and 2023.

### 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.

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

#### 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 10) is 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:

	2024		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Board designated endowment funds	\$ 1,714,749	\$ -0-	\$ 1,714,749
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	11,404,330	11,404,330
Accumulated investment gains	-0-	4,336,918	4,336,918
	\$ 1,714,749	\$ 15,741,248	\$ 17,455,997

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

	2023		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Board designated endowment funds	\$ 1,549,321	\$ -0-	\$ 1,549,321
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	10,736,734	10,736,734
Accumulated investment gains	-0-	2,583,606	2,583,606
	\$ 1,549,321	\$ 13,320,340	\$ 14,869,661

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

	2024		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Endowment net assets, beginning of year	\$ 1,549,321	\$ 13,320,340	\$ 14,869,661
Deposits	-0-	667,596	667,596
Distributions	-0-	(240,000)	(240,000)
Investment return, net	165,428	1,993,312	2,158,740
Endowment net assets, end of year	\$ 1,714,749	\$ 15,741,248	\$ 17,455,997

	2023		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Endowment net assets, beginning of year	\$ 1,573,872	\$ 13,191,872	\$ 14,765,744
Deposits	-0-	333,334	333,334
Distributions	-0-	(94,602)	(94,602)
Investment return, net	(24,551)	(110,264)	(134,815)
Endowment net assets, end of year	\$ 1,549,321	\$ 13,320,340	\$ 14,869,661



## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

#### 12. CONTRIBUTED NONFINANCIAL ASSETS

Contributions of nonfinancial assets recognized in the consolidated statements of activities include the following for the years ended May 31:

	<u>2024</u>	<u>2023</u>
Utilized in Ministry programs:		
Meals	\$ 1,198,558	\$ 1,179,851
Clothing	148,782	72,727
Thrift store inventory	<u>-0-</u>	<u>191,819</u>
	1,347,340	1,444,397
Special events supplies and services	<u>1,150,644</u>	<u>794,494</u>
	<u>\$ 2,497,984</u>	<u>\$ 2,238,891</u>

These gifts-in-kind are included in the consolidated statements of activities as follows for the years ended May 31:

	<u>2024</u>	<u>2023</u>
Support		
Gifts-in-kind	\$ 1,347,340	\$ 1,444,397
Special events		
Gift-in-kind support	<u>1,150,644</u>	<u>794,494</u>
	<u>\$ 2,497,984</u>	<u>\$ 2,238,891</u>

Donated meals utilized in Ministry programs are valued on a per pound basis using benchmarks from national food distribution organizations. Donated clothing and end of year thrift store inventory are valued at estimated thrift value for items of similar quality. Special events supplies and services are valued at their estimated fair market value (what would be paid for such items if purchased). All gifts-in-kind are unrestricted during fiscal 2024 and 2023.

The donated items utilized in Ministry programs are utilized among a number of programs, including the Men's Residential Center, Shelter for Men, and Center for Women and Children in the greater Indianapolis, Indiana area, as well as the Training Center at Camp Hunt and the Center for Men in Bloomington, Indiana.

Thrift store inventory is monetized in the Wheeler Mission Thrift Store. Total thrift store sales, included in program service revenue in the consolidated statements of activities, were \$1,393,772 and \$942,234 for the years ended May 31, 2024 and 2023, respectively.

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

#### 13. 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:

	2024	2023
Financial assets		
Cash	\$ 1,176,057	\$ 1,041,114
Restricted cash	142,110	207,961
Accounts receivable	187,704	125,492
Contributions receivable, net	5,134,319	1,126,367
Government grants receivable	-0-	2,970,595
Investments	47,286,058	38,489,099
Note receivable	6,086,700	6,086,700
Total financial assets	60,012,948	50,047,328
Restricted cash	(142,110)	(207,961)
Contributions receivable not due within one year	(3,338,772)	(625,667)
Charitable gift annuities payable	(45,517)	(45,655)
Charitable remainder trust payable	(1,879,736)	(2,199,224)
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)	(3,608,215)	(4,166,436)
Time restricted for future periods	(1,886,581)	(1,380,222)
Endowment	(20,038,208)	(14,072,009)
Board designated net assets		
Endowment	(1,714,749)	(1,549,321)
Operating reserve	(500,000)	(500,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 20,772,360	\$ 19,214,133

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 7, 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, 2024 and 2023, 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, 2024 AND 2023

---

#### 14. 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 8).

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, 2024 AND 2023

---

### 15. 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 \$357,503 and \$300,808 for the years ended May 31, 2024 and 2023, 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 \$82,123 and \$29,463 to the plan during the years ended May 31, 2024 and 2023, respectively.

#### Health Insurance

The Ministry provided its regular full-time employees with medical health insurance through January 2023. Regular full-time employees may choose to have their eligible family members covered under the health care plan as well. Participants were 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. After January 2023, all employees are responsible for their own health plan and the Ministry offered all employees a stipend for the increased premiums due to this change. Additionally, under the new program the Ministry is responsible for shared medical expenses incurred, which are required to be paid in subsequent years. As of May 31, 2024 and 2023, the Ministry had booked a liability of \$104,912 and \$27,005, respectively, for these future payments. Participants should refer to the benefits booklet for a more complete description of the benefit provisions. Contribution expense under this plan was \$359,237 and \$556,545 for the years ended May 31, 2024 and 2023, respectively.

### 16. 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 12% of total investments at May 31, 2024. The same fund comprised approximately 14% of total investments at May 31, 2023.

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2024 AND 2023

---

As of at May 31, 2024, the Ministry has contributions receivable due from two donors representing 87% of gross contributions receivable, with individual balances of 11% and 76%. One of these same donors accounted for 20% of total support received during 2024. As of at May 31, 2023, the Ministry has contributions receivable due from one donor representing 50% of gross contributions receivable. Another donor accounted for 15% of total support received during 2023.

SUPPLEMENTARY INFORMATION

## WHEELER MISSION MINISTRIES, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROGRAM SERVICES EXPENSES YEAR ENDED MAY 31, 2024

(With Comparative Total for the Year Ended May 31, 2023)

	2024												2023 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)	Restored Creations	Total Program Services	
Salaries and benefits	\$ 888,657	\$ 1,697,425	\$ 1,906,915	\$ 522,379	\$ 201,343	\$ 65,600	\$ 937,587	\$ 1,370,218	\$ 507,806	\$ 35,980	\$ 76,106	\$ 8,210,016	\$ 7,536,385
Gift-in-kind expenses	189,160	413,282	416,713	112,364	-0-	-0-	-0-	-0-	215,685	136	-0-	1,347,340	1,252,579
Public relations and direct mailing	225	150	-0-	-0-	-0-	-0-	6,716	-0-	-0-	-0-	854	7,945	2,863
Telephone and utilities	110,176	106,467	156,747	139,288	30,041	15,931	62,788	3,761	56,702	14,274	690	696,865	782,686
Depreciation expense	134,360	243,478	741,174	120,433	92,722	4,919	60,934	-0-	86,813	14,535	-0-	1,499,368	1,424,457
Postage	-0-	66	5	394	-0-	-0-	27	52	66	-0-	716	1,326	1,407
Maintenance	74,534	108,523	158,154	34,140	5,397	4,496	133,282	47,464	28,196	6,255	-0-	600,441	452,553
Insurance	3,947	8,635	10,016	2,319	44,704	444	5,921	242,121	1,974	297	394	320,772	288,519
Food	56,601	72,297	75,110	24,812	-0-	-0-	-0-	-0-	12,309	165	-0-	241,294	234,759
Equipment repair and maintenance	23,300	38,800	64,541	26,620	22,322	1,413	29,631	6,821	15,298	530	4,957	234,233	275,238
Cleaning supplies	18,098	33,588	34,172	18,748	-0-	50	511	-0-	8,078	-0-	107	113,352	116,319
Fuel and oil	1,661	8,171	1,848	17,394	15,164	185	8,660	4,336	2,529	-0-	-0-	59,948	76,855
Professional services	-0-	203,938	322,211	24	-0-	-0-	12,000	-0-	-0-	-0-	-0-	538,173	411,831
Program materials	32,136	4,396	58,685	13,911	-0-	4,153	11,757	5,030	11,074	-0-	1,112	142,254	165,881
Office supplies	522	1,390	3,233	1,105	1,023	-0-	584	7,190	1,622	-0-	2,072	18,741	18,355
Staff travel and conferences	9,882	1,567	32,704	2,130	-0-	-0-	1,209	7,607	539	-0-	143	55,781	66,783
Industry and supplies	-0-	-0-	-0-	-0-	766,993	-0-	-0-	-0-	-0-	-0-	23,160	790,153	990,917
Grants and scholarships	9,450	-0-	-0-	21,425	-0-	2,940	-0-	-0-	-0-	-0-	-0-	33,815	31,055
Membership fees	-0-	179	297	865	1,124	-0-	-0-	18,105	-0-	-0-	250	20,820	17,441
Lockbox and bank fees	-0-	-0-	-0-	-0-	-0-	-0-	26,855	-0-	-0-	-0-	1,287	28,142	19,202
Facility lease and other costs	-0-	5,850	14,418	-0-	-0-	-0-	320,901	-0-	-0-	-0-	-0-	341,169	233,003
Miscellaneous	2,115	951	-0-	3,216	-0-	-0-	46	924	104	-0-	-0-	7,356	59,961
	<u>\$ 1,554,824</u>	<u>\$ 2,949,153</u>	<u>\$ 3,996,943</u>	<u>\$ 1,061,567</u>	<u>\$ 1,180,833</u>	<u>\$ 100,131</u>	<u>\$ 1,619,409</u>	<u>\$ 1,713,629</u>	<u>\$ 948,795</u>	<u>\$ 72,172</u>	<u>\$ 111,848</u>	<u>\$ 15,309,304</u>	<u>\$ 14,459,049</u>

See report of independent auditors on pages 1 through 3.