

INDEPENDENT AUDITOR'S REPORT

Ms. Cheri Weaver and the Board of Directors
WINGS Special Needs Community, Inc.
13700 North Eastern Avenue
Edmond, Oklahoma 73013

We have audited the accompanying financial statements of WINGS Special Needs Community, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WINGS Special Needs Community, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DISCUSSION DRAFT

August 10, 2020

WINGS Special Needs Community, Inc.
Statements of Financial Position
As of December 31, 2019 and 2018

DISCUSSION DRAFT

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 402,229	\$ 483,979
Pledges receivable	60,959	26,191
Prepaid expenses	21,953	11,014
Total Current Assets	485,141	521,184
Assets restricted by donors and the Board		
Cash and cash equivalents	649,003	351,876
Certificate of Deposit, at market	1,545,651	1,509,256
Restricted assets	2,194,654	1,861,132
Property and equipment		
Furniture and fixtures	40,819	26,402
Leasehold improvements	14,448	6,700
Transportation equipment	48,703	48,703
	103,970	81,805
Accumulated depreciation	(41,854)	(31,504)
Net property and equipment	62,116	50,301
Deposits	15,000	5,000
Construction in process	26,029	-
Beneficial interest in assets held by others	45,984	-
Total Assets	\$ 2,828,924	\$ 2,437,617
Liabilities		
Current Liabilities		
Accounts payable	\$ 43,187	\$ 15,680
Accrued liabilities	25,433	14,177
Deferred revenue - fundraising events	47,750	7,000
Tuition and event center prepayments	17,518	6,311
Total Current Liabilities	133,888	43,168
Net Assets		
Net assets without donor restrictions	454,397	533,317
Board restricted:		
Residential community - land and infrastructure	1,528,623	1,509,256
Operating reserve	550,000	300,000
Held by others	45,984	-
Total board restricted	2,124,607	1,809,256
Net assets with donor restrictions	116,032	51,876
Total Net Assets	2,695,036	2,394,449
Total Liabilities and Net Assets	\$ 2,828,924	\$ 2,437,617

WINGS Special Needs Community, Inc.
Statements of Activity and Changes in Net Assets
For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

	2019			
	Without Donor Restriction	Board Restricted	With Donor Restriction	Total
Revenue and Other Support				
Contributions	\$ 60,376	\$ -	\$ 86,500	\$ 146,876
Donated goods and services	70,988	-	-	70,988
Grants and sponsorships	49,245	-	35,500	84,745
Fundraising special event revenue	769,097	-	-	769,097
Cost of direct benefit to donors-fundraising	(283,550)	-	-	(283,550)
Tuition	279,726	-	-	279,726
Event center, net of \$32,156 related costs	33,357	-	-	33,357
Investment income	4,441	37,380	-	41,821
Other income (loss)	8,130	-	-	8,130
Net assets released from restrictions	74,873	(17,029)	(57,844)	-
Total Revenue and other Support	1,066,683	20,351	64,156	1,151,190
Expenses				
Program services:				
Management & general	661,211	-	-	661,211
Fundraising	88,156	-	-	88,156
Total expenses	850,603	-	-	850,603
Change in net assets	216,080	20,351	64,156	300,587
Board restriction of funds-transfer	(295,000)	295,000	-	-
Net assets at beginning of year	533,317	1,809,256	51,876	2,394,449
Net assets at end of year	\$ 454,397	\$ 2,124,607	\$ 116,032	\$ 2,695,036

The accompanying notes are an integral part of these financial statements

WINGS Special Needs Community, Inc.
Statement of Activities and Changes in Net Assets
For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

	2018			
	Without Donor Restriction	Board Restricted	With Donor Restriction	Total
Revenue and Other Support				
Contributions	\$ 1,537,021	\$ -	\$ 66,144	\$ 1,603,165
Donated goods and services	37,751	-	-	37,751
Grants and sponsorships	84,400	-	-	84,400
Fundraising special event revenue	627,535	-	27,300	654,835
Cost of direct benefit to donors-fundraising	(170,672)	-	-	(170,672)
Tuition	195,512	-	-	195,512
Event center, net of \$33,049 related costs	60,924	-	-	60,924
Interest income	-	9,256	-	9,256
Income (loss) on sale of assets	(6,835)	-	-	(6,835)
Other income (loss)	6,072	-	-	6,072
Net assets released from restrictions	80,651	-	(80,651)	-
Total Revenue and other Support	2,452,359	9,256	12,793	2,474,408
Expenses				
Program services:				
Management & general	502,290	-	-	502,290
Fundraising	72,632	-	-	72,632
Total expenses	671,000	-	-	671,000
Change in net assets	1,781,359	9,256	12,793	1,803,408
Board restriction of funds-transfer	(1,800,000)	1,800,000	-	-
Net assets at beginning of year	551,958	-	39,083	591,041
Net assets at end of year	<u>\$ 533,317</u>	<u>\$ 1,809,256</u>	<u>\$ 51,876</u>	<u>\$ 2,394,449</u>

WINGS Special Needs Community, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

	2019	2019 Revised for ASU 230	2018 Revised for ASU 230
Cash Flows from Operating Activities			
Change in net assets from operations	\$ 300,587	\$ 300,587	\$ 1,803,408
Less change in value beneficial assets held by others	(984)	(984)	-
Adjustments to reconcile change in net assets to cash provided by operating activities:			
Depreciation expense	11,453	11,453	10,840
Loss (gain) on sale of assets	(997)	(997)	6,839
Increase in pledges receivable	(34,768)	(34,768)	(9,086)
Increase in prepaid expenses	(10,939)	(10,939)	(6,348)
Increase in accounts payable	27,507	27,507	8,680
Increase in accrued liabilities	13,888	13,888	1,655
Increase in deferred revenue-fundraising events	49,325	49,325	8,900
Net cash provided by operating activities	355,072	355,072	1,824,888
Cash Flows from Investing Activities			
Purchases of property and equipment	(42,415)	(42,415)	(50,590)
Deposits - land escrow and A&E survey	(17,029)	(17,029)	-
Sales proceeds from sale of property and equipment	1,144	1,144	1,300
Net cash applied to investing activities	(58,300)	(58,300)	(49,290)
Cash Flows from Financing Activities			
Transfer to restricted net assets-donor designated	(64,156)	-	-
Transfer to restricted net assets-Board designated	(19,366)	-	-
Transfer from (to) restricted net assets - donor restricted	-	-	-
Purchase of/increase in certificate of deposit	-	(36,395)	(1,509,256)
Transfer to Oklahoma City Community Foundation	-	(45,000)	-
Transfer from (to) restricted net assets - Board restricted	(295,000)	-	-
Net cash applied to financing activities	(378,522)	(81,395)	(1,509,256)
Net change in cash and cash equivalents and restricted cash	(81,750)	215,377	266,342
Cash and cash equivalents and restricted cash-beginning of year	483,979	835,855	569,513
Cash and cash equivalents and restricted cash-end of year	\$ 402,229	\$ 1,051,232	\$ 835,855

WINGS Special Needs Community, Inc.
Statement of Functional Expenses
For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

	Program Expenses	Support Activities		Total Expenses
		Management and General	Fundraising	
For the year ended December 31, 2019				
Salaries and wages	\$ 302,232	\$ 65,495	\$ 58,997	\$ 426,724
Employee benefits	58,751	13,429	10,783	82,963
Program supplies and expenses	115,502	-	-	115,502
Rent and building expenses	98,233	1,169	-	99,402
Insurance expense	19,774	1,572	1,530	22,876
Marketing expense	-	-	10,145	10,145
Professional service expenses	13,001	1,655	7,430	22,086
Depreciation	10,312	123	200	10,635
Other	43,406	4,713	12,151	60,270
	<u>\$ 661,211</u>	<u>\$ 88,156</u>	<u>\$ 101,236</u>	<u>\$ 850,603</u>

For the year ended December 31, 2018				
Salaries and wages	\$ 214,792	\$ 58,028	\$ 52,624	\$ 325,444
Employee benefits	45,896	11,592	10,486	67,974
Program supplies and expenses	89,253	-	-	89,253
Rent and building expenses	91,790	1,092	1,780	94,662
Insurance expense	17,460	94	153	17,707
Marketing expense	-	-	19,835	19,835
Professional service expenses	8,755	1,104	4,608	14,467
Depreciation	9,760	116	189	10,065
Other	24,584	606	6,403	31,593
	<u>\$ 502,290</u>	<u>\$ 72,632</u>	<u>\$ 96,078</u>	<u>\$ 671,000</u>

1. Nature of Activities

WINGS A Special Needs Community (WINGS), a 501(c)(3) nonprofit organization, incorporated in the State of Oklahoma in 2004, and was established with a mission to enhance the lives of adults with diverse developmental disabilities, through social, vocational, and residential programs guided by principles of the Bible. WINGS is accredited by the National Commission for Special Educational Services based on its educational and vocational opportunities which can lead to independent living. WINGS is the only special needs organization in Oklahoma that has been awarded this particular set of credentials.

2. Significant Accounting Policies

- a. Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other assets and liabilities. Revenue is recognized when earned and expenses are recognized when incurred, unless related to specific fundraising events. In that case, such expenses are recognized at the time of the fundraising event.

Effective January 1, 2019, WINGS adopted new guidance for restricted cash (Topic 230-10-50-7), as it relates to the presentation of restricted cash in the Statement of Cash Flows. The new guidance requires the Statement of Cash flows present the changes in cash, cash equivalents and restricted cash rather than just cash and cash equivalents and also provide a reconciliation of the amounts used in the Statement of Cash Flows to those presented in the Balance Sheet. As a result, certain reclassifications, presentation and disclosures have been made to the financial statements as of and for the year ended December 31, 2018 to conform to that made in 2019.

- b. Basis of presentation – The financial statements report information regarding WING's financial position and activities according to two classes – donor restricted net assets and unrestricted net assets. The Board of Directors further restricts net assets not restricted by donors based on its policy to maintain a six-month cash operating reserve and for future residential community development, as discussed more fully below.
- c. Cash equivalents – WINGS considers all highly liquid investments with a maturity, when purchased, of 90 days or less to be cash equivalents.
- d. Donated assets and services – Non-cash donations with readily determinable fair values are recorded as contributions at their estimated fair values at the date of the donation. Individuals, businesses and other organizations donate substantial amounts of goods and services (primarily for fundraising events and programming). To the extent that such donations are made under the control of WINGS, are objectively measurable, and represent expenditures which would otherwise be incurred by WINGS, they are reflected as contributions and fundraising/program expense. However, most of these donations

Significant Accounting Policies – Continued

cannot be objectively measured and thus no significant amount of donated goods and services have been reflected in the accompanying financial statements.

WINGS receives donated services from unpaid volunteers who assist in programs and special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition under accounting principles generally accepted in the United States of America has not been met.

- e. Revenue recognition – Contributions are recognized when the donor makes a promise to unconditionally give to WINGS. All contributions are available for unrestricted use unless specifically restricted by the donor or restricted by the Board of Directors. Conditional promises to give are recorded when the conditions on which they depend are substantially met or the asset placed in service. Unconditional promises to give are recorded at their net present value, using risk-free interest rates applicable to the period in which the promises are to be received.

Revenue is recognized when earned. Fundraising revenues are deferred to the applicable period in which the related special event occurs.

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09 Revenue from Contracts with Customers (ASC 606). This authoritative guidance, as amended, includes a comprehensive new revenue recognition model that requires revenue be recognized in a manner to depict the transfer of goods and services to a customer at the amount that reflects the consideration expected to be received in exchange for those goods or services. The FASB has since issued several amendments to this guidance and provided deferrals of the effective date of the standard. This amended standard became effective in 2019 without a material impact on the financial statements of WINGS.

- f. Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statement of Assets, Liabilities and Net Assets. Fair values are based on quoted market prices or otherwise determined as provided by financial institutions or fund managers, which approximates fair value. Investments in certificate of deposits are valued at cost plus earned and accrued interest. Investment income and gains and losses are reported as unrestricted unless a specific restriction applies.

Significant Accounting Policies - Continued

- g. Property and equipment and leasehold improvements – Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. WING’s capitalization threshold is \$1,000 for assets acquired with an economic life of greater than one year. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to seven years. Leasehold improvements are amortized over the lesser of the life of the asset or the life of the lease.
- h. Depreciation expense was \$11,453 and \$10,840 in 2019 and 2018, respectively, a portion of which has been allocated to event center revenues, net in the statement of activities.
- i. Concentrations of credit and operating risk – WINGS maintains cash in bank deposit accounts and certificate of deposits, which, at times, may exceed federally insured limits. As of December 31, 2019, and 2018, WINGS’ balances with financial institutions subject to FDIC coverage exceeded such coverage by \$1.836 million and \$1.309 million, respectively. Subsequent to December 31, 2019, WINGS entered into agreements with two of its institutions with funds held in excess of FDIC insured limits (Excess Funds) whereby these Excess Funds are swept daily to other institutions where WINGS does not hold funds. These agreements serve to fully cover Excess Funds with FDIC insurance. WINGS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such accounts.

WINGS also currently serves young adults primarily in Central Oklahoma. As a result, support of the organization is highly dependent upon the general economic conditions in this area. In 2020, the COVID-19 pandemic has had a negative impact on the Central Oklahoma economy as a result of the business closures mandated by local, State and Federal guidelines and the resultant negative impact on worldwide energy product prices. WINGS did avail itself of the Section 7.a. Paycheck Protection Program (PPP) loan under the Small Business Administration Coronavirus Aid, Relief, and Economic Security (CARES) Act (See Note 11, Subsequent Events). The risk of near-term severe impact on the operations and mission of the organization as a result of this concentration is unknown however is believed to be moderated by the diversity of its supporters and donor base and the PPP loan discussed in Note 11.

- j. Income tax status – WINGS is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as a publicly-supported organization rather than a private foundation. WINGS is subject to routine audits by taxing authorities, with the Form 990, Return of Organization Exempt from Income Taxes, open for audit for the years ended December 31, 2019, 2018, 2017 and 2016. None of WINGS Federal or state income tax returns are currently under examination by the Internal Revenue Service or the Oklahoma Tax Commission.

- k. Functional allocation of expenses – The costs of providing various programs and other activities have been summarized in the accompanying Statement of Activities. Costs, which are not direct, are allocated between Programs, Fundraising, and Management and General based on evaluations of those costs and the related activities benefitted. Many overhead costs are allocated based upon the square footage of our facility associated with such activity while other costs are based upon management’s best estimate of the time and effort devoted to such activity.
- l. Advertising - Advertising costs are expensed as incurred and totaled \$9,723 and \$19,835 for the years ended December 31, 2019 and 2018, respectively.
- m. Use of estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.
- n. Recent accounting pronouncements – In 2016, FASB issued ASU 2016-02 (Topic 842), Leases. This authoritative guidance, as amended, requires most leases to be recognized on the balance sheet and requires enhanced disclosures. This standard requires entities to account for leases previously classified as operating leases that were not on its Statement of Assets, Liabilities and Net Assets on such Statement, measuring this lease liability and right-to-use asset at its present value of remaining minimum rental payments. The effective date of the amended standard will begin in periods beginning after December 15, 2021. While this guidance will result in a change to the Statement of Assets, Liabilities and Net Assets, management does not currently expect the adoption of this new standard to have a material impact on the Statement of Activities of WINGS.

3. Financial Assets and Liquidity Resources

As of December 31, 2019, WINGS has assets available for general expenditures of \$485,141, with total liabilities of \$133,888. Further, WINGS Board of Directors has restricted \$550,000 for future operations. WINGS designs its fundraising events throughout the year to help ensure revenues are generated on a timely basis to cover operating expenses; however, as discussed above, it is presently unclear whether fundraising events will be allowed to be held in the near-term or how future fundraising events will change in the current and post Covid-19 environment. As of December 31, 2019, WINGS does not have any debt requiring principal or interest payments (See Subsequent Events, Note 11). Financial commitments, as of the December 31, 2019 consist only of facility rentals through December 31, 2022 (see Note 5. Lease Commitments).

Financial Assets and Liquidity Resources-continued

As WINGS commences the development of its residential community, it is expected that the restricted funds, which as of December 31, 2019 aggregated \$1,528,622, will be adequate to acquire the land acquisition and begin initial infrastructure development. In order to initiate development of the new educational facility, event center and residential community facilities, WINGS presently expects to launch a capital campaign in 2021. The proceeds from this capital campaign will dictate the timing of the residential community development. Further, it is the intent of the Board of Directors to continue the growth of its endowment for the operations of the residential community from new donations and the capital campaign proceeds.

4. Fair Value Measurements

WINGS reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1. Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. quoted prices for similar assets or liabilities in active markets;
- b. quoted prices for identical or similar assets in markets that are not active;
- c. observable inputs other than quoted prices for the assets or liability (for example, interest rates and yield curves); and
- d. inputs derived principally from, or corroborated by, observable market data by correlation or other means

Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available. WINGS does not have any investments valued using level three inputs.

5. Lease Commitments

WINGS leases its facility under an operating lease. Total rental expense incurred for the years ended December 31, 2019 and 2018, was \$79,592 and \$71,594, respectively. The minimum lease annual rental commitments as of December 31, 2019 are \$79,404 through December 31, 2022, with two one-year options to extend for an incremental year.

WINGS Special Needs Community, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

6. Investments consist of the following at December 31, 2019 and 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
2019			
Certificate of Deposit	\$ 1,545,651	\$ -	\$ 1,545,651
Beneficial interest in assets held by others	\$ 45,984	\$ -	\$ 45,984
2018			
Certificate of Deposit	\$ 1,509,256	\$ -	\$ 1,509,256

Investment income consists of:

	<u>2019</u>	<u>2018</u>
Interest income	\$ 40,837	\$ 9,256
Change in value in beneficial interest in assets held by others	984	-
Total	<u>\$ 41,821</u>	<u>\$ 9,256</u>

7. Net Assets Restricted by Donors

Net assets restricted by donors represent the following as of December 31:

	<u>2019</u>	<u>2018</u>
Scholarships	\$ 41,160	\$ 33,300
Transportation vehicles	20,000	-
Endowment	10,000	-
Transition Room	7,500	-
Capital campaign	14,500	-
Programs	10,000	-
Outdoor	6,647	6,647
Parents organization	6,225	9,929
Hygiene kits	-	2,000
	<u>\$ 116,032</u>	<u>\$ 51,876</u>

WINGS Special Needs Community, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

8. Net Assets Restricted by the Board

In 2018, WINGS received a donation of \$1.5 million. This donation contained no restriction from the donor; however, the funds and earnings thereon were subsequently restricted by the Board of Directors for the purchase of land and infrastructure related to the development of a Residential Community.

In 2018 and 2019, the Board of Directors also restricted operating funds of \$300,000 and \$250,000, respectively, representing approximately six months of operating expenses.

9. Endowed Funds Held by Others

Beginning in 2019, WINGS participates in an endowment fund through the Oklahoma City Community Foundation (OCCF). OCCF is a not-for-profit entity that provides for endowed contributions to be pooled to maximize return on investments for the benefit of area not-for-profit organizations. Contributions to the endowment fund are permitted by not-for-profit entities as well as individual donors in the community who designate the beneficiary of their contributions. Earnings on these endowed funds are paid annually based on the OCCF's spending policy which is currently five percent of the average market value over the previous twelve quarters of all assets held for the benefit of WINGS. OCCF retains variance power over these assets.

In 2019, WINGS transferred \$45,000 to an endowment fund established in its name at the OCCF. Accounting principles generally accepted in the United States of America provides that the value of reciprocal transfers to organizations raising or holding assets for others, such as community foundations, be recognized as assets in the financial statements of the transferor. The value of assets transferred by others to the organization such as community foundations for a specified beneficiary are not recognized as assets of the beneficiary if the community foundation retains variance power.

Because these funds were placed by Wings with the OCCF and only a donor can restrict a donation, the value of the WINGS contributed funds is reflected in the financial statements as unrestricted board designated net assets. The value of these funds at December 31, 2019 was \$45,984. The value of the funds donated and designated by others of \$15,404 is not reflected on the WINGS financial statements.

WINGS Special Needs Community, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

DISCUSSION DRAFT

10. Retirement Plan

WINGS provides a matching contribution to employee's contribution to an Investment Retirement Account, up to 3% of such employee's contribution. For the year ended December 31, 2019 and 2018, WINGS provided matching contributions of \$9,823 and \$9,681, respectively.

11. Subsequent Events

Management has evaluated subsequent events through August 10, 2020, the date the financial statements were available to be issued.

In April 2020, WINGS applied for a PPP loan under the CARES Act, following the suspension of on-site member programming on March 16, 2020 (on-site programming resumed June 1, 2020).

On April 13, 2020, the PPP loan application was approved, and the loan funded in the amount of \$109,900 through The First State Bank. This loan was based on historical payroll and benefits, rent and utilities incurred by WINGS and is expected to qualify to be forgiven in whole or part based on the actual payroll and benefits, rent and utilities for the twenty-four-week period following the loan. Any loan balance, not qualifying for forgiveness during the twenty-four week period (which management expects to be zero), will remain as a loan bearing interest at 1% due no later than April 12, 2022.

In October 2019, WINGS executed a Real Estate Purchase Contract for approximately 75 acres for its Residential Community for consideration of \$1.3 million. Due to the necessary change in zoning requirements for this property and the cessation of transaction progress following the Covid-19 outbreak, the closing of the transaction did not occur by the contract expiration date in April 2020. On July 24, 2020, WINGS executed a new Real Estate Purchase Contract with the landowner of this property, the terms of which were largely unchanged from that executed in October 2019, except that it provides for an eight-month period to complete the rezoning necessary to close the transaction.

In June 2020, Jasco Giving Hope Foundation notified WINGS that it had been designated as a beneficiary of a \$10,000 monthly gift for the next twelve months, July 2020 through June 2021.

In June 2020, WINGS applied for and in July 2020 received a \$25,000 grant from the State of Oklahoma Department of Commerce under the Oklahoma Business Relief Program, as state sponsored program under the Federal CARES Act for those entities that have sustained revenue loss due to the Covid-19 pandemic.

There were no other subsequent events requiring recognition or disclosure in the accompanying financial statements.