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***BEDS PLUS CARE, INC.***  
***AND ITS SUBSIDIARIES***  
*CONSOLIDATED FINANCIAL STATEMENTS*  
*JUNE 30, 2022*

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225 West Wacker Drive  
Suite 1700  
Chicago, IL 60606

T: 312.425.1099  
E: info@rubinbrown.com  
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## **Independent Auditors' Report**

Board of Directors  
BEDS Plus Care, Inc. And Its Subsidiaries  
La Grange, Illinois

### **Report On The Audit Of The Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of BEDS Plus Care, Inc., a not-for-profit organization, and its subsidiaries (collectively, BEDS Plus Care, Inc.), which comprise the consolidated statement of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, 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 consolidated financial position of BEDS Plus Care, Inc. as of June 30, 2022 and 2021, and the changes in its consolidated net assets and its consolidated 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of BEDS Plus Care, Inc. 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 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 BEDS Plus Care, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities For The Audit Of The 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 auditors' 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 BEDS Plus Care, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BEDS Plus Care, Inc.'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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 31 through 38 and page 40 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of BEDS Plus Care, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BEDS Plus Care, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BEDS Plus Care, Inc.'s internal control over financial reporting and compliance.

*RubinBrown LLP*

November 28, 2022

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
Page 1 Of 2

Assets

|  | June 30,            |                     |
|--|---------------------|---------------------|
|  | 2022                | 2021                |
| <b>Current Assets</b>                  |                     |                     |
| Cash                                   | \$ 368,866          | \$ 345,076          |
| Cash and cash equivalents - restricted | 331,049             | 747,414             |
| Grants receivable                      | 985,621             | 1,003,252           |
| Accounts receivable                    | 4,298               | 12,200              |
| <b>Total Current Assets</b>            | <b>1,689,834</b>    | <b>2,107,942</b>    |
| <b>Property And Equipment</b>          |                     |                     |
| Land                                   | 686,711             | 686,711             |
| Building                               | 5,295,153           | 5,231,517           |
| Site improvements                      | 770,124             | 769,325             |
| Furniture and fixtures                 | 156,404             | 156,404             |
| Construction in progress               | 1,129,634           | 76,087              |
| Accumulated depreciation               | (1,110,566)         | (835,284)           |
| <b>Net Property And Equipment</b>      | <b>6,927,460</b>    | <b>6,084,760</b>    |
| <b>Other Assets</b>                    |                     |                     |
| Real estate tax and insurance escrow   | 11,794              | 11,794              |
| Replacement reserve                    | 46,669              | 61,994              |
| Operating reserves                     | 194,276             | 194,276             |
| Deferred fees, net                     | 108,286             | 118,206             |
| <b>Total Other Assets</b>              | <b>361,025</b>      | <b>386,270</b>      |
| <b>Total Assets</b>                    | <b>\$ 8,978,319</b> | <b>\$ 8,578,972</b> |

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
Page 2 Of 2

**Liabilities And Net Assets**

|  | <b>June 30,</b>     |                     |
|--|---------------------|---------------------|
|  | <b>2022</b>         | <b>2021</b>         |
| <b>Current Liabilities</b>               |                     |                     |
| Accounts payable                         | \$ 210,367          | \$ 52,723           |
| Accrued expenses and other liabilities   | 56,181              | 46,075              |
| Accrued interest                         | 3,279               | 3,390               |
| Mortgage loans payable - current portion | 11,044              | 10,472              |
| Tenant security deposits                 | 2,742               | 2,514               |
| <b>Total Current Liabilities</b>         | <b>283,613</b>      | <b>115,174</b>      |
| <b>Long-Term Liabilities</b>             |                     |                     |
| Mortgage loans payable                   | 1,938,392           | 1,949,436           |
| Construction loan payable                | 21,499              | —                   |
| Debt issuance cost                       | (80,399)            | (85,218)            |
| Deferred developer fee                   | 45,166              | 45,166              |
| <b>Total Long-Term Liabilities</b>       | <b>1,924,658</b>    | <b>1,909,384</b>    |
| <b>Total Liabilities</b>                 | <b>2,208,271</b>    | <b>2,024,558</b>    |
| <b>Net Assets</b>                        |                     |                     |
| Without donor restrictions:              |                     |                     |
| Noncontrolling interest in subsidiary    | 2,815,842           | 3,027,063           |
| Undesignated                             | 3,185,672           | 2,762,807           |
| Total without donor restrictions         | 6,001,514           | 5,789,870           |
| With Donor Restrictions                  | 768,534             | 764,544             |
| <b>Total Net Assets</b>                  | <b>6,770,048</b>    | <b>6,554,414</b>    |
| <b>Total Liabilities And Net Assets</b>  | <b>\$ 8,978,319</b> | <b>\$ 8,578,972</b> |

# BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

|                                       | For The Year Ended June 30, 2022 |                            |                     | For The Year Ended June 30, 2021 |                            |                     |
|---------------------------------------|----------------------------------|----------------------------|---------------------|----------------------------------|----------------------------|---------------------|
|                                       | Without Donor<br>Restrictions    | With Donor<br>Restrictions | Total               | Without Donor<br>Restrictions    | With Donor<br>Restrictions | Total               |
| <b>Revenue and Support</b>            |                                  |                            |                     |                                  |                            |                     |
| Faith contributions                   | \$ 62,438                        | \$ —                       | \$ 62,438           | \$ 81,263                        | \$ —                       | \$ 81,263           |
| Tenant rent                           | 136,153                          | —                          | 136,153             | 120,984                          | —                          | 120,984             |
| Subsidy rent                          | 217,261                          | —                          | 217,261             | 197,560                          | —                          | 197,560             |
| Corporations                          | 132,510                          | —                          | 132,510             | 28,521                           | —                          | 28,521              |
| Civic organizations                   | 47,916                           | —                          | 47,916              | 31,533                           | —                          | 31,533              |
| Individuals                           | 52,647                           | 220,682                    | 273,329             | 204,293                          | 114,360                    | 318,653             |
| Private foundations                   | 11,785                           | 200,408                    | 212,193             | 134,852                          | 196,050                    | 330,902             |
| Government grants                     | 74,895                           | 3,407,990                  | 3,482,885           | 155,508                          | 2,660,071                  | 2,815,579           |
| Fundraising - Summit Service Center   | —                                | 820,118                    | 820,118             | —                                | 660,095                    | 660,095             |
| Donated services                      | 259,456                          | —                          | 259,456             | 214,234                          | —                          | 214,234             |
| Special events:                       |                                  |                            |                     |                                  |                            |                     |
| Gross receipts                        | —                                | —                          | —                   | 18,265                           | —                          | 18,265              |
| Direct expenses                       | (20,437)                         | —                          | (20,437)            | (26,779)                         | —                          | (26,779)            |
| Net assets released from restriction  | 4,645,208                        | (4,645,208)                | —                   | 3,431,869                        | (3,431,869)                | —                   |
| <b>Total Revenue and Support</b>      | <b>5,619,832</b>                 | <b>3,990</b>               | <b>5,623,822</b>    | <b>4,592,103</b>                 | <b>198,707</b>             | <b>4,790,810</b>    |
| <b>Functional Expenses</b>            |                                  |                            |                     |                                  |                            |                     |
| Program services                      | 5,036,450                        | —                          | 5,036,450           | 4,335,658                        | —                          | 4,335,658           |
| Management and general                | 200,434                          | —                          | 200,434             | 146,275                          | —                          | 146,275             |
| Fundraising expenses                  | 245,028                          | —                          | 245,028             | 180,734                          | —                          | 180,734             |
| <b>Total Functional Expenses</b>      | <b>5,481,912</b>                 | <b>—</b>                   | <b>5,481,912</b>    | <b>4,662,667</b>                 | <b>—</b>                   | <b>4,662,667</b>    |
| <b>Other Income (Expense)</b>         |                                  |                            |                     |                                  |                            |                     |
| Other income                          | 57,471                           | —                          | 57,471              | 150,723                          | —                          | 150,723             |
| Interest income                       | 16,253                           | —                          | 16,253              | 21,754                           | —                          | 21,754              |
| Liquidity reserve distribution        | —                                | —                          | —                   | (1,500)                          | —                          | (1,500)             |
| <b>Total Other Income (Expense)</b>   | <b>73,724</b>                    | <b>—</b>                   | <b>73,724</b>       | <b>170,977</b>                   | <b>—</b>                   | <b>170,977</b>      |
| <b>Increase In Net Assets</b>         | <b>211,644</b>                   | <b>3,990</b>               | <b>215,634</b>      | <b>100,413</b>                   | <b>198,707</b>             | <b>299,120</b>      |
| <b>Net Assets - Beginning Of Year</b> | <b>5,789,870</b>                 | <b>764,544</b>             | <b>6,554,414</b>    | <b>5,689,457</b>                 | <b>565,837</b>             | <b>6,255,294</b>    |
| <b>Net Assets - End Of Year</b>       | <b>\$ 6,001,514</b>              | <b>\$ 768,534</b>          | <b>\$ 6,770,048</b> | <b>\$ 5,789,870</b>              | <b>\$ 764,544</b>          | <b>\$ 6,554,414</b> |



**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

|                          | For The Year Ended June 30, 2022 |                           |                   |                     | For The Year Ended June 30, 2021 |                           |                   |                     |
|--------------------------|----------------------------------|---------------------------|-------------------|---------------------|----------------------------------|---------------------------|-------------------|---------------------|
|                          | Program<br>Services              | Management<br>And General | Fundraising       | Total               | Program<br>Services              | Management<br>And General | Fundraising       | Total               |
| Salaries                 | \$ 1,279,134                     | \$ 140,162                | \$ 186,883        | \$ 1,606,179        | \$ 1,002,069                     | \$ 108,925                | \$ 145,233        | \$ 1,256,227        |
| Audit fees               | —                                | 16,378                    | —                 | 16,378              | —                                | 10,515                    | —                 | 10,515              |
| Depreciation             | 275,282                          | —                         | —                 | 275,282             | 273,939                          | —                         | —                 | 273,939             |
| Amortization             | 9,920                            | —                         | —                 | 9,920               | 9,920                            | —                         | —                 | 9,920               |
| General insurance        | 48,698                           | 742                       | 742               | 50,182              | 39,550                           | 437                       | 437               | 40,424              |
| Health savings account   | —                                | —                         | —                 | —                   | 724                              | 83                        | 110               | 917                 |
| Motel vouchers           | 1,149,039                        | —                         | —                 | 1,149,039           | 1,743,843                        | —                         | —                 | 1,743,843           |
| Client meals and laundry | 253,914                          | —                         | —                 | 253,914             | 466,122                          | —                         | —                 | 466,122             |
| Client rental assistance | 1,088,403                        | —                         | —                 | 1,088,403           | 150,725                          | —                         | —                 | 150,725             |
| Other client assistance  | 291,041                          | —                         | —                 | 291,041             | 160,503                          | —                         | —                 | 160,503             |
| Client medical care      | 5,187                            | —                         | —                 | 5,187               | 11,524                           | —                         | —                 | 11,524              |
| Miscellaneous expense    | 154,810                          | 8,667                     | 11,556            | 175,033             | 65,323                           | 3,669                     | 4,892             | 73,884              |
| Taxes and benefits       | 208,438                          | 23,075                    | 30,767            | 262,280             | 144,928                          | 13,913                    | 18,550            | 177,391             |
| Postage and shipping     | 1,444                            | 165                       | 219               | 1,828               | 3,568                            | 406                       | 542               | 4,516               |
| Printing                 | 5,349                            | 609                       | 812               | 6,770               | 10,467                           | 1,193                     | 1,590             | 13,250              |
| Office supplies expense  | 17,589                           | 2,004                     | 2,672             | 22,265              | 434                              | 49                        | 66                | 549                 |
| Professional fees        | 38,276                           | 3,328                     | 4,437             | 46,041              | 31,281                           | 1,469                     | 1,959             | 34,709              |
| Retirement plan expense  | 17,691                           | 2,015                     | 2,687             | 22,393              | 12,534                           | 1,428                     | 1,904             | 15,866              |
| Rent                     | 8,671                            | 181                       | 181               | 9,033               | 11,711                           | 244                       | 244               | 12,199              |
| Staff development        | 12,972                           | 1,169                     | 1,558             | 15,699              | 32,982                           | 2,726                     | 3,634             | 39,342              |
| Telephone and internet   | 15,125                           | 1,723                     | 2,298             | 19,146              | 9,341                            | 1,064                     | 1,419             | 11,824              |
| Utility                  | 71,148                           | 216                       | 216               | 71,580              | 57,562                           | 154                       | 154               | 57,870              |
| Client transportation    | 35,626                           | —                         | —                 | 35,626              | 3,467                            | —                         | —                 | 3,467               |
| Interest                 | 44,809                           | —                         | —                 | 44,809              | 44,793                           | —                         | —                 | 44,793              |
|                          | <b>\$ 5,036,450</b>              | <b>\$ 200,434</b>         | <b>\$ 245,028</b> | <b>\$ 5,481,912</b> | <b>\$ 4,335,658</b>              | <b>\$ 146,275</b>         | <b>\$ 180,734</b> | <b>\$ 4,662,667</b> |

# BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS

|   | For The Years<br>Ended June 30, |                     |
|---|---------------------------------|---------------------|
|   | 2022                            | 2021                |
| <b>Cash Flows From Operating Activities</b>   |                                 |                     |
| Increase in net assets  | \$ 215,634                      | \$ 299,120          |
| Adjustments to reconcile increase in net assets to<br>net cash from operating activities: |                                 |                     |
| Depreciation and amortization   | 285,202                         | 283,859             |
| Amortization of debt issuance costs   | 4,819                           | 4,544               |
| Forgiveness of PPP loan   | —                               | (145,168)           |
| Distribution to noncontrolling interest   | —                               | 1,500               |
| Changes in assets and liabilities:  |                                 |                     |
| Grants receivable   | 17,631                          | (617,779)           |
| Accounts receivable   | 7,902                           | (3,929)             |
| Prepaid expenses  | —                               | 1,494               |
| Accrued interest  | (111)                           | (290)               |
| Accounts payable and accrued expenses   | 167,750                         | 26,257              |
| Prepaid rent  | —                               | (3,142)             |
| Tenant security deposits  | 228                             | —                   |
| <b>Net Cash Provided By (Used In) Operating Activities</b>                                | <b>699,055</b>                  | <b>(153,534)</b>    |
| <b>Cash Flows Used In Investing Activities</b>  |                                 |                     |
| Net purchases of property and equipment   | (1,117,982)                     | (103,928)           |
| <b>Cash Flows From Financing Activities</b>   |                                 |                     |
| Principal payments of mortgage  | (10,472)                        | (9,934)             |
| Proceeds from construction loan   | 21,499                          | —                   |
| Distribution to noncontrolling interest   | —                               | (1,500)             |
| <b>Net Cash Provided By (Used In) Financing Activities</b>                                | <b>11,027</b>                   | <b>(11,434)</b>     |
| <b>Net Decrease In Cash And Restricted Cash</b>   | <b>(407,900)</b>                | <b>(268,896)</b>    |
| <b>Cash And Restricted Cash and Cash Equivalents - Beginning Of Year</b>                  | <b>1,360,554</b>                | <b>1,629,450</b>    |
| <b>Cash And Restricted Cash and Cash Equivalents - End Of Year</b>                        | <b>\$ 952,654</b>               | <b>\$ 1,360,554</b> |
| <b>Cash Paid For Interest</b>   | <b>\$ 40,101</b>                | <b>\$ 40,539</b>    |

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# BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 And 2021

### 1. Organization

In 1988, a group of municipal and faith leaders founded Building Ecumenical Discipleship through Shelter, later shortened to BEDS, Inc., DBA BEDS Plus Care, Inc. (the Organization) in response to the growing homeless population in the community. Other area faith-based organizations quickly joined, creating a network of area emergency overnight shelters. The Organization added professional case management services and formed partnerships with a range of community healthcare and human service agencies to help clients resolve the cause(s) of their homelessness. It adopted the Department of Housing and Urban Development's Housing First approach to homelessness and evidence-based service models and has become a leading homeless service agency in suburban Cook County. The subsidiaries, both for-profit entities, were formed on various dates under the law of the State of Illinois for the purpose of acquiring, owning, and operating rental housing projects, which are intended for low-income households.

The accompanying consolidated financial statements include the accounts of the Organization and the following related entities (collectively, the Organization):

| <u>Related Entities</u>                 | <u>Ownership</u>       |
|---|------------------------|
| Dover Place LLC                         | Organization owns 100% |
| Beds Summit Service Center LLC          | Organization owns 100% |
| Ogden Avenue Supportive Housing GP, LLC | Organization owns 51%  |

| <u>Variable-Interest Entities</u>  | <u>Ownership</u>           |
|------------------------------------|----------------------------|
|                                    | Ogden Avenue Supportive    |
| Ogden Avenue Supportive Housing LP | Housing GP, LLC owns 0.01% |

### 2. Summary Of Significant Accounting Policies

#### Basis Of Accounting

The consolidated financial statements of BEDS Plus Care, Inc. and its subsidiaries have been prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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### Notes To Consolidated Financial Statements (*Continued*)

#### **Principles Of Consolidation**

The consolidated financial statements of the Organization include the accounts of the Organization and its wholly-owned subsidiaries: Dover Place LLC (the Company), Beds Summit Service Center LLC (Summit Center) and one limited partnership subsidiary: Ogden Avenue Supportive Housing LP (the Partnership) over which the Organization possesses control through a 51% majority interest in the General Partner. The financial statements for BEDS Plus Care, Inc. for the year ended June 30, 2022 include the activities of Summit Center and the activity in this entity is related to construction in progress and construction loan as of June 30, 2022. All intercompany transactions have been eliminated in consolidation.

#### **Basis Of Presentation**

The financial statement presentation follows the requirements of GAAP for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following two net asset categories:

Net Assets Without Donor Restrictions - This category includes net assets that are not subject to donor-imposed restrictions, as well as investments designated by the Board for specific purposes.

Net Assets With Donor Restrictions - This category includes net assets that are subject to explicit donor-imposed restrictions. When restrictions expire due to the passage of time or the incurrence of expenditures that satisfy the donor-imposed restrictions, net assets are reclassified to net assets without donor restrictions.

#### **Estimates And Assumptions**

The Organization uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Cash, Cash Equivalents And Restricted Cash**

The Organization maintains cash accounts at financial institutions with strong credit ratings. At times, such investments may be in excess of Federal Deposit Insurance Corporation insurance limits of \$250,000.

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

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### Notes To Consolidated Financial Statements (Continued)

The following is a reconciliation between cash, restricted cash and cash equivalents reported within the statement of financial position and the total cash and restricted cash as shown in the statement of cash flows as of June 30:

|   | <u>2022</u>       |           | <u>2021</u>      |
|---|-------------------|-----------|------------------|
| Cash (including tenant security deposits)               | \$ 368,866        | \$        | 345,076          |
| Cash and cash equivalents - restricted                  | 331,049           |           | 747,414          |
| Restricted cash included in escrows and funded reserves | <u>252,739</u>    |           | <u>268,064</u>   |
|   | <u>\$ 952,654</u> | <u>\$</u> | <u>1,360,554</u> |

At June 30, 2021 and 2020, the Organization used up all of the proceeds from the Ogden Avenue Supportive capital campaign as board designated reserves. The entire amount of the board designated reserves was released to fund initial predevelopment costs for the Summit Service Center project and exploration of other real estate possibilities during the initial phases of the Summit capital campaign. After June 30, 2022 and 2021, at the conclusion of the Summit Service Center capital campaign, the Board of Directors designated \$328,032 and \$298,195, respectively, in reserves in order to maintain the original donor intent for these funds and restrict their use for future capital projects by the Organization.

#### **Promises To Give And Grants Receivable**

Unconditional promises to give are recognized as support in the period the promises are received and are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of its history with donors having outstanding balances and current relationships with them, it concluded that realization of losses on balances outstanding at June 30, 2022 and 2021 would not be material.

Grants receivable are recognized as revenue in the period the related expenses for which the Organization is entitled to reimbursement are incurred. Grants receivable are reported at the amount management expects to collect on balances outstanding at year end. Management believes that no valuation allowance is necessary for grants receivable at June 30, 2022 and 2021. As of June 30, 2022 and 2021, grants receivable were \$985,621 and \$1,003,252, respectively.

#### **Property And Equipment**

Land, site improvements, building and furniture and equipment are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

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### Notes To Consolidated Financial Statements (*Continued*)

The assets are depreciated over their estimated service lives. The estimated service lives of the assets for depreciation may be different than their actual economic useful lives.

|                         | <u>Method</u> | <u>Estimated<br/>Useful Lives</u> |
|-------------------------|---------------|-----------------------------------|
| Site Improvements       | Straight-line | 15 years                          |
| Buildings               | Straight-line | 27.5 years                        |
| Furniture and equipment | Straight-line | 5 - 7 years                       |

On August 20, 2021, the Organization purchased a property located in Summit, Illinois for \$325,000 for the purpose of conversion to a medical respite center (See Note 6).

#### **Impairment Of Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If the investment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value of the asset. There was no impairment loss recognized during the years ended June 30, 2022 or 2021.

#### **Deferred Fees And Amortization**

Tax credit fees and consulting fees are amortized over fifteen years using the straight-line method.

#### **Debt Issuance Costs**

Debt issuance costs totaling \$95,065 at June 30, 2022 and 2021, consist of fees for obtaining the mortgage loans and are being amortized using the straight-line methods over the life of the mortgage loans. Accumulated amortization totaled \$14,666 and \$9,847, at June 30, 2022 and 2021, respectively. Amortization expense amounted to \$4,819 and \$4,544 for the years ended June 30, 2022 and 2021, respectively, and was included in interest expense in the accompanying consolidated statements of activities and changes in net assets.

GAAP requires that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would be obtained under the effective yield method.

**Revenue Recognition****Support With And Without Donor Restrictions**

The Organization reports gifts and grants of cash and other assets as with or without donor restrictions, depending on the existence and/or nature of any donor/grantee restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

**Rental Income And Prepaid Rents**

Rental income is recognized as rent is earned. Rental payments received in advance are deferred until earned. All leases between the Company/Partnership and the tenants of each property are operating leases.

**Donated Services**

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services that meet the criteria for recognition are recorded at fair value at the date of donation.

BEDS Plus Care, Inc. receives a significant amount of donated services from hundreds of unpaid volunteers assisting in carrying out its programs to provide shelter, meals, and other services to the homeless. Services provided by these volunteers do not meet the requirements for recognition in the financial statements and, accordingly, have not been included in revenues and program expenses. Total hours worked were approximately 19,010 at an estimated fair market value per hour of \$28.00 for a total estimated fair market value of \$532,380 for the year ended June 30, 2022. Total hours worked were approximately 18,790 at an estimated fair market value per hour of \$27.20 for a total estimated fair market value of \$511,088 for the year ended June 30, 2021.

The Organization received nearly all of its in-kind donations, during fiscal years 2022 and 2021, in the form of meals that were served to clients in motel and onsite shelters. Due to the COVID-19 pandemic, the Organization discontinued the use of rotating shelters amongst churches; thus there was no in-kind rent received during the fiscal years of 2022 and 2021. For hygienic reasons, in-kind laundry services by volunteers were also discontinued during the fiscal years of 2022 and 2021. Dinner and breakfast are served to homeless clients staying in the shelters each evening. Lunch is provided to the homeless utilizing the daytime support centers.

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

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### Notes To Consolidated Financial Statements (Continued)

Donated services are as follows as June 30:

|                             | 2022              | 2021              |
|-----------------------------|-------------------|-------------------|
| Meals                       | \$ 160,116        | \$ 214,234        |
| Summit Center related       | 30,001            | —                 |
| Other services - front desk | 69,339            | —                 |
|                             | <u>\$ 259,456</u> | <u>\$ 214,234</u> |

### Description Of Program Services And Supporting Activities

The following program services, management and general and fundraising activities are included in the accompanying financial statements:

#### Program Services

Includes direct and indirect expenditures for providing services in Southwest Suburban Cook County in Illinois. BEDS Plus Care, Inc. offers three primary, evidence-based service lines:

**Stabilization Services**, which serve housing insecure households through a Homeless Prevention program that offers assistance for past due rent and utilities, a Diversion program that develops strategies for clients seeking homeless shelter to remain housed, and a short-term stabilization program that provides case management.

**Emergency Services**, including a Street Outreach program to connect people living outdoors to services and a multi-tiered Emergency Shelter program that provides interim housing for different homeless populations.

**Transitional Housing Services**, with programs that provide extended housing and intensive supportive services to vulnerable homeless populations including families, transition aged youth, domestic violence survivors, victims of crime, and justice-involved households.

**Supportive Housing Services**, including a Rapid Rehousing program that helps newly homeless households regain housing within 30 days of program entry and a Permanent Supportive Housing program that offers fixed- and scattered-site residences to people with histories of chronic homelessness (having been homeless for a year or more with a concurrent disability).



## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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### Notes To Consolidated Financial Statements (*Continued*)

All clients partner with professional case managers to develop and implement plans for regaining and sustaining housing. The Organization provides wraparound care through internal Food Rescue and Employment programs, as well as partnerships with community healthcare, behavioral healthcare, and human service providers; area schools and education support services; municipal organizations; and other resources.

#### **Management And General**

Includes the functions necessary to maintain staff member programs and administrative functions and an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

#### **Fundraising**

Provides the structure to encourage and secure financial support from individuals, corporations and foundations.

#### **Functional Expense Allocation**

The consolidated statement of functional expense presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area. Expenses that benefit multiple functional or program areas are charged on the basis of periodic time and expense studies. Management and general expenses include staff compensation, and benefits as well as those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different results.

| <u>Expense</u>                       | <u>Method of Allocation</u> |
|--------------------------------------|-----------------------------|
| Salaries, payroll taxes and benefits | Time and effort             |
| Rent                                 | Square footage              |
| Utilities                            | Square footage              |
| Depreciation and amortization        | Square footage              |
| Office expense                       | Time and effort             |
| Insurance                            | Time and effort             |
| Professional fees                    | Time and effort             |

Depreciation expense related to the Partnership is being allocated to program on the statement of functional expenses.

## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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### Notes To Consolidated Financial Statements *(Continued)*

#### **Advertising**

Advertising costs are charged to operations when incurred.

#### **Tax Status**

##### **BEDS Plus Care, Inc.**

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Internal Revenue Code. The Organization had no unrelated business income for the years ended June 30, 2022 or 2021.

##### **Ogden Avenue Supportive Housing LP**

The Partnership is a pass-through entity for income tax purposes, and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its Partners on their respective income tax returns.

##### **Dover Place LLC**

The Company is a pass-through entity for income tax purposes, and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its Members on their respective income tax returns.

#### **Reclassifications**

Several reclassifications have been made to the prior year balances to conform to the current year presentation. Such reclassifications were made for comparative purposes only and do not restate the prior year consolidated financial statements.

#### **Non-Controlling Interest In Limited Partnerships**

This amount represents the aggregate positive and negative balances of limited partner equity interests in the non-wholly-owned limited partnership that are included in the consolidated financial statements.

#### **Subsequent Events**

Management evaluates subsequent events through the date the consolidated financial statements are available for issue, which is the date of the Independent Auditors' Report.

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

### Notes To Consolidated Financial Statements (Continued)

### 3. Liquidity And Availability Of Financial Assets

The following reflects the Organization's financial assets, reduced by the amount not available as of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in a board-designated liquidity reserve that could be drawn upon if the governing board approves that action.

As of June 30, 2022 and 2021, total financial assets that could be made available within one year to meet general expenditures are as follows:

|  | 2022                   |                   |   | 2021  |  |
|--|------------------------|-------------------|---|---|--|
|  | BEDS Plus Care,<br>Inc | Subsidiaries      | Total BEDS Plus<br>Care, Inc And Its'<br>Subsidiaries | Total BEDS Plus<br>Care, Inc And Its'<br>Subsidiaries |  |
| Cash and cash equivalents  | \$ 517,640             | \$ 182,275        | \$ 699,915  | \$ 1,092,490  |  |
| Grants receivable  | 985,621                | —                 | 985,621   | 1,003,252   |  |
| <b>Total Financial Assets At Year-End</b>  | <b>1,503,261</b>       | <b>182,275</b>    | <b>1,685,536</b>                                      | <b>2,095,742</b>                                      |  |
| <b>Less Amounts Not Available To<br/>Be Used For General Expenditures</b>                      |                        |                   |   |   |  |
| Net assets with donor restrictions   | 768,534                | —                 | 768,534   | 764,544   |  |
| <b>Financial Assets Available To Meet General<br/>Expenditures Over The Next Twelve Months</b> | <b>\$ 734,727</b>      | <b>\$ 182,275</b> | <b>\$ 917,002</b>                                     | <b>\$ 1,331,198</b>                                   |  |

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Any cash in excess of daily requirements is invested in short-term, investment grade fixed income mutual funds, U.S. Government and U.S. Government Agency obligations, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its liquidity reserve.

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

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### Notes To Consolidated Financial Statements *(Continued)*

#### 4. Grants Receivable

Grants receivable from various government agencies and foundations are as follows as of June 30:

|  | <u>2022</u>       | <u>2021</u>         |
|--|-------------------|---------------------|
| State of Illinois - Department of Emergency Management | \$ —              | \$ 523,218          |
| State of Illinois or Cook County                       | 907,683           | 312,838             |
| Foundations & Other                                    | 16,333            | —                   |
| U.S. Department of Housing and Urban Development (HUD) | 48,898            | 167,196             |
| Illinois Housing Development Authority (IHDA)          | 12,707            |                     |
|  | <u>\$ 985,621</u> | <u>\$ 1,003,252</u> |

#### 5. Capital Magnet Fund Restrictive Covenant Agreement

The Company has entered into Capital Magnet Fund Restrictive Covenant Agreement with Illinois Facilities Fund (IFF). Under the Agreement, the Company is required to manage and operate the Project as rental housing for low-income households during affordability period as defined in the Agreement. In the event the Company defaults in its obligation to manage and operate the Project and provide compliance information as required, or otherwise fails to comply with the terms of this Agreement, the funds shall immediately be repaid.

#### 6. Summit Service Center

In late fiscal year of 2020, the Organization began its pursuit of a \$1.5 million CDBG (Community Development Block Grant) from Cook County Department of Economic Development for the construction of a public facility, which will serve as a service center and 24-bed medical respite program. In fiscal year 2021, an 8,400 square foot building was identified in Summit, Illinois. The Summit Service Center building will require substantial renovations with a total acquisition and development cost of \$2.9 million. A \$1.5 million capital campaign was initiated for the Summit Service Center in early fiscal year 2021 and was 98.7% and 78% completed as of June 30, 2022 and 2021, respectively. The Summit Service Center property was acquired on August 20, 2021 and the notice to proceed was received from Cook County in September of 2021. Building renovations began March 2022 and will be completed December of 2022. The building will be put into operation spring of 2023.

## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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### Notes To Consolidated Financial Statements (*Continued*)

On June 10, 2022, Summit Center entered a construction loan agreement with FNBC Bank and Trust, in the amount of \$1,156,000. The loan bears interest at 4.5% per annum and the Summit Center shall make regular monthly payments of all accrued unpaid interest due through the maturity date. The note matures on June 5, 2023, at which time all outstanding principal and interest are due. As of June 30, 2022, \$21,499 has been withdrawn from the loan to cover loan and closing fees, including the cost of a property appraisal. The Organization is a guarantor of this loan.

## **7. Escrow Deposits And Restricted Reserves**

### **Ogden Avenue Supportive Housing LP**

#### **Real Estate Tax and Insurance Escrow**

According to the Partnership Agreement, the Partnership is required to fund a monthly deposit to a real estate tax and insurance escrow in an amount sufficient to accumulate with the lender the entire sum required to pay annual real estate tax and insurance bills of the Project. The Partnership is exempt from real estate taxes.

#### **Replacement Reserve**

According to the Partnership Agreement, the Partnership is required to fund a replacement reserve in the amount of \$400 per dwelling unit per year and increasing in each calendar year by the CPI Adjustment. The funds in the reserve are to be utilized exclusively for replacement expenditures for the Project. According to the Partnership Agreement, withdrawals from the replacement reserve are to be approved by IHDA or Cook County.

#### **Operating Reserve And Additional Operating Reserve**

According to the Partnership Agreement and the Loan Agreement, the Partnership is required to fund an operating reserve in an initial amount of \$71,000 from the proceeds of the third Limited Partner capital contribution. In addition, the Partnership is required to fund an additional operating reserve in the amount of \$123,282 from the proceeds of the fourth Limited Partnership capital contribution. Both reserves shall be held in an account maintained with a federally insured bank.

## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

### Notes To Consolidated Financial Statements *(Continued)*

The following shows the activity in such accounts during the period ended June 30, 2022 and 2021:

|   | <b>Beginning<br/>Balance<br/>July 1,<br/>2021</b> | <b>Additions<br/>And<br/>Interest</b> | <b>Withdrawals<br/>And<br/>Transfers</b> | <b>Ending<br/>Balance<br/>June 30,<br/>2022</b> |
|---|---|---------------------------------------|--|---|
| Real estate tax and insurance<br>escrow | \$ 11,794   | \$ —                                  | \$ —                                     | \$ 11,794                                       |
| Replacement reserve                     | \$ 31,994   | \$ 12,000                             | \$ —                                     | \$ 43,994                                       |
| Operating reserves                      | \$ 194,276  | \$ —                                  | \$ —                                     | \$ 194,276                                      |

  

|   | <b>Beginning<br/>Balance<br/>July 1,<br/>2020</b> | <b>Additions<br/>And<br/>Interest</b> | <b>Withdrawals<br/>And<br/>Transfers</b> | <b>Ending<br/>Balance<br/>June 30,<br/>2021</b> |
|---|---|---------------------------------------|--|---|
| Real estate tax and insurance<br>escrow | \$ 11,814   | \$ —                                  | \$ 20                                    | \$ 11,794                                       |
| Replacement reserve                     | \$ 23,994   | \$ 8,000                              | \$ —                                     | \$ 31,994                                       |
| Operating reserves                      | \$ 194,276  | \$ —                                  | \$ —                                     | \$ 194,276                                      |

### **Dover Place LLC**

#### **Replacement Reserve**

According to the Capital Magnet Fund Restrictive Covenant Agreement, if the remaining useful life of one or more of the major systems of the restricted property is less than the 10-year affordability period, on the placed in service date the Company must establish a replacement reserve and thereafter ensure that monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. In December of 2021, \$36,425 was expended to replace the roof that was past its useful life.

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

### Notes To Consolidated Financial Statements (Continued)

The following shows the activity in such accounts during the years ended June 30, 2022 and 2021:

|                     | Balance<br>July 1,<br>2021 | Additions<br>And<br>Interest | Withdrawals<br>And<br>Transfers | Balance<br>June 30,<br>2022 |
|---------------------|----------------------------|------------------------------|---------------------------------|-----------------------------|
| Replacement reserve | \$ 30,000                  | \$ 9,100                     | \$ 36,425                       | \$ 2,675                    |

  

|                     | Balance<br>July 1,<br>2020 | Additions<br>And<br>Interest | Withdrawals<br>And<br>Transfers | Balance<br>June 30,<br>2021 |
|---------------------|----------------------------|------------------------------|---------------------------------|-----------------------------|
| Replacement reserve | \$ —                       | \$ 30,000                    | \$ —                            | \$ 30,000                   |

## 8. Deferred Fees

Tax credit and consulting fees for the Partnership have been capitalized and are being amortized as described below:

|                                | Amortization<br>Period | 2022       | 2021       |
|--------------------------------|------------------------|------------|------------|
| Tax credit fee                 | 15 years               | \$ 55,793  | \$ 55,793  |
| Consulting fees                | 15 years               | 93,000     | 93,000     |
| Less: Accumulated amortization |                        | (40,507)   | (30,587)   |
| Net capitalized costs          |                        | \$ 108,286 | \$ 118,206 |

Amortization expense for both years ended June 30, 2022 and 2021 was \$9,920. Estimated amortization expense for each of the five ensuing years and thereafter, is as follows:

| Year       | Amount     |
|------------|------------|
| 2023       | \$ 9,920   |
| 2024       | 9,920      |
| 2025       | 9,920      |
| 2026       | 9,920      |
| 2027       | 9,920      |
| Thereafter | 58,686     |
|            | \$ 108,286 |

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

### Notes To Consolidated Financial Statements (Continued)

#### 9. Mortgage Loans Payable

Mortgage loans payable consist of the following as of June 30:

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Ogden Avenue Supportive Housing LP - The mortgage note dated, May 30, 2017, is held by the County of Cook in the original amount of \$1,350,000 of which \$1,298,458 had been drawn. The note bears no interest. Annual payments of \$1,200 are due with the first payment due two years following the date of execution of the note and annually thereafter. The note matures on May 31, 2049, at which time any unpaid principal balance is due. The note is collateralized by the real estate held for lease and an assignment of rent and leases. | \$ 1,293,658        | \$ 1,294,858        |
| Dover Place LLC - The mortgage note dated August 29, 2019, is held by IFF in the original amount of \$680,000. The loan bears interest at 6.0% per annum and the Company shall make monthly payments of principal and interest in the amount of \$4,077 through the maturity date. The note matures on September 1, 2034, at which time all outstanding principal and interest are due. The note is collateralized by the real estate held for lease and an assignment of rent and leases and HAP Contract.   | 655,778             | 665,050             |
| Total   | <u>1,949,436</u>    | <u>1,959,908</u>    |
| Less: Current maturities  | <u>11,044</u>       | <u>10,472</u>       |
| Net long-term portion   | <u>\$ 1,938,392</u> | <u>\$ 1,949,436</u> |

Aggregate annual maturities of mortgage loans payable for the five ensuing years and thereafter, are as follows:

| <u>Year</u> | <u>Ogden<br/>Avenue<br/>Supportive</u> | <u>Dover Place<br/>LLC</u> | <u>Total</u>        |
|-------------|--|----------------------------|---------------------|
| 2023        | \$ 1,200                               | \$ 9,844                   | \$ 11,044           |
| 2024        | 1,200                                  | 10,452                     | 11,652              |
| 2025        | 1,200                                  | 11,096                     | 12,296              |
| 2026        | 1,200                                  | 11,821                     | 13,021              |
| 2027        | 1,200                                  | 12,507                     | 13,707              |
| Thereafter  | <u>1,287,658</u>                       | <u>600,058</u>             | <u>1,887,716</u>    |
| Total       | <u>\$ 1,293,658</u>                    | <u>\$ 655,778</u>          | <u>\$ 1,949,436</u> |



## **10. Paycheck Protection Program Loan Payable**

On April 15, 2020, the Organization executed a promissory note (the PPP Loan), evidencing an unsecured loan in the amount of \$145,168 under the Paycheck Protection Program (PPP). The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and is administered by the U.S. Small Business Administration (SBA). The loan has been made through FNBC Bank and Trust.

The PPP Loan has a two-year term and bears interest at a rate of 1.00% per annum. Monthly principal and interest payments are deferred for six months. Beginning seven months from the date of the PPP Loan, the Organization is required to make monthly payments of principal and interest of \$8,170 to the lender.

The PPP Loan contains customary events of default relating to, among other things, payment defaults, providing materially false and misleading representations to the SBA or the lender, or breaching the terms of the PPP Loan documents. The occurrence of a default may result in the immediate repayment of all amounts outstanding, collection of all amounts owing from the Organization, or filing suit and obtaining judgment.

Under the terms of the CARES Act, PPP Loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP. Such forgiveness will be determined, subject to limitations, based on the use of the loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. However, no assurance is provided that forgiveness for any portion of the PPP Loan will be obtained. During the fiscal year 2021, the entire loan was forgiven and the Organization recognized income of \$145,168, which is included in other income on the consolidated statement of activities and changes in net assets. As of June 30, 2022 and 2021, no amount remained outstanding.

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**Notes To Consolidated Financial Statements *(Continued)***11. Net Assets With Donor Restrictions**

Net assets with time and/or purpose restrictions consist of the following at June 30:

|                               | <u>2022</u>       | <u>2021</u>       |
|-------------------------------|-------------------|-------------------|
| Clinical Director             | \$ —              | \$ 47,250         |
| COVID-19 funding              | —                 | 15,000            |
| Emergency shelter and service | 3,150             | 4,646             |
| Shelter and services          | 50,000            | —                 |
| Summit Service Center         | 715,384           | 697,648           |
|                               | <u>\$ 768,534</u> | <u>\$ 764,544</u> |

Net assets with time and purpose donor restrictions released from restrictions consist of the following at June 30:

|                               | <u>2022</u>         | <u>2021</u>         |
|-------------------------------|---------------------|---------------------|
| Clinical Director             | \$ 47,250           | \$ 45,000           |
| Community                     | —                   | 61,279              |
| Contact tracing               | —                   | 31,845              |
| COVID-19 funding              | 79,694              | 1,256,497           |
| Emergency shelter and service | 1,651,885           | 809,044             |
| Employment                    | 319,955             | 269,062             |
| Housing assistance            | 884,850             | 344,218             |
| Prevention and housing        | 266,886             | 206,343             |
| PSH capital programs          | —                   | 298,195             |
| Public health                 | 73,200              | 2,500               |
| Shelter and services          | 298,424             | 31,079              |
| Summit Service Center         | 1,023,064           | 76,807              |
|                               | <u>\$ 4,645,208</u> | <u>\$ 3,431,869</u> |

## **12. Grant Fiscal Agent Partnerships**

The Organization has entered into several agreements with Partnership agencies in order to access available federal and state funding.

### **Housing Forward**

Housing Forward is the fiscal agent for two grants on behalf of partnerships which include the Organization. The WIN + Supportive Housing Project and the West Suburban Youth Homeless Demonstration Project (YHDP) grants provided \$209,965 and \$129,554, respectively, to the Organization, during the fiscal years ended 2022 and 2021, in direct billing.

### **Alliance To End Homelessness In Suburban Cook County**

Alliance to End Homelessness in Suburban Cook County, the Suburban Cook County HUD Continuum of Care lead agency is the Coordinated Entry program lead. BEDS Plus Care, Inc. is a funded Partner of the Coordinated Entry program. This HUD funded grant provided \$41,938, and \$57,250, during fiscal years 2022 and 2021, respectively, in direct billing expenses.

### **Homeless Prevention**

During fiscal year 2022 and 2021, the Organization contracted with public entities including the Cook County Department of Economic Development, the Illinois Department of Human Service and Illinois Housing Development Authority to support rental assistance programs offered throughout the COVID-19 pandemic and related rental crisis in the state. As facilitator, the Organization did not receive the funds or disburse the assistance directly, but aided individuals to apply for and obtain the funding made available from the Partners. The rental assistance presented on the financial statements only includes the funds the Organization received and disbursed. The Organization's success in connecting people in need with rental assistance is greater than what is presented on the financial statements. During fiscal year 2022 and 2021, the Organization facilitated approximately \$1,087,503 and \$385,000, respectively, in rental assistance on behalf of the fiscal agents.

**13. Fiscal Agency Revenue**

In fiscal year 2022 and 2021, the Organization formalized the fiscal agent framework for partner organizations. No fiscal agency revenue was received in fiscal year 2022 or 2021, as the agency role will begin the third quarter of fiscal year 2023. The Organization, as fiscal agent, will be entrusted to manage contract compliance of grantees and monitor expenditures on behalf of the program. The agency service may extend to programmatic and facility management for recipient organizations. LATH (La Grange Area Transitional Housing) is a 501c3 non-profit with which the Organization has had an informal guardian relationship for the past five years. In fiscal year 2023, this relationship will be formalized by a fiscal agency contract which will specify both the fiscal and programmatic duties obligated by the Organization, in exchange for a fee for services charged on a quarterly basis to LATH.

**14. Partners, Partnership Interests And Partners' Capital and Member, Company Interests & Member's Capital**

The Partnership has one General Partner, Ogden Avenue Supportive Housing GP, LLC, which has a 0.01% interest, one Limited Partner, USA Ogden Avenue LLC, which has a 99.99% interest, and one Special Limited Partner, The Richman Group Capital Corporation, which has no interest.

According to the Partnership Agreement, the Limited Partner is required to make capital contributions of \$3,881,512 in installments. As of June 30, 2022 and 2021, all Limited Partner capital contributions have been received. The Special Limited Partner is required to make capital contributions of \$100, which remain receivable as of June 30, 2022 and 2021.

The General Partner is required to make capital contributions of \$1,158,143, which have all been received in prior years.

The Company has one sole Member, BEDS Plus Care, Inc. (the Organization) and Summit Center has one sole Member, Beds Summit Service Center LLC, which the Organization owns its 100% interest.

## **15. Partnership Profits, Losses And Distributions**

Generally, the Partnership's profits and losses are allocated 0.01% to the General Partner, 99.99% to the Limited Partner and 0% to the Special Limited Partner. Profits and losses arising from the sale, refinancing, or other disposition of all or substantially all of the Partnership's assets will be specially allocated as prioritized in the Partnership Agreement.

Pursuant to the Partnership Agreement, all distributions are limited to net cash flow available for distribution, and shall be allocated among the Partners in accordance with their percentages as follows:

First, To pay the Investment Partnership of any credit adjuster pursuant to the Partnership Agreement, plus an amount equal to any capital contribution made to the Partnerships by the General Partner pursuant to the Partnership Agreement;

Second, To pay an amount equal to \$1,500 per year to the Investment Partnership;

Third, To pay the Developer any accrued and unpaid development fees in accordance with the Partnership Agreement;

Fourth, To repay any operating deficit loans;

Fifth, To repay the second mortgage;

Sixth, To repay the first mortgage; and

Seventh, the balance to be paid 10% to the Investment Partnership and 90% to the General Partner as payment of the partnership administration fee.

## **16. Related Party Transactions**

### **Partnership Administration Fee**

According to the Partnership Agreement, the Partnership has entered into a Partnership Administration Services Agreement with the General Partner for its services in arranging for permanent financing for the Project and in managing the business of the Partnership. The fee shall be paid from net cash flow available for distribution. The fee shall be in an amount equal to 90% of net cash flow available for distribution in the current fiscal year. As of June 30, 2022 and 2021, no fee was earned or paid.

## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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### Notes To Consolidated Financial Statements *(Continued)*

#### **Developer Fee**

According to the Developer Fee Agreement, the Organization and The Burton Foundation, the joint venture of the General Partner, are entitled to developer fees from the Partnership in the amount of \$204,000 and \$196,000, respectively. According to the Developer Fee Agreement, the developer fee shall be paid in installments. The first installment amount is \$17,500 and the second installment amount is \$285,731. Pursuant to the Developer Fee Agreement, \$96,769 will be paid from net cash flow available for distribution. In prior years, the developer fees paid to the Organization and The Burton Foundation were \$68,476 and \$48,975, respectively. For the year ended June 30, 2022, no developer fees were paid to the Organization or The Burton Foundation. For the year ended June 30, 2021, the developer fees paid to the Organization and The Burton Foundation were \$92,653 and \$101,859, respectively. As of June 30, 2022 and 2021, developer fees payable to the Organization were \$42,871. As of June 30, 2022 and 2021, developer fees payable to The Burton Foundation were \$45,166. Amounts due to the Organization have been eliminated in the consolidation.

#### **Guarantees**

According to the Partnership Agreement, the General Partner is obligated to pay all excess development costs. Any amounts paid by the General Partner shall not be repaid by the Partnership, nor shall such amounts be considered or treated as capital contributions of the General Partner to the Partnership. As of June 30, 2022 and 2021, no amounts were paid or payable for excess development costs.

#### **Operating Deficit Guaranty**

According to the Partnership Agreement, in the event an operating deficit occurs at any time during the tax credit compliance period, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such operating deficits in the form of a loan to the Partnership. The General Partner shall not be obligated to provide operating deficit loans in excess of \$268,000 in the aggregate. The Operating Deficit Loan shall bear no interest and shall be repaid only from net cash flow available for distribution. As of June 30, 2022 and 2021, no amounts were paid or payable for operating deficits.

#### **Due To/From Affiliate**

During prior years, BEDS Plus Care, Inc., the member of the Company, paid for various expenses in the amount of \$7,091 on behalf of the Company, and no amounts were repaid. During the fiscal year 2021, an additional \$24,000 was paid on behalf of the Company. As of June 30, 2022 and 2021, \$7,091 for each year were due to affiliate and have been eliminated in the consolidation.

**17. Affordable Housing Program (AHP) Grant**

According to the AHP Repayment Agreement, the Organization received an AHP Grant in the amount of \$300,000. The Organization loaned the grant funds to the Partnership. The loan bears interest at 2% per annum and matures on June 1, 2032. According to the AHP program requirements, the Partnership has made the units available to low-income housing tenants. If the Partnership does not rent to low-income housing tenants, the AHP funds are subject to recapture. The Partnership is required to comply with the AHP agreement and requirements. Amounts due to BEDS Plus Care, Inc. have been eliminated in the consolidation.

**18. Retirement Plans**

The Organization has a Simple IRA under which it makes a matching contribution of three percent of each participant's compensation. The plan allows for participant contributions up to \$13,000. Employees are eligible after completing 60 days of service. The Organization's contributions to the Plan were \$22,393 and \$15,866, for the years ended June 30, 2022 and 2021, respectively.

**19. Housing Assistance Payments (HAP)**

Dover Place LLC has entered into a HAP Contract with HUD. The contract is for 20 years beginning September 1, 2019. The HAP Contract covers 12 units of Dover Place. During fiscal years 2022 and 2021, HAP payments received under this contact were \$103,841 and \$97,632, respectively.

**20. Contingency**

The Partnership's Low-Income Housing Tax Credit (LIHTC) are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of noncompliance within a reasonable time period could result in a recapture of previously claimed tax credits plus interest. In addition, any such noncompliance, if it were to occur, likely would result in an adjustment to the contributed capital of the Limited Partner.

## **BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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### Notes To Consolidated Financial Statements (*Continued*)

In March 2020, the World Health Organization designated COVID-19 as a pandemic. While the Organization has taken various actions in response to the COVID-19 pandemic, the ultimate impact on its results of operations, cash flows, financial condition and liquidity will depend on (i) the duration and severity of the pandemic, (ii) the effectiveness of vaccines, (iii) the duration and nature of governmental responses to contain the spread of the disease and assist residents and businesses, (iv) resident and business responses to the pandemic, and (v) how quickly and to what extent normal economic conditions can resume. Because of this uncertainty, any estimate of the expected future impact of the COVID-19 pandemic on results of operations, cash flows, financial condition, or liquidity is uncertain.

### **21. Current Vulnerability Due To Certain Conditions**

The Organization has two capital assets as of June 30, 2022, one is a 13-unit housing development in La Grange, IL known as Dover Place LLC and the Beds Summit Service Center LLC a 24-bed medical respite center, in the Village of Summit. Due to the greater emphasis in capital asset ownership, the Organization has a higher proportion of fixed costs over variable costs. Therefore, the Organization is less agile to quickly respond to fluctuations in cash flow.

For the periods ending June 30, 2022, and June 30 2021 respectively, the Organization received 83.1% and 78.3% of its operational revenue from government contracts. Government contracts are susceptible to uncontrollable delays in receivable payments, which leads to occasional cash flow inadequacies. In order to bridge cash flow shortfalls, the Organization retains the option to utilize a \$350,000 line of credit.

The Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of U.S. Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Partnership operates the property located in Illinois. Future operations could be affected by changes in the economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.



**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**June 30, 2022**

Assets

|  | BEDS Plus<br>Care, Inc. | Ogden Avenue<br>Supportive<br>Housing LP | Dover Place<br>LLC | Eliminations          | Consolidated        |
|--|-------------------------|--|--------------------|-----------------------|---------------------|
| <b>Current Assets</b>                    |                         |  |                    |                       |                     |
| Cash                                     | \$ 189,608              | \$ 164,768                               | \$ 14,490          | \$ —                  | \$ 368,866          |
| Cash and cash equivalents - restricted   | 328,032                 | —  | 3,017              | —                     | 331,049             |
| Grants receivable                        | 985,621                 | —  | —                  | —                     | 985,621             |
| Accounts receivable                      | —                       | 329                                      | 3,969              | —                     | 4,298               |
| Due from affiliates                      | 381,972                 | —  | —                  | (381,972)             | —                   |
| <b>Total Current Assets</b>              | <b>1,885,233</b>        | <b>165,097</b>                           | <b>21,476</b>      | <b>(381,972)</b>      | <b>1,689,834</b>    |
| <b>Property and Equipment</b>            |                         |  |                    |                       |                     |
| Land                                     | —                       | 97,954                                   | 588,757            | —                     | 686,711             |
| Building                                 | —                       | 5,188,023                                | 311,130            | (204,000)             | 5,295,153           |
| Site improvements                        | 39,238                  | 730,886                                  | —                  | —                     | 770,124             |
| Furniture and fixtures                   | 35,347                  | 121,057                                  | —                  | —                     | 156,404             |
| Construction in progress                 | 1,129,634               | —  | —                  | —                     | 1,129,634           |
| Accumulated depreciation                 | (43,765)                | (1,039,575)                              | (27,226)           | —                     | (1,110,566)         |
| <b>Net Property And Equipment</b>        | <b>1,160,454</b>        | <b>5,098,345</b>                         | <b>872,661</b>     | <b>(204,000)</b>      | <b>6,927,460</b>    |
| <b>Other Assets</b>                      |                         |  |                    |                       |                     |
| Investment in Ogden Avenue & Dover Place | 1,474,752               | —  | —                  | (1,474,752)           | —                   |
| Real estate tax and insurance escrow     | —                       | 11,794                                   | —                  | —                     | 11,794              |
| Replacement reserve                      | —                       | 43,994                                   | 2,675              | —                     | 46,669              |
| Operating reserves                       | —                       | 194,276                                  | —                  | —                     | 194,276             |
| Deferred fees, net                       | —                       | 108,286                                  | —                  | —                     | 108,286             |
| <b>Total Other Assets</b>                | <b>1,474,752</b>        | <b>358,350</b>                           | <b>2,675</b>       | <b>(1,474,752)</b>    | <b>361,025</b>      |
| <b>Total Assets</b>                      | <b>\$ 4,520,439</b>     | <b>\$ 5,621,792</b>                      | <b>\$ 896,812</b>  | <b>\$ (2,060,724)</b> | <b>\$ 8,978,319</b> |

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (Continued)**  
**June 30, 2022**

**Liabilities And Net Assets**

|  | BEDS Plus<br>Care, Inc. | Ogden Avenue<br>Supportive<br>Housing LP | Dover Place<br>LLC | Eliminations          | Consolidated        |
|--|-------------------------|--|--------------------|-----------------------|---------------------|
| <b>Current Liabilities</b>               |                         |  |                    |                       |                     |
| Accounts payable                         | \$ 210,367              | \$ —                                     | \$ —               | \$ —                  | \$ 210,367          |
| Accrued expenses and other liabilities   | 56,181                  | —  | —                  | —                     | 56,181              |
| Accrued interest                         | —                       | 32,010                                   | 3,279              | (32,010)              | 3,279               |
| Due to affiliates                        | —                       | —  | 7,091              | (7,091)               | —                   |
| Mortgage loans payable - current portion | —                       | 1,200                                    | 9,844              | —                     | 11,044              |
| Tenant security deposits                 | —                       | —  | 2,742              | —                     | 2,742               |
| <b>Total Current Liabilities</b>         | <b>266,548</b>          | <b>33,210</b>                            | <b>22,956</b>      | <b>(39,101)</b>       | <b>283,613</b>      |
| <b>Long-Term Liabilities</b>             |                         |  |                    |                       |                     |
| Mortgage loans payable                   | —                       | 1,292,458                                | 645,934            | —                     | 1,938,392           |
| Other loan payable - AHP Loan            | —                       | 300,000                                  | —                  | (300,000)             | —                   |
| Construction loan payable                | 21,499                  | —  | —                  | —                     | 21,499              |
| Debt issuance cost                       | —                       | (40,251)                                 | (40,148)           | —                     | (80,399)            |
| Deferred developer fee                   | —                       | 88,037                                   | —                  | (42,871)              | 45,166              |
| <b>Total Long-Term Liabilities</b>       | <b>21,499</b>           | <b>1,640,244</b>                         | <b>605,786</b>     | <b>(342,871)</b>      | <b>1,924,658</b>    |
| <b>Net Assets</b>                        |                         |  |                    |                       |                     |
| Without donor restrictions:              |                         |  |                    |                       |                     |
| Noncontrolling interest in subsidiary    | —                       | 2,815,842                                | —                  | —                     | 2,815,842           |
| Undesignated                             | 3,463,858               | 1,132,496                                | 268,070            | (1,678,752)           | 3,185,672           |
| Total without donor restrictions         | 3,463,858               | 3,948,338                                | 268,070            | (1,678,752)           | 6,001,514           |
| <b>With Donor Restrictions</b>           | <b>768,534</b>          | <b>—</b>                                 | <b>—</b>           | <b>—</b>              | <b>768,534</b>      |
| <b>Total Net Assets</b>                  | <b>4,232,392</b>        | <b>3,948,338</b>                         | <b>268,070</b>     | <b>(1,678,752)</b>    | <b>6,770,048</b>    |
| <b>Total Liabilities And Net Assets</b>  | <b>\$ 4,520,439</b>     | <b>\$ 5,621,792</b>                      | <b>\$ 896,812</b>  | <b>\$ (2,060,724)</b> | <b>\$ 8,978,319</b> |

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (Continued)**  
**June 30, 2021**

Assets

|  | BEDS Plus<br>Care, Inc. | Ogden Avenue<br>Supportive<br>Housing LP | Dover Place<br>LLC | Eliminations          | Consolidated        |
|--|-------------------------|--|--------------------|-----------------------|---------------------|
| <b>Current Assets</b>                    |                         |  |                    |                       |                     |
| Cash                                     | \$ 227,469              | \$ 112,604                               | \$ 5,003           | \$ —                  | \$ 345,076          |
| Cash and cash equivalents - restricted   | 744,898                 | —  | 2,516              | —                     | 747,414             |
| Grants receivable                        | 1,003,252               | —  | —                  | —                     | 1,003,252           |
| Accounts receivable                      | —                       | 8,757                                    | 3,443              | —                     | 12,200              |
| Due from Ogden Avenue                    | 375,465                 | —  | —                  | (375,465)             | —                   |
| <b>Total Current Assets</b>              | <b>2,351,084</b>        | <b>121,361</b>                           | <b>10,962</b>      | <b>(375,465)</b>      | <b>2,107,942</b>    |
| <b>Property and Equipment</b>            |                         |  |                    |                       |                     |
| Land                                     | —                       | 97,954                                   | 588,757            | —                     | 686,711             |
| Building                                 | —                       | 5,185,997                                | 249,520            | (204,000)             | 5,231,517           |
| Site improvements                        | 38,439                  | 730,886                                  | —                  | —                     | 769,325             |
| Furniture and fixtures                   | 35,347                  | 121,057                                  | —                  | —                     | 156,404             |
| Construction in progress                 | 76,087                  | —  | —                  | —                     | 76,087              |
| Accumulated depreciation                 | (33,253)                | (784,968)                                | (17,063)           | —                     | (835,284)           |
| <b>Net Property And Equipment</b>        | <b>116,620</b>          | <b>5,350,926</b>                         | <b>821,214</b>     | <b>(204,000)</b>      | <b>6,084,760</b>    |
| <b>Other Assets</b>                      |                         |  |                    |                       |                     |
| Investment in Ogden Avenue & Dover Place | 1,450,552               | —  | —                  | (1,450,552)           | —                   |
| Real estate tax and insurance escrow     | —                       | 11,794                                   | —                  | —                     | 11,794              |
| Replacement reserve                      | —                       | 31,994                                   | 30,000             | —                     | 61,994              |
| Operating reserves                       | —                       | 194,276                                  | —                  | —                     | 194,276             |
| Deferred fees, net                       | —                       | 118,206                                  | —                  | —                     | 118,206             |
| <b>Total Other Assets</b>                | <b>1,450,552</b>        | <b>356,270</b>                           | <b>30,000</b>      | <b>(1,450,552)</b>    | <b>386,270</b>      |
| <b>Total Assets</b>                      | <b>\$ 3,918,256</b>     | <b>\$ 5,828,557</b>                      | <b>\$ 862,176</b>  | <b>\$ (2,030,017)</b> | <b>\$ 8,578,972</b> |

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (Continued)**  
**June 30, 2021**

Liabilities And Net Assets

|  | BEDS Plus<br>Care, Inc. | Ogden Avenue<br>Supportive<br>Housing LP | Dover Place<br>LLC | Eliminations          | Consolidated        |
|--|-------------------------|--|--------------------|-----------------------|---------------------|
| <b>Current Liabilities</b>               |                         |  |                    |                       |                     |
| Accounts payable                         | \$ 52,487               | \$ 236                                   | \$ —               | \$ —                  | \$ 52,723           |
| Accrued expenses and other liabilities   | 46,075                  | —  | —                  | —                     | 46,075              |
| Accrued interest                         | —                       | 25,503                                   | 3,390              | (25,503)              | 3,390               |
| Due to affiliates                        | —                       | —  | 7,091              | (7,091)               | —                   |
| Mortgage loans payable - current portion | —                       | 1,200                                    | 9,272              | —                     | 10,472              |
| Tenant security deposits                 | —                       | —  | 2,514              | —                     | 2,514               |
| <b>Total Current Liabilities</b>         | <b>98,562</b>           | <b>26,939</b>                            | <b>22,267</b>      | <b>(32,594)</b>       | <b>115,174</b>      |
| <b>Long-Term Liabilities</b>             |                         |  |                    |                       |                     |
| Mortgage loans payable                   | —                       | 1,293,658                                | 655,778            | —                     | 1,949,436           |
| Other loan payable - AHP Loan            | —                       | 300,000                                  | —                  | (300,000)             | —                   |
| Debt issuance cost                       | —                       | (41,770)                                 | (43,448)           | —                     | (85,218)            |
| Deferred developer fee                   | —                       | 88,037                                   | —                  | (42,871)              | 45,166              |
| <b>Total Long-Term Liabilities</b>       | <b>—</b>                | <b>1,639,925</b>                         | <b>612,330</b>     | <b>(342,871)</b>      | <b>1,909,384</b>    |
| <b>Net Assets (Deficit)</b>              |                         |  |                    |                       |                     |
| Without donor restrictions:              |                         |  |                    |                       |                     |
| Noncontrolling interest in subsidiary    | —                       | 3,027,063                                | —                  | —                     | 3,027,063           |
| Undesignated                             | 3,055,150               | 1,134,630                                | 227,579            | (1,654,552)           | 2,762,807           |
| Total without donor restrictions         | 3,055,150               | 4,161,693                                | 227,579            | (1,654,552)           | 5,789,870           |
| <b>With donor restrictions</b>           | <b>764,544</b>          | <b>—</b>                                 | <b>—</b>           | <b>—</b>              | <b>764,544</b>      |
| <b>Total Net Assets</b>                  | <b>3,819,694</b>        | <b>4,161,693</b>                         | <b>227,579</b>     | <b>(1,654,552)</b>    | <b>6,554,414</b>    |
| <b>Total Liabilities And Net Assets</b>  | <b>\$ 3,918,256</b>     | <b>\$ 5,828,557</b>                      | <b>\$ 862,176</b>  | <b>\$ (2,030,017)</b> | <b>\$ 8,578,972</b> |

# BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS For The Year Ended June 30, 2022

|                                       | BEDS Plus Care, Inc.             |                            |                     | Ogden Avenue Supportive Housing LP |                            |                     | Dover Place LLC                  |                            |                   | Consolidated Total  |                       |                     |
|---------------------------------------|----------------------------------|----------------------------|---------------------|------------------------------------|----------------------------|---------------------|----------------------------------|----------------------------|-------------------|---------------------|-----------------------|---------------------|
|                                       | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Without<br>Donor<br>Restrictions   | With Donor<br>Restrictions | Total               | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total             | Subtotal            | Elimination           | Total               |
|                                       | <b>Revenue and Support</b>       |                            |                     |                                    |                            |                     |                                  |                            |                   |                     |                       |                     |
| Faith contributions                   | \$ 62,438                        | \$ —                       | \$ 62,438           | \$ —                               | \$ —                       | \$ —                | \$ —                             | \$ —                       | \$ —              | \$ 62,438           | \$ —                  | \$ 62,438           |
| Tenant rent                           | —                                | —                          | —                   | 80,595                             | —                          | 80,595              | 55,558                           | —                          | 55,558            | 136,153             | —                     | 136,153             |
| Subsidy rent                          | —                                | —                          | —                   | 113,420                            | —                          | 113,420             | 103,841                          | —                          | 103,841           | 217,261             | —                     | 217,261             |
| Corporations                          | 132,510                          | —                          | 132,510             | —                                  | —                          | —                   | —                                | —                          | —                 | 132,510             | —                     | 132,510             |
| Civic organizations                   | 47,916                           | —                          | 47,916              | —                                  | —                          | —                   | —                                | —                          | —                 | 47,916              | —                     | 47,916              |
| Individuals                           | 52,647                           | 220,682                    | 273,329             | —                                  | —                          | —                   | —                                | —                          | —                 | 273,329             | —                     | 273,329             |
| Private foundations                   | 11,785                           | 200,408                    | 212,193             | —                                  | —                          | —                   | —                                | —                          | —                 | 212,193             | —                     | 212,193             |
| Government grants                     | 74,895                           | 3,407,990                  | 3,482,885           | —                                  | —                          | —                   | —                                | —                          | —                 | 3,482,885           | —                     | 3,482,885           |
| Fundraising - Summit Service Center   | —                                | 820,118                    | 820,118             | —                                  | —                          | —                   | —                                | —                          | —                 | 820,118             | —                     | 820,118             |
| Donated services                      | 259,456                          | —                          | 259,456             | —                                  | —                          | —                   | —                                | —                          | —                 | 259,456             | —                     | 259,456             |
| Special events:                       |                                  |                            |                     |                                    |                            |                     |                                  |                            |                   |                     |                       |                     |
| Direct expenses                       | (20,437)                         | —                          | (20,437)            | —                                  | —                          | —                   | —                                | —                          | —                 | (20,437)            | —                     | (20,437)            |
| Net assets released from restriction  | 4,645,208                        | (4,645,208)                | —                   | —                                  | —                          | —                   | —                                | —                          | —                 | —                   | —                     | —                   |
| <b>Total Revenue and Support</b>      | <b>5,266,418</b>                 | <b>3,990</b>               | <b>5,270,408</b>    | <b>194,015</b>                     | <b>—</b>                   | <b>194,015</b>      | <b>159,399</b>                   | <b>—</b>                   | <b>159,399</b>    | <b>5,623,822</b>    | <b>—</b>              | <b>5,623,822</b>    |
| <b>Functional Expenses</b>            |                                  |                            |                     |                                    |                            |                     |                                  |                            |                   |                     |                       |                     |
| Program services                      | 4,498,322                        | —                          | 4,498,322           | 411,913                            | —                          | 411,913             | 154,472                          | —                          | 154,472           | 5,064,707           | (28,257)              | 5,036,450           |
| Management and general                | 200,434                          | —                          | 200,434             | —                                  | —                          | —                   | —                                | —                          | —                 | 200,434             | —                     | 200,434             |
| Fundraising expenses                  | 245,028                          | —                          | 245,028             | —                                  | —                          | —                   | —                                | —                          | —                 | 245,028             | —                     | 245,028             |
| <b>Total Functional Expenses</b>      | <b>4,943,784</b>                 | <b>—</b>                   | <b>4,943,784</b>    | <b>411,913</b>                     | <b>—</b>                   | <b>411,913</b>      | <b>154,472</b>                   | <b>—</b>                   | <b>154,472</b>    | <b>5,510,169</b>    | <b>(28,257)</b>       | <b>5,481,912</b>    |
| <b>Other Income (Expense)</b>         |                                  |                            |                     |                                    |                            |                     |                                  |                            |                   |                     |                       |                     |
| Other income                          | 79,220                           | —                          | 79,220              | —                                  | —                          | —                   | 1                                | —                          | 1                 | 79,221              | (21,750)              | 57,471              |
| Interest income                       | 6,854                            | —                          | 6,854               | 4,543                              | —                          | 4,543               | 11,363                           | —                          | 11,363            | 22,760              | (6,507)               | 16,253              |
| Investment in company                 | —                                | —                          | —                   | —                                  | —                          | —                   | 24,200                           | —                          | 24,200            | 24,200              | (24,200)              | —                   |
| <b>Total Other Income (Expense)</b>   | <b>86,074</b>                    | <b>—</b>                   | <b>86,074</b>       | <b>4,543</b>                       | <b>—</b>                   | <b>4,543</b>        | <b>35,564</b>                    | <b>—</b>                   | <b>35,564</b>     | <b>126,181</b>      | <b>(52,457)</b>       | <b>73,724</b>       |
| <b>Increase In Net Assets</b>         | <b>408,708</b>                   | <b>3,990</b>               | <b>412,698</b>      | <b>(213,355)</b>                   | <b>—</b>                   | <b>(213,355)</b>    | <b>40,491</b>                    | <b>—</b>                   | <b>40,491</b>     | <b>239,834</b>      | <b>(24,200)</b>       | <b>215,634</b>      |
| <b>Net Assets - Beginning Of Year</b> | <b>3,055,150</b>                 | <b>764,544</b>             | <b>3,819,694</b>    | <b>4,161,693</b>                   | <b>—</b>                   | <b>4,161,693</b>    | <b>227,579</b>                   | <b>—</b>                   | <b>227,579</b>    | <b>8,208,966</b>    | <b>(1,654,552)</b>    | <b>6,554,414</b>    |
| <b>Net Assets - End Of Year</b>       | <b>\$ 3,463,858</b>              | <b>\$ 768,534</b>          | <b>\$ 4,232,392</b> | <b>\$ 3,948,338</b>                | <b>\$ —</b>                | <b>\$ 3,948,338</b> | <b>\$ 268,070</b>                | <b>\$ —</b>                | <b>\$ 268,070</b> | <b>\$ 8,448,800</b> | <b>\$ (1,678,752)</b> | <b>\$ 6,770,048</b> |

# BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS *(Continued)* For The Year Ended June 30, 2021

|  | BEDS Plus Care, Inc.             |                            |                     | Ogden Avenue Supportive Housing LP |                            |                     | Dover Place LLC               |                            |                   | Consolidated Total  |                       |                     |
|--|----------------------------------|----------------------------|---------------------|------------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|-------------------|---------------------|-----------------------|---------------------|
|  | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Without<br>Donor<br>Restrictions   | With Donor<br>Restrictions | Total               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             | Subtotal            | Elimination           | Total               |
|  | <b>Revenue and Support</b>       |                            |                     |                                    |                            |                     |                               |                            |                   |                     |                       |                     |
| Faith contributions                      | \$ 81,263                        | \$ —                       | \$ 81,263           | \$ —                               | \$ —                       | \$ —                | \$ —                          | \$ —                       | \$ —              | \$ 81,263           | \$ —                  | \$ 81,263           |
| Tenant rent                              | —                                | —                          | —                   | 64,000                             | —                          | 64,000              | 56,984                        | —                          | 56,984            | 120,984             | —                     | 120,984             |
| Subsidy rent                             | —                                | —                          | —                   | 99,928                             | —                          | 99,928              | 97,632                        | —                          | 97,632            | 197,560             | —                     | 197,560             |
| Corporations                             | 28,521                           | —                          | 28,521              | —                                  | —                          | —                   | —                             | —                          | —                 | 28,521              | —                     | 28,521              |
| Civic organizations                      | 31,533                           | —                          | 31,533              | —                                  | —                          | —                   | —                             | —                          | —                 | 31,533              | —                     | 31,533              |
| Individuals                              | 204,293                          | 114,360                    | 318,653             | —                                  | —                          | —                   | —                             | —                          | —                 | 318,653             | —                     | 318,653             |
| Private foundations                      | 134,852                          | 196,050                    | 330,902             | —                                  | —                          | —                   | —                             | —                          | —                 | 330,902             | —                     | 330,902             |
| Government grants                        | 155,508                          | 2,660,071                  | 2,815,579           | —                                  | —                          | —                   | —                             | —                          | —                 | 2,815,579           | —                     | 2,815,579           |
| Fundraising - Summit Service Center      | —                                | 660,095                    | 660,095             | —                                  | —                          | —                   | —                             | —                          | —                 | 660,095             | —                     | 660,095             |
| Donated services                         | 214,234                          | —                          | 214,234             | —                                  | —                          | —                   | —                             | —                          | —                 | 214,234             | —                     | 214,234             |
| Special events:                          |                                  |                            |                     |                                    |                            |                     |                               |                            |                   |                     |                       |                     |
| Gross receipts                           | 18,265                           | —                          | 18,265              | —                                  | —                          | —                   | —                             | —                          | —                 | 18,265              | —                     | 18,265              |
| Direct expenses                          | (26,779)                         | —                          | (26,779)            | —                                  | —                          | —                   | —                             | —                          | —                 | (26,779)            | —                     | (26,779)            |
| Assets released from restriction         | 3,431,869                        | (3,431,869)                | —                   | —                                  | —                          | —                   | —                             | —                          | —                 | —                   | —                     | —                   |
| <b>Total Revenue and Support</b>         | <b>4,273,559</b>                 | <b>198,707</b>             | <b>4,472,266</b>    | <b>163,928</b>                     | <b>—</b>                   | <b>163,928</b>      | <b>154,616</b>                | <b>—</b>                   | <b>154,616</b>    | <b>4,790,810</b>    | <b>—</b>              | <b>4,790,810</b>    |
| <b>Functional Expenses</b>               |                                  |                            |                     |                                    |                            |                     |                               |                            |                   |                     |                       |                     |
| Program services                         | 3,771,013                        | —                          | 3,771,013           | 415,657                            | —                          | 415,657             | 155,367                       | —                          | 155,367           | 4,342,037           | (6,379)               | 4,335,658           |
| Management and general                   | 146,275                          | —                          | 146,275             | —                                  | —                          | —                   | —                             | —                          | —                 | 146,275             | —                     | 146,275             |
| Fundraising expenses                     | 180,734                          | —                          | 180,734             | —                                  | —                          | —                   | —                             | —                          | —                 | 180,734             | —                     | 180,734             |
| <b>Total Functional Expenses</b>         | <b>4,098,022</b>                 | <b>—</b>                   | <b>4,098,022</b>    | <b>415,657</b>                     | <b>—</b>                   | <b>415,657</b>      | <b>155,367</b>                | <b>—</b>                   | <b>155,367</b>    | <b>4,669,046</b>    | <b>(6,379)</b>        | <b>4,662,667</b>    |
| <b>Other Income (Expense)</b>            |                                  |                            |                     |                                    |                            |                     |                               |                            |                   |                     |                       |                     |
| Other income                             | 150,721                          | —                          | 150,721             | —                                  | —                          | —                   | 2                             | —                          | 2                 | 150,723             | —                     | 150,723             |
| Interest income                          | 7,272                            | —                          | 7,272               | 19,590                             | —                          | 19,590              | 1,271                         | —                          | 1,271             | 28,133              | (6,379)               | 21,754              |
| Distributions to noncontrolling interest | —                                | —                          | —                   | (1,500)                            | —                          | (1,500)             | —                             | —                          | —                 | (1,500)             | —                     | (1,500)             |
| <b>Total Other Income (Expense)</b>      | <b>157,993</b>                   | <b>—</b>                   | <b>157,993</b>      | <b>18,090</b>                      | <b>—</b>                   | <b>18,090</b>       | <b>1,273</b>                  | <b>—</b>                   | <b>1,273</b>      | <b>177,356</b>      | <b>(6,379)</b>        | <b>170,977</b>      |
| <b>Increase In Net Assets</b>            | <b>333,530</b>                   | <b>198,707</b>             | <b>532,237</b>      | <b>(233,639)</b>                   | <b>—</b>                   | <b>(233,639)</b>    | <b>522</b>                    | <b>—</b>                   | <b>522</b>        | <b>299,120</b>      | <b>—</b>              | <b>299,120</b>      |
| <b>Net Assets - Beginning Of Year</b>    | <b>2,721,620</b>                 | <b>565,837</b>             | <b>3,287,457</b>    | <b>4,395,332</b>                   | <b>—</b>                   | <b>4,395,332</b>    | <b>227,057</b>                | <b>—</b>                   | <b>227,057</b>    | <b>7,909,846</b>    | <b>(1,654,552)</b>    | <b>6,255,294</b>    |
| <b>Net Assets - End Of Year</b>          | <b>\$ 3,055,150</b>              | <b>\$ 764,544</b>          | <b>\$ 3,819,694</b> | <b>\$ 4,161,693</b>                | <b>\$ —</b>                | <b>\$ 4,161,693</b> | <b>\$ 227,579</b>             | <b>\$ —</b>                | <b>\$ 227,579</b> | <b>\$ 8,208,966</b> | <b>\$ (1,654,552)</b> | <b>\$ 6,554,414</b> |

**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended June 30, 2022**

|                          | BEDS Plus Care, Inc |                           |             |              | Ogden Avenue<br>Supportive<br>Housing LP |                           |             |            | Dover Place<br>LLC  |                           |             |            | Consolidated<br>Total |              |
|--------------------------|---------------------|---------------------------|-------------|--------------|--|---------------------------|-------------|------------|---------------------|---------------------------|-------------|------------|-----------------------|--------------|
|                          | Program<br>Services | Management<br>And General | Fundraising | Sub-total    | Program<br>Services                      | Management<br>And General | Fundraising | Sub-total  | Program<br>Services | Management<br>And General | Fundraising | Sub-total  |                       | Eliminations |
| Salaries                 | \$ 1,230,310        | \$ 140,162                | \$ 186,883  | \$ 1,557,355 | \$ 48,824                                | \$ —                      | \$ —        | \$ 48,824  | \$ —                | \$ —                      | \$ —        | \$ —       | \$ —                  | \$ 1,606,179 |
| Audit fees               | —                   | 16,378                    | —           | 16,378       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 16,378       |
| Depreciation             | 10,512              | —                         | —           | 10,512       | 254,607                                  | —                         | —           | 254,607    | 10,163              | —                         | —           | 10,163     | —                     | 275,282      |
| Amortization             | —                   | —                         | —           | —            | 9,920                                    | —                         | —           | 9,920      | —                   | —                         | —           | —          | —                     | 9,920        |
| Dues and subscriptions   | 3,884               | —                         | —           | 3,884        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 3,884        |
| General insurance        | 35,609              | 742                       | 742         | 37,093       | 7,361                                    | —                         | —           | 7,361      | 5,728               | —                         | —           | 5,728      | —                     | 50,182       |
| Motel vouchers           | 1,149,039           | —                         | —           | 1,149,039    | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 1,149,039    |
| Client meals and laundry | 253,914             | —                         | —           | 253,914      | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 253,914      |
| Client rental assistance | 1,088,403           | —                         | —           | 1,088,403    | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 1,088,403    |
| Other client assistance  | 291,041             | —                         | —           | 291,041      | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 291,041      |
| Client medical care      | 5,187               | —                         | —           | 5,187        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 5,187        |
| Miscellaneous expense    | 76,080              | 8,667                     | 11,556      | 96,303       | 52,321                                   | —                         | —           | 52,321     | 48,159              | —                         | —           | 48,159     | (21,750)              | 175,033      |
| Taxes and benefits       | 202,552             | 23,075                    | 30,767      | 256,394      | 5,886                                    | —                         | —           | 5,886      | —                   | —                         | —           | —          | —                     | 262,280      |
| Postage and shipping     | 1,444               | 165                       | 219         | 1,828        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 1,828        |
| Printing                 | 5,349               | 609                       | 812         | 6,770        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 6,770        |
| Office supplies expense  | 17,589              | 2,004                     | 2,672       | 22,265       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 22,265       |
| Professional fees        | 29,208              | 3,328                     | 4,437       | 36,973       | 1,288                                    | —                         | —           | 1,288      | 7,780               | —                         | —           | 7,780      | —                     | 46,041       |
| Retirement plan expense  | 17,691              | 2,015                     | 2,687       | 22,393       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 22,393       |
| Rent                     | 8,671               | 181                       | 181         | 9,033        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 9,033        |
| Staff development        | 10,257              | 1,169                     | 1,558       | 12,984       | —  | —                         | —           | —          | 2,715               | —                         | —           | 2,715      | —                     | 15,699       |
| Telephone and internet   | 15,125              | 1,723                     | 2,298       | 19,146       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 19,146       |
| Utility                  | 10,381              | 216                       | 216         | 10,813       | 23,680                                   | —                         | —           | 23,680     | 37,087              | —                         | —           | 37,087     | —                     | 71,580       |
| Client transportation    | 35,626              | —                         | —           | 35,626       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —                     | 35,626       |
| Interest                 | 450                 | —                         | —           | 450          | 8,026                                    | —                         | —           | 8,026      | 42,840              | —                         | —           | 42,840     | (6,507)               | 44,809       |
|                          | \$ 4,498,322        | \$ 200,434                | \$ 245,028  | \$ 4,943,784 | \$ 411,913                               | \$ —                      | \$ —        | \$ 411,913 | \$ 154,472          | \$ —                      | \$ —        | \$ 154,472 | \$ (28,257)           | \$ 5,481,912 |

## BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES

### CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES *(Continued)* For The Year Ended June 30, 2021

|                          | BEDS Plus Care, Inc |                           |             |              | Ogden Avenue<br>Supportive<br>Housing LP |                           |             |            | Dover Place LLC     |                           |             |            | Eliminations | Consolidated<br>Total |
|--------------------------|---------------------|---------------------------|-------------|--------------|--|---------------------------|-------------|------------|---------------------|---------------------------|-------------|------------|--------------|-----------------------|
|                          | Program<br>Services | Management<br>And General | Fundraising | Sub-total    | Program<br>Services                      | Management<br>And General | Fundraising | Sub-total  | Program<br>Services | Management<br>And General | Fundraising | Sub-total  |              |                       |
| Salaries                 | \$ 956,119          | \$ 108,925                | \$ 145,233  | \$ 1,210,277 | \$ 45,739                                | \$ —                      | \$ —        | \$ 45,739  | \$ 211              | \$ —                      | \$ —        | \$ 211     | \$ —         | \$ 1,256,227          |
| Audit fees               | —                   | 10,515                    | —           | 10,515       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 10,515                |
| Depreciation             | 10,352              | —                         | —           | 10,352       | 254,601                                  | —                         | —           | 254,601    | 8,986               | —                         | —           | 8,986      | —            | 273,939               |
| Amortization             | —                   | —                         | —           | —            | 9,920                                    | —                         | —           | 9,920      | —                   | —                         | —           | —          | —            | 9,920                 |
| General insurance        | 20,957              | 437                       | 437         | 21,831       | 10,830                                   | —                         | —           | 10,830     | 7,763               | —                         | —           | 7,763      | —            | 40,424                |
| Grant writing            | —                   | —                         | —           | —            | 48,348                                   | —                         | —           | 48,348     | —                   | —                         | —           | —          | —            | 48,348                |
| Health savings account   | 724                 | 83                        | 110         | 917          | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 917                   |
| Motel vouchers           | 1,743,843           | —                         | —           | 1,743,843    | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 1,743,843             |
| Client meals and laundry | 466,122             | —                         | —           | 466,122      | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 466,122               |
| Client rental assistance | 150,725             | —                         | —           | 150,725      | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 150,725               |
| Other client assistance  | 160,503             | —                         | —           | 160,503      | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 160,503               |
| Client medical care      | 11,524              | —                         | —           | 11,524       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 11,524                |
| Miscellaneous expense    | 32,208              | 3,669                     | 4,892       | 40,769       | —  | —                         | —           | —          | 33,115              | —                         | —           | 33,115     | —            | 73,884                |
| Taxes and benefits       | 122,122             | 13,913                    | 18,550      | 154,585      | 1,890                                    | —                         | —           | 1,890      | 20,916              | —                         | —           | 20,916     | —            | 177,391               |
| Postage and shipping     | 3,568               | 406                       | 542         | 4,516        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 4,516                 |
| Printing                 | 10,467              | 1,193                     | 1,590       | 13,250       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 13,250                |
| Office supplies expense  | 434                 | 49                        | 66          | 549          | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 549                   |
| Professional fees        | 12,897              | 1,469                     | 1,959       | 16,325       | 10,326                                   | —                         | —           | 10,326     | 8,058               | —                         | —           | 8,058      | —            | 34,709                |
| Retirement plan expense  | 12,534              | 1,428                     | 1,904       | 15,866       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 15,866                |
| Rent                     | 11,711              | 244                       | 244         | 12,199       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 12,199                |
| Staff development        | 23,925              | 2,726                     | 3,634       | 30,285       | 6,361                                    | —                         | —           | 6,361      | 2,696               | —                         | —           | 2,696      | —            | 39,342                |
| Telephone and internet   | 9,341               | 1,064                     | 1,419       | 11,824       | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 11,824                |
| Utility                  | 7,415               | 154                       | 154         | 7,723        | 19,744                                   | —                         | —           | 19,744     | 30,403              | —                         | —           | 30,403     | —            | 57,870                |
| Client transportation    | 3,467               | —                         | —           | 3,467        | —  | —                         | —           | —          | —                   | —                         | —           | —          | —            | 3,467                 |
| Interest                 | 55                  | —                         | —           | 55           | 7,898                                    | —                         | —           | 7,898      | 43,219              | —                         | —           | 43,219     | (6,379)      | 44,793                |
|                          | \$ 3,771,013        | \$ 146,275                | \$ 180,734  | \$ 4,098,022 | \$ 415,657                               | \$ —                      | \$ —        | \$ 415,657 | \$ 155,367          | \$ —                      | \$ —        | \$ 155,367 | \$ (6,379)   | \$ 4,662,667          |



## Independent Auditors' Report On Supplementary Information

Board of Directors  
BEDS Plus Care, Inc.  
La Grange, Illinois

We have audited the consolidated financial statements of BEDS Plus Care, Inc., a not-for-profit organization, and its subsidiaries which comprise the consolidated financial position as of June 30, 2022, and related consolidated statement of activities and changes in net assets, functional expenses and cash flows for the year then ended. Our report thereon dated November 28, 2022, expressed an unmodified opinion on those consolidated financial statements.

Our audit was performed for the purpose of forming an opinion of the consolidated financial statements as a whole. The accompanying supplementary information, shown as the Consolidated Year-End Financial Report, 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*RubinBrown LLP*

November 28, 2022

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**BEDS PLUS CARE, INC. AND ITS SUBSIDIARIES**

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**CONSOLIDATED YEAR-END FINANCIAL REPORT****For The Year Ended June 30, 2022**

| <b>Category</b>                        | <b>State</b>      | <b>Federal</b>      | <b>Other</b>        | <b>Total</b>        |
|--|-------------------|---------------------|---------------------|---------------------|
| Personal services (salaries and wages) | \$ 173,719        | \$ 739,090          | \$ 693,370          | \$ 1,606,179        |
| Fringe benefits                        | 23,992            | 104,535             | 156,146             | 284,673             |
| Travel                                 | —                 | 3,467               | 32,159              | 35,626              |
| Equipment                              | 4,582             | 2,490               | 1,509               | 8,581               |
| Supplies                               | 3,562             | 7,287               | 11,433              | 22,282              |
| Contractual services                   | —                 | —                   | 34,030              | 34,030              |
| Consultant (professional services)     | —                 | —                   | 46,401              | 46,401              |
| Construction                           | —                 | —                   | —                   | —                   |
| Occupancy - rent and utilities         | —                 | 1,141,730           | 1,348,626           | 2,490,356           |
| Research and development               | —                 | —                   | —                   | —                   |
| Telecommunications                     | —                 | —                   | 19,146              | 19,146              |
| Training and education                 | 613               | 3,888               | 11,198              | 15,699              |
| Direct administrative costs            | 165               | 202,910             | 341,734             | 544,809             |
| Miscellaneous costs                    | —                 | —                   | 240,877             | 240,877             |
| All Grant specific categories          | —                 | —                   | —                   | —                   |
| <b>TOTAL DIRECT EXPENDITURES</b>       | <b>206,633</b>    | <b>2,205,397</b>    | <b>2,936,629</b>    | <b>5,348,659</b>    |
| Indirect costs                         | —                 | 84,636              | 48,617              | 133,253             |
| <b>TOTAL EXPENDITURES</b>              | <b>\$ 206,633</b> | <b>\$ 2,290,033</b> | <b>\$ 2,985,246</b> | <b>\$ 5,481,912</b> |