
BEDS PLUS, INC.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
BEDS Plus, 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, Inc., a not-for-profit organization, and its subsidiaries (collectively, BEDS Plus, Inc.), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022, 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, Inc. as of June 30, 2023 and 2022, 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, 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, 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, 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, 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 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 15, 2023 on our consideration of BEDS Plus, 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, 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, Inc.'s internal control over financial reporting and compliance.

RubinBrown LLP

November 15, 2023

BEDS PLUS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Page 1 Of 2

	June 30,	
	2023	2022
Assets		
Current Assets		
Cash	\$ 175,753	\$ 368,866
Cash and cash equivalents - restricted	3,023	331,049
Grants receivable	1,268,185	985,621
Accounts receivable	27,807	4,298
Total Current Assets	1,474,768	1,689,834
Property And Equipment		
Land	776,398	686,711
Building	8,565,099	5,295,153
Site improvements	833,874	770,124
Furniture and fixtures	351,361	156,404
Construction in progress	—	1,129,634
Accumulated depreciation	(1,427,494)	(1,110,566)
Net Property And Equipment	9,099,238	6,927,460
Other Assets		
Real estate tax and insurance escrow	11,754	11,794
Replacement reserve	66,561	46,669
Operating reserves	192,943	194,276
Deferred fees, net	98,366	108,286
Total Other Assets	369,624	361,025
Total Assets	\$ 10,943,630	\$ 8,978,319

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

Liabilities And Net Assets

	June 30,	
	2023	2022
Current Liabilities		
Accounts payable	\$ 53,405	\$ 210,367
Bank overdraft	6,123	—
Accrued expenses and other liabilities	228,925	56,181
Accrued interest	3,390	3,279
Mortgage loans payable - current portion	11,652	11,044
Tenant security deposits	3,070	2,742
Total Current Liabilities	306,565	283,613
Long-Term Liabilities		
Mortgage loans payable	1,926,740	1,938,392
Construction loan payable	—	21,499
Debt issuance cost	(75,580)	(80,399)
Deferred developer fee	45,166	45,166
Total Long-Term Liabilities	1,896,326	1,924,658
Total Liabilities	2,202,891	2,208,271
Net Assets		
Without donor restrictions:		
Noncontrolling interest in subsidiary	2,579,045	2,815,842
Undesignated	6,161,694	3,185,672
Total without donor restrictions	8,740,739	6,001,514
With Donor Restrictions	—	768,534
Total Net Assets	8,740,739	6,770,048
Total Liabilities And Net Assets	\$ 10,943,630	\$ 8,978,319

BEDS PLUS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS

	For The Year Ended June 30, 2023			For The Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Faith contributions	\$ 167,105	\$ —	\$ 167,105	\$ 62,438	\$ —	\$ 62,438
Tenant rent	138,956	—	138,956	136,153	—	136,153
Subsidy rent	240,739	—	240,739	217,261	—	217,261
Corporations	99,994	—	99,994	132,510	—	132,510
Civic organizations	12,562	—	12,562	47,916	—	47,916
Individuals	498,617	—	498,617	52,647	220,682	273,329
Private foundations	480,000	12,977	492,977	11,785	200,408	212,193
Government grants	1,504,769	4,094,731	5,599,500	74,895	3,407,990	3,482,885
Fundraising - Summit Service Center	57,479	—	57,479	—	820,118	820,118
Donated services	247,531	—	247,531	259,456	—	259,456
Special events:						
Direct expenses	(31,228)	—	(31,228)	(20,437)	—	(20,437)
Net assets released from restriction	4,876,242	(4,876,242)	—	4,645,208	(4,645,208)	—
Total Revenue and Support	8,292,766	(768,534)	7,524,232	5,619,832	3,990	5,623,822
Functional Expenses						
Program services	5,210,468	—	5,210,468	5,036,450	—	5,036,450
Management and general	287,460	—	287,460	200,434	—	200,434
Fundraising expenses	133,177	—	133,177	245,028	—	245,028
Total Functional Expenses	5,631,105	—	5,631,105	5,481,912	—	5,481,912
Other Income (Expense)						
Other income	75,294	—	75,294	57,471	—	57,471
Interest income	5,270	—	5,270	16,253	—	16,253
Total Other Income (Expense)	80,564	—	80,564	73,724	—	73,724
Increase (Decrease) In Net Assets	2,742,225	(768,534)	1,973,691	211,644	3,990	215,634
Net Assets - Beginning Of Year	6,001,514	768,534	6,770,048	5,789,870	764,544	6,554,414
Distributions to noncontrolling interest	(3,000)	—	(3,000)	—	—	—
Net Assets - End Of Year	\$ 8,740,739	\$ —	\$ 8,740,739	\$ 6,001,514	\$ 768,534	\$ 6,770,048

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

	For The Year Ended June 30, 2023				For The Year Ended June 30, 2022			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	\$ 1,483,998	\$ 211,956	\$ 105,978	\$ 1,801,932	\$ 1,279,134	\$ 140,162	\$ 186,883	\$ 1,606,179
Audit fees	—	21,105	—	21,105	—	16,378	—	16,378
Depreciation	316,928	—	—	316,928	275,282	—	—	275,282
Amortization	9,920	—	—	9,920	9,920	—	—	9,920
Dues and subscriptions	9,653	—	—	9,653	3,884	—	—	3,884
General insurance	58,765	1,862	931	61,558	48,698	742	742	50,182
Motel vouchers	859,990	—	—	859,990	1,149,039	—	—	1,149,039
Client meals and laundry	264,995	—	—	264,995	253,914	—	—	253,914
Client rental assistance	1,111,413	—	—	1,111,413	1,088,403	—	—	1,088,403
Other client assistance	370,719	—	—	370,719	291,041	—	—	291,041
Client medical care	17,800	—	—	17,800	5,187	—	—	5,187
Miscellaneous expense	185,023	4,569	2,284	191,876	154,810	8,667	11,556	175,033
Taxes and benefits	218,371	31,435	15,718	265,524	208,438	23,075	30,767	262,280
Postage and shipping	3,618	529	265	4,412	1,444	165	219	1,828
Printing	4,746	695	347	5,788	5,349	609	812	6,770
Office supplies expense	14,699	2,151	1,076	17,926	17,589	2,004	2,672	22,265
Professional fees	68,360	6,460	3,230	78,050	38,276	3,328	4,437	46,041
Retirement plan expense	18,310	2,679	1,340	22,329	17,691	2,015	2,687	22,393
Rent	7,009	298	149	7,456	8,671	181	181	9,033
Staff development	4,710	229	114	5,053	12,972	1,169	1,558	15,699
Telephone and internet	17,034	2,493	1,246	20,773	15,125	1,723	2,298	19,146
Utility	78,994	999	499	80,492	71,148	216	216	71,580
Client transportation	38,387	—	—	38,387	35,626	—	—	35,626
Interest	47,026	—	—	47,026	44,809	—	—	44,809
	\$ 5,210,468	\$ 287,460	\$ 133,177	\$ 5,631,105	\$ 5,036,450	\$ 200,434	\$ 245,028	\$ 5,481,912

BEDS PLUS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended June 30,	
	2023	2022
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,973,691	\$ 215,634
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	326,848	285,202
Amortization of debt issuance costs	4,819	4,819
Changes in assets and liabilities:		
Grants receivable	(282,564)	17,631
Accounts receivable	(23,509)	7,902
Accrued interest	111	(111)
Accounts payable and accrued expenses	15,782	167,750
Bank overdraft	6,123	—
Tenant security deposits	328	228
Net Cash Provided By Operating Activities	2,021,629	699,055
Cash Flows Used In Investing Activities		
Net purchases of property and equipment	(2,488,706)	(1,117,982)
Cash Flows From Financing Activities		
Principal payments of mortgage	(1,074,607)	(10,472)
Proceeds from construction loan	1,042,064	21,499
Distribution to noncontrolling interest	(3,000)	—
Net Cash Provided By (Used In) Financing Activities	(35,543)	11,027
Net Decrease In Cash And Restricted Cash	(502,620)	(407,900)
Cash And Restricted Cash and Cash Equivalents - Beginning Of Year	952,654	1,360,554
Cash And Restricted Cash and Cash Equivalents - End Of Year	\$ 450,034	\$ 952,654
Cash Paid For Interest	\$ 42,096	\$ 40,101

BEDS PLUS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 And 2022

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, 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 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 Housing LP	Ogden Avenue Supportive Housing GP, LLC owns 0.01%

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The consolidated financial statements of BEDS Plus, 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, INC. AND ITS SUBSIDIARIES

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 (Linda Sokol Francis Summit Service 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, Inc. for the year ended June 30, 2023 and 2022 include the activities of Linda Sokol Francis Summit Service Center as of June 30, 2023 and 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, INC. AND ITS SUBSIDIARIES

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>2023</u>
Cash (including tenant security deposits)	\$ 175,753
Cash and cash equivalents - restricted	3,023
Restricted cash included in escrows and funded reserves	<u>271,258</u>
	<u>\$ 450,034</u>

In prior years, 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 Linda Sokol Francis Summit Service Center project and exploration of other real estate possibilities during the initial phases of the Summit capital campaign. After June 30, 2022, at the conclusion of the Linda Sokol Francis Summit Service Center capital campaign, the Board of Directors designated \$328,032 in reserves in order to maintain the original donor intent for these funds and restrict their use for future capital projects by the Organization. After June 30, 2023, at the conclusion of the Linda Sokol Francis Summit Service Center capital campaign, the Board of Directors did not make any designation in reserves.

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, 2023 and 2022 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, 2023 and 2022. As of June 30, 2023 and 2022, grants receivable were \$1,268,185 and \$985,621, respectively.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

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.

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 Useful Lives</u>
Site improvements	Straight-line	15 years
Buildings - residential	Straight-line	27.5 years
Buildings - commercial	Straight-line	39 years
Furniture and equipment	Straight-line	5 - 7 years

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, 2023 or 2022.

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, 2023 and 2022, consist of fees for obtaining the mortgage loans and are being amortized using the straight-line method over the life of the mortgage loans. Accumulated amortization totaled \$19,485 and \$14,666, at June 30, 2023 and 2022, respectively. Amortization expense amounted to \$4,819 for the years ended June 30, 2023 and 2022, 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, 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 23,850 at an estimated fair market value per hour of \$28.85 for a total estimated fair market value of \$688,073 for the year ended June 30, 2023. 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.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

The Organization received nearly all of its in-kind donations, during fiscal year 2022, 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; however the rotating shelter system was brought back during winter of fiscal year 2023. At the end of fiscal year 2023, the Organization determined that the rotating shelter model was obsolete and not in the best interest of clients, thus would terminate the model going forward. Approximately \$35,000 in food was donated and delivered to clients who utilized the rotating shelters in fiscal year 2023.

Donated services are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Meals/Perishable	\$ 211,773	\$ 160,116
Other services - Non Perishable	<u>35,758</u>	<u>99,340</u>
	<u>\$ 247,531</u>	<u>\$ 259,456</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, Inc. offers four primary, evidence-based service lines:

Emergency Services - includes all programs providing a point of entry into resources for individuals and families experiencing homelessness and housing instability. Programs include a Medical Respite Shelter and Bridge, taking referrals from local hospitals and health partners, and a Community Health Work team that provides resource navigation through street outreach to people living outdoors, short-term case management, Diversion, a program that develops strategies to use natural supports, and homeless prevention that offers assistance for past due rent and utilities.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

Interim Housing - shelter programming that places literally homeless individuals and families at a Triage Center for 14-28 days to work intensively to develop a housing pathway that prevents a return to homelessness, and interim housing for different homeless populations through an extended stay in motel-based shelter or a scattered site master-leased apartment, including families, chronically homeless, mentally ill, and households fleeing domestic violence.

Transitional Housing - programs that provide short- and medium-term (6-24 months) housing assistance and intensive supportive services to vulnerable homeless population including families, transition aged youth between the ages of 18 to 24, domestic violence survivors, and justice-involved households.

Supportive Housing - Permanent Supportive Housing programs 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). Some programs serve a general chronically homeless population, but one focuses on the developmentally disabled, and another on an aging population (age 50 and older) in the south suburbs.

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.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements *(Continued)*

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.

Expense	Method of Allocation
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	Square footage
Professional fees	Time and effort

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

Advertising

Advertising costs are charged to operations when incurred.

Tax Status

BEDS Plus, 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, 2023 or 2022.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

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 Single Member entity, which is a disregarded entity for income tax purposes. The financial activity of the Company is reported on the Single Member entity's tax return.

BEDS Summit Service Center LLC

The Company is a Single Member entity, which is a disregarded entity for income tax purposes. The financial activity of the Company is reported on the Single Member entity's tax return.

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 Partnerships that are included in the consolidated financial statements.

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.

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.

In the first quarter of fiscal year end 2024, the Organization entered into a \$2,400,000 contract with Illinois Department of Human Services (IDHS) to participate in the Triage Shelters Pilot Program. The Triage Shelters program is designed to meet the cultural and linguistic needs of new arrivals and existing unhoused Illinoisans and will focus on diversion from the shelter system to alternate housing solutions. To fulfill the contract, the Organization is in a lease to purchase agreement for a 55-room motel on the border of Chicago, Illinois and Burbank, Illinois. The BEDS Plus Triage Center began operations in October of 2023.

BEDS PLUS, 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, 2023 and 2022, total financial assets that could be made available within one year to meet general expenditures are as follows:

	2023			2022
	BEDS Plus, Inc	Subsidiaries	Total BEDS Plus, Inc And Its' Subsidiaries	Total BEDS Plus, Inc And Its' Subsidiaries
Cash and cash equivalents	\$ —	\$ 175,753	\$ 175,753	\$ 699,915
Grants receivable	1,268,185	—	1,268,185	985,621
Accounts receivable	—	27,807	27,807	4,298
Total Financial Assets At Year-End	1,268,185	203,560	1,471,745	1,689,834
Less Amounts Not Available To Be Used For General Expenditures				
Net assets with donor restrictions	—	—	—	768,534
Financial Assets Available To Meet General Expenditures Over The Next Twelve Months	\$ 1,268,185	\$ 203,560	\$ 1,471,745	\$ 921,300

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.

4. Grants Receivable

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

	2023	2022
State of Illinois or Cook County	\$ 753,738	\$ 907,683
Foundations & Other	74,879	16,333
U.S. Department of Housing and Urban Development (HUD)	136,776	48,898
Illinois Department of Children & Family Services	19,907	—
Illinois Criminal Justice Information Authority	81,398	—
Illinois Department of Human Services	201,487	—
Illinois Housing Development Authority (IHDA)	—	12,707
	\$ 1,268,185	\$ 985,621

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

5. Line Of Credit

On occasion, the Organization has periods of low cash flow associated with a decrease of unrestricted donations during the summer months. In order to continue servicing clients at normal capacity, the Organization can draw from its line of credit from FNBC Bank (First National Bank of La Grange). The Organization can draw a maximum of \$350,000 from its line of credit. Eligibility to line of credit access is based upon an accounts receivable collateral value of 80% of accounts receivable younger than 150 days.

6. 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.

7. Linda Sokol Francis 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 would 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 Linda Sokol Francis Summit Service Center building required substantial renovations with a total acquisition and development cost of \$2.9 million. A \$1.5 million capital campaign was initiated for the Linda Sokol Francis Summit Service Center in early fiscal year 2021 and was 100% and 98.7% completed as of June 30, 2023 and 2022, respectively. The Linda Sokol Francis 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 in March 2022 and were completed in early 2023.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements *(Continued)*

On June 10, 2022, Linda Sokol Francis Summit Service Center entered a construction loan agreement with FNBC Bank and Trust, in the amount of \$1,156,000. The loan bore interest at 4.5% per annum and the Linda Sokol Francis Summit Service Center shall make regular monthly payments of all accrued unpaid interest due through the maturity date. The note matured on June 5, 2023, at which time all outstanding principal and interest were due. As of June 30, 2022, \$21,499 had been withdrawn from the loan to cover loan and closing fees, including the cost of a property appraisal. During fiscal year 2023, interest expense in the amount of \$15,385 was incurred, all of which has been capitalized into building. As of June 30, 2023, the loan balance and the accrued interest was paid in full. The Organization was a guarantor of the loan.

8. Escrow Deposits And Restricted Reserves

Ogden Avenue Supportive Housing LP

Real Estate Tax and Insurance Escrow

The Partnership is required to fund the real estate tax and insurance escrow in an amount sufficient to cover annual real estate tax and insurance bills of the Project. The current escrow balance is sufficient to cover these costs if incurred.

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, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (Continued)

The following shows the activity in such accounts during the period ended June 30, 2023 and 2022:

	Beginning Balance July 1, 2022	Additions And Interest	Withdrawals And Transfers	Ending Balance June 30, 2023
Real estate tax and insurance escrow	\$ 11,794	\$ —	\$ 40	\$ 11,754
Replacement reserve	\$ 43,994	\$ 7,333	\$ 2,867	\$ 48,460
Operating reserves	\$ 194,276	\$ —	\$ 1,333	\$ 192,943

	Beginning Balance July 1, 2021	Additions And Interest	Withdrawals And Transfers	Ending Balance June 30, 2022
Real estate tax and insurance escrow	\$ 11,794	\$ —	\$ —	\$ 11,794
Replacement reserve	\$ 31,994	\$ 12,000	\$ —	\$ 43,994
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.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (Continued)

The following shows the activity in such accounts during the years ended June 30, 2023 and 2022:

	Balance July 1, 2022	Additions And Interest	Withdrawals And Transfers	Balance June 30, 2023
Replacement reserve	\$ 2,675	\$ 15,426	\$ —	\$ 18,101

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

9. Deferred Fees

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

	Amortization Period	2023	2022
Tax credit fee	15 years	\$ 55,793	\$ 55,793
Consulting fees	15 years	93,000	93,000
Less: Accumulated amortization		(50,427)	(40,507)
Net capitalized costs		\$ 98,366	\$ 108,286

Amortization expense for both years ended June 30, 2023 and 2022 was \$9,920. Estimated amortization expense for each of the five ensuing years and thereafter, is as follows:

Year	Amount
2024	\$ 9,920
2025	9,920
2026	9,920
2027	9,920
2028	9,920
Thereafter	48,766
	\$ 98,366

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (Continued)

10. Mortgage Loans Payable

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

	<u>2023</u>	<u>2022</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.	\$ 1,292,458	\$ 1,293,658
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.	645,934	655,778
Total	1,938,392	1,949,436
Less: Current maturities	11,652	11,044
Net long-term portion	\$ 1,926,740	\$ 1,938,392

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

Year	Ogden Avenue Supportive Housing LP	Dover Place LLC	Total
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
2028	1,200	13,279	14,479
Thereafter	1,286,458	586,779	1,873,237
Total	\$ 1,292,458	\$ 645,934	\$ 1,938,392

BEDS PLUS, 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>2023</u>	<u>2022</u>
Emergency shelter and service	\$ —	\$ 3,150
Shelter and services	—	50,000
Summit Service Center	—	715,384
	<u>\$ —</u>	<u>\$ 768,534</u>

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

	<u>2023</u>	<u>2022</u>
Clinical Director	\$ —	\$ 47,250
COVID-19 funding	378,584	79,694
Emergency shelter and service	1,351,087	1,651,885
Employment	181,354	319,955
Housing assistance	1,018,570	884,850
Prevention and housing	291,051	266,886
Public health	132,800	73,200
Shelter and services	332,412	298,424
Building renovation	475,000	—
Summit Service Center	715,384	1,023,064
	<u>\$ 4,876,242</u>	<u>\$ 4,645,208</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 \$291,051 and \$209,965, respectively, to the Organization, during the fiscal years ended 2023 and 2022, in direct billing.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

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. The Organization is a funded Partner of the Coordinated Entry program. This HUD funded grant provided \$48,720, and \$41,938, during fiscal years 2023 and 2022, respectively, in direct billing expenses.

Homeless Prevention

During fiscal year 2023 and 2022, 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 2023 and 2022, the Organization facilitated approximately \$377,903 and \$1,087,503, respectively, in rental assistance on behalf of the fiscal agents. The decrease was related to the end of COVID related funding during fiscal year 2023.

13. Fiscal Agency Revenue

The Organization is the fiscal agent for the 501(c)(3) La Grange Area Transition Housing (LATH). LATH is a four-unit housing program funded through an IHDA mortgage. The LATH program housing units are dedicated to transitional housing for a HUD grant servicing survivor of domestic violence.

The Organization, as fiscal agent, is entrusted to manage contract compliance of grantees and monitor expenditures on behalf of the program. No fiscal agency revenue was received in fiscal years 2023 or 2022. However, the Organization is planning for fiscal agency responsibilities and revenue in fiscal year 2024. The Organization, as fiscal agent, will be entrusted to manage contract compliance of grantees and monitor expenditures on behalf of the program to which it is entrusted.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements (*Continued*)

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, 2023 and 2022, 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, 2023 and 2022.

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, Inc. (the Organization) and Linda Sokol Francis Summit Service 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.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

Notes To Consolidated Financial Statements *(Continued)*

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, 2023 and 2022, no fee was earned or paid.

BEDS PLUS, INC. AND ITS SUBSIDIARIES

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 years ended June 30, 2023 and 2022, no developer fees were paid to the Organization or The Burton Foundation. As of June 30, 2023 and 2022, developer fees payable to the Organization were \$42,871. As of June 30, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, no amounts were paid or payable for operating deficits.

Due To/From Affiliate

During prior years, BEDS Plus, 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. As of June 30, 2023 and 2022, \$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, 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 \$22,329 and \$22,393, for each of the years ended June 30, 2023 and 2022.

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 2023 and 2022, HAP payments received under this contract were \$105,452 and \$103,841, 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.

21. Current Vulnerability Due To Certain Conditions

The Organization has three capital assets as of June 30, 2023; one is a 13-unit housing development in La Grange, IL known as Dover Place LLC, the Beds Summit Service Center LLC a 24-bed medical respite center, in the Village of Summit, and Southwest Reentry, a group of five 1 and 2 bedroom scattered site condos serving clients who were previously incarcerated. 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 able to quickly respond to fluctuations in cash flow.

For the periods ending June 30, 2023, and June 30 2022 respectively, the Organization received 78.5% and 83.1% 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, INC. AND ITS SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

Assets

	BEDS Plus, Inc.	Ogden Avenue Supportive Housing LP	Dover Place LLC	Eliminations	Consolidated
Current Assets					
Cash	\$ —	\$ 167,152	\$ 8,601	\$ —	\$ 175,753
Cash and cash equivalents - restricted	—	—	3,023	—	3,023
Grants receivable	1,268,185	—	—	—	1,268,185
Accounts receivable	—	24,214	3,593	—	27,807
Due from affiliates	388,609	—	—	(388,609)	—
Total Current Assets	1,656,794	191,366	15,217	(388,609)	1,474,768
Property and Equipment					
Land	89,687	97,954	588,757	—	776,398
Building	3,267,148	5,188,023	313,928	(204,000)	8,565,099
Site improvements	102,988	730,886	—	—	833,874
Furniture and fixtures	230,304	121,057	—	—	351,361
Accumulated depreciation	(94,080)	(1,294,250)	(39,164)	—	(1,427,494)
Net Property And Equipment	3,596,047	4,843,670	863,521	(204,000)	9,099,238
Other Assets					
Investment in Ogden Avenue & Dover Place	1,474,752	—	—	(1,474,752)	—
Real estate tax and insurance escrow	—	11,754	—	—	11,754
Replacement reserve	—	48,460	18,101	—	66,561
Operating reserves	—	192,943	—	—	192,943
Deferred fees, net	—	98,366	—	—	98,366
Total Other Assets	1,474,752	351,523	18,101	(1,474,752)	369,624
Total Assets	\$ 6,727,593	\$ 5,386,559	\$ 896,839	\$ (2,067,361)	\$ 10,943,630

BEDS PLUS, INC. AND ITS SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (Continued)
June 30, 2023

Liabilities And Net Assets

	BEDS Plus, Inc.	Ogden Avenue Supportive Housing LP	Dover Place LLC	Eliminations	Consolidated
Current Liabilities					
Accounts payable	\$ 53,405	\$ —	\$ —	\$ —	\$ 53,405
Bank overdraft	6,123	—	—	—	6,123
Accrued expenses and other liabilities	228,925	—	—	—	228,925
Accrued interest	—	38,647	3,390	(38,647)	3,390
Due to affiliates	—	—	7,091	(7,091)	—
Mortgage loans payable - current portion	—	1,200	10,452	—	11,652
Tenant security deposits	—	—	3,070	—	3,070
Total Current Liabilities	288,453	39,847	24,003	(45,738)	306,565
Long-Term Liabilities					
Mortgage loans payable	—	1,291,258	635,482	—	1,926,740
Other loan payable - AHP Loan	—	300,000	—	(300,000)	—
Debt issuance cost	—	(38,732)	(36,848)	—	(75,580)
Deferred developer fee	—	88,037	—	(42,871)	45,166
Total Long-Term Liabilities	—	1,640,563	598,634	(342,871)	1,896,326
Net Assets					
Without donor restrictions:					
Noncontrolling interest in subsidiary	—	2,579,045	—	—	2,579,045
Undesignated	6,439,140	1,127,104	274,202	(1,678,752)	6,161,694
Total without donor restrictions	6,439,140	3,706,149	274,202	(1,678,752)	8,740,739
With Donor Restrictions	—	—	—	—	—
Total Net Assets	6,439,140	3,706,149	274,202	(1,678,752)	8,740,739
Total Liabilities And Net Assets	\$ 6,727,593	\$ 5,386,559	\$ 896,839	\$ (2,067,361)	\$ 10,943,630

BEDS PLUS, INC. AND ITS SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION *(Continued)*

June 30, 2022

Assets					
	BEDS Plus, Inc.	Ogden Avenue Supportive Housing LP	Dover Place LLC	Eliminations	Consolidated
Current Assets					
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 Ogden Avenue	381,972	—	—	(381,972)	—
Total Current Assets	1,885,233	165,097	21,476	(381,972)	1,689,834
Property and Equipment					
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)
Net Property And Equipment	1,160,454	5,098,345	872,661	(204,000)	6,927,460
Other Assets					
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
Total Other Assets	1,474,752	358,350	2,675	(1,474,752)	361,025
Total Assets	\$ 4,520,439	\$ 5,621,792	\$ 896,812	\$ (2,060,724)	\$ 8,978,319

BEDS PLUS, INC. AND ITS SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION *(Continued)*

June 30, 2022

Liabilities And Net Assets

	BEDS Plus, Inc.	Ogden Avenue Supportive Housing LP	Dover Place LLC	Eliminations	Consolidated
Current Liabilities					
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
Total Current Liabilities	266,548	33,210	22,956	(39,101)	283,613
Long-Term Liabilities					
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
Total Long-Term Liabilities	21,499	1,640,244	605,786	(342,871)	1,924,658
Net Assets (Deficit)					
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
With donor restrictions	768,534	—	—	—	768,534
Total Net Assets	4,232,392	3,948,338	268,070	(1,678,752)	6,770,048
Total Liabilities And Net Assets	\$ 4,520,439	\$ 5,621,792	\$ 896,812	\$ (2,060,724)	\$ 8,978,319

BEDS PLUS, INC. AND ITS SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
For The Year Ended June 30, 2023

	BEDS Plus, Inc.			Ogden Avenue Supportive Housing LP			Dover Place LLC			Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Subtotal	Elimination	Total
Revenue and Support												
Faith contributions	\$ 167,105	\$ —	\$ 167,105	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 167,105	\$ —	\$ 167,105
Tenant rent	—	—	—	83,072	—	83,072	55,884	—	55,884	138,956	—	138,956
Subsidy rent	—	—	—	135,287	—	135,287	105,452	—	105,452	240,739	—	240,739
Corporations	99,994	—	99,994	—	—	—	—	—	—	99,994	—	99,994
Civic organizations	12,562	—	12,562	—	—	—	—	—	—	12,562	—	12,562
Individuals	498,617	—	498,617	—	—	—	—	—	—	498,617	—	498,617
Private foundations	480,000	12,977	492,977	—	—	—	—	—	—	492,977	—	492,977
Government grants	1,504,769	4,094,731	5,599,500	—	—	—	—	—	—	5,599,500	—	5,599,500
Fundraising - Summit Service Center	57,479	—	57,479	—	—	—	—	—	—	57,479	—	57,479
Donated services	247,531	—	247,531	—	—	—	—	—	—	247,531	—	247,531
Special events:												
Direct expenses	(31,228)	—	(31,228)	—	—	—	—	—	—	(31,228)	—	(31,228)
Net assets released from restriction	4,876,242	(4,876,242)	—	—	—	—	—	—	—	—	—	—
Total Revenue and Support	7,913,071	(768,534)	7,144,537	218,359	—	218,359	161,336	—	161,336	7,524,232	—	7,524,232
Functional Expenses												
Program services	4,599,160	—	4,599,160	462,509	—	462,509	155,436	—	155,436	5,217,105	(6,637)	5,210,468
Management and general	287,460	—	287,460	—	—	—	—	—	—	287,460	—	287,460
Fundraising expenses	133,177	—	133,177	—	—	—	—	—	—	133,177	—	133,177
Total Functional Expenses	5,019,797	—	5,019,797	462,509	—	462,509	155,436	—	155,436	5,637,742	(6,637)	5,631,105
Other Income (Expense)												
Other income	75,290	—	75,290	—	—	—	4	—	4	75,294	—	75,294
Interest income	6,718	—	6,718	4,961	—	4,961	228	—	228	11,907	(6,637)	5,270
Total Other Income (Expense)	82,008	—	82,008	4,961	—	4,961	232	—	232	87,201	(6,637)	80,564
Increase In Net Assets	2,975,282	(768,534)	2,206,748	(239,189)	—	(239,189)	6,132	—	6,132	1,973,691	—	1,973,691
Net Assets - Beginning Of Year	3,463,858	768,534	4,232,392	3,948,338	—	3,948,338	268,070	—	268,070	8,448,800	(1,678,752)	6,770,048
Distributions to noncontrolling interest	—	—	—	(3,000)	—	(3,000)	—	—	—	(3,000)	—	(3,000)
Net Assets - End Of Year	\$ 6,439,140	\$ —	\$ 6,439,140	\$ 3,706,149	\$ —	\$ 3,706,149	\$ 274,202	\$ —	\$ 274,202	\$ 10,419,491	\$ (1,678,752)	\$ 8,740,739

BEDS PLUS, INC. AND ITS SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS (Continued)
For The Year Ended June 30, 2022

	BEDS Plus, Inc.			Ogden Avenue Supportive Housing LP			Dover Place LLC			Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Subtotal	Elimination	Total
Revenue and Support												
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:												
Gross receipts	—	—	—	—	—	—	—	—	—	—	—	—
Direct expenses	(20,437)	—	(20,437)	—	—	—	—	—	—	(20,437)	—	(20,437)
Assets released from restriction	4,645,208	(4,645,208)	—	—	—	—	—	—	—	—	—	—
Total Revenue and Support	5,266,418	3,990	5,270,408	194,015	—	194,015	159,399	—	159,399	5,623,822	—	5,623,822
Functional Expenses												
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
Total Functional Expenses	4,943,784	—	4,943,784	411,913	—	411,913	154,472	—	154,472	5,510,169	(28,257)	5,481,912
Other Income (Expense)												
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)	—
Total Other Income (Expense)	86,074	—	86,074	4,543	—	4,543	35,564	—	35,564	126,181	(52,457)	73,724
Increase In Net Assets	408,708	3,990	412,698	(213,355)	—	(213,355)	40,491	—	40,491	239,834	(24,200)	215,634
Net Assets - Beginning Of Year	3,055,150	764,544	3,819,694	4,161,693	—	4,161,693	227,579	—	227,579	8,208,966	(1,654,552)	6,554,414
Net Assets - End Of Year	\$ 3,463,858	\$ 768,534	\$ 4,232,392	\$ 3,948,338	\$ —	\$ 3,948,338	\$ 268,070	\$ —	\$ 268,070	\$ 8,448,800	\$ (1,678,752)	\$ 6,770,048

BEDS PLUS, INC. AND ITS SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2023

	BEDS Plus, Inc				Ogden Avenue Supportive Housing LP				Dover Place LLC				Eliminations	Consolidated Total
	Program Services	Management And General	Fundraising	Sub-total	Program Services	Management And General	Fundraising	Sub-total	Program Services	Management And General	Fundraising	Sub-total		
Salaries	\$ 1,448,369	\$ 211,956	\$ 105,978	\$ 1,766,303	\$ 35,629	\$ —	\$ —	\$ 35,629	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,801,932
Audit fees	—	21,105	—	21,105	—	—	—	—	—	—	—	—	—	21,105
Depreciation	50,315	—	—	50,315	254,675	—	—	254,675	11,938	—	—	11,938	—	316,928
Amortization	—	—	—	—	9,920	—	—	9,920	—	—	—	—	—	9,920
Dues and subscriptions	9,653	—	—	9,653	—	—	—	—	—	—	—	—	—	9,653
General insurance	43,766	1,862	931	46,559	8,694	—	—	8,694	6,305	—	—	6,305	—	61,558
Motel vouchers	859,990	—	—	859,990	—	—	—	—	—	—	—	—	—	859,990
Client meals and laundry	264,995	—	—	264,995	—	—	—	—	—	—	—	—	—	264,995
Client rental assistance	1,111,413	—	—	1,111,413	—	—	—	—	—	—	—	—	—	1,111,413
Other client assistance	370,719	—	—	370,719	—	—	—	—	—	—	—	—	—	370,719
Client medical care	17,800	—	—	17,800	—	—	—	—	—	—	—	—	—	17,800
Miscellaneous expense	31,220	4,569	2,284	38,073	97,348	—	—	97,348	56,455	—	—	56,455	—	191,876
Taxes and benefits	214,807	31,435	15,718	261,960	3,564	—	—	3,564	—	—	—	—	—	265,524
Postage and shipping	3,618	529	265	4,412	—	—	—	—	—	—	—	—	—	4,412
Printing	4,746	695	347	5,788	—	—	—	—	—	—	—	—	—	5,788
Office supplies expense	14,699	2,151	1,076	17,926	—	—	—	—	—	—	—	—	—	17,926
Professional fees	44,142	6,460	3,230	53,832	21,818	—	—	21,818	2,400	—	—	2,400	—	78,050
Retirement plan expense	18,310	2,679	1,340	22,329	—	—	—	—	—	—	—	—	—	22,329
Rent	7,009	298	149	7,456	—	—	—	—	—	—	—	—	—	7,456
Staff development	1,564	229	114	1,907	—	—	—	—	3,146	—	—	3,146	—	5,053
Telephone and internet	17,034	2,493	1,246	20,773	—	—	—	—	—	—	—	—	—	20,773
Utility	23,476	999	499	24,974	22,705	—	—	22,705	32,813	—	—	32,813	—	80,492
Client transportation	38,387	—	—	38,387	—	—	—	—	—	—	—	—	—	38,387
Interest	3,128	—	—	3,128	8,156	—	—	8,156	42,379	—	—	42,379	(6,637)	47,026
	<u>\$ 4,599,160</u>	<u>\$ 287,460</u>	<u>\$ 133,177</u>	<u>\$ 5,019,797</u>	<u>\$ 462,509</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 462,509</u>	<u>\$ 155,436</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 155,436</u>	<u>\$ (6,637)</u>	<u>\$ 5,631,105</u>

BEDS PLUS, INC. AND ITS SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES *(Continued)* For The Year Ended June 30, 2022

	BEDS Plus, Inc				Ogden Avenue Supportive Housing LP				Dover Place LLC				Eliminations	Consolidated Total	
	Program Services	Management And General	Fundraising	Sub-total	Program Services	Management And General	Fundraising	Sub-total	Program Services	Management And General	Fundraising	Sub-total			
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
	<u>\$ 4,498,322</u>	<u>\$ 200,434</u>	<u>\$ 245,028</u>	<u>\$ 4,943,784</u>	<u>\$ 411,913</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 411,913</u>	<u>\$ 154,472</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 154,472</u>	<u>\$ (28,257)</u>	<u>\$ —</u>	<u>\$ 5,481,912</u>

Independent Auditors' Report On Supplementary Information

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

We have audited the consolidated financial statements of BEDS Plus, Inc., a not-for-profit organization, and its subsidiaries which comprise the consolidated financial position as of June 30, 2023, 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 15, 2023, 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 15, 2023

BEDS PLUS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED YEAR-END FINANCIAL REPORT
For The Year Ended June 30, 2023

Category	State	Federal	Other	Total
Personal services (salaries and wages)	\$ 340,946	\$ 638,731	\$ 468,692	\$ 1,448,369
Fringe benefits	50,566	94,730	69,512	214,808
Travel	9,036	16,929	12,422	38,387
Equipment	—	—	—	—
Supplies	155,076	290,521	213,180	658,777
Contractual services	—	—	—	—
Consultant (professional services)	10,391	19,467	14,284	44,142
Construction	—	—	—	—
Occupancy - rent and utilities	469,595	879,742	645,543	1,994,880
Research and development	—	—	—	—
Telecommunications	4,010	7,512	5,512	17,034
Training and education	368	690	506	1,564
Direct administrative costs	178,705	284,738	206,593	670,036
Miscellaneous costs	7,350	13,768	10,103	31,221
All Grant specific categories	—	—	—	—
TOTAL DIRECT EXPENDITURES	1,226,043	2,246,828	1,646,347	5,119,218
Indirect costs	122,604	224,683	164,600	511,887
TOTAL EXPENDITURES	\$ 1,348,647	\$ 2,471,511	\$ 1,810,947	\$ 5,631,105