



**BEACON INTERFAITH
HOUSING COLLABORATIVE**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022



BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
Consolidating Financial Statements and Supplementary Information:	
Consolidating Statement of Financial Position	37
Consolidating Statement of Activities	38
Consolidating Statement of Cash Flows	39
Consolidating Statements of Financial Position, Activities and Changes in Net Assets, and Cash Flows – Wholly Owned Entities	40
Consolidating Statements of Financial Position, Activities and Changes in Net Assets, and Cash Flows – Affiliated Housing Entities	46
Computations of Surplus Cash, Distributions and Residual Receipts – Abbott View and Oakhaven	49
Management Certification	51

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beacon Interfaith Housing Collaborative
Saint Paul, Minnesota

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Beacon Interfaith Housing Collaborative (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Beacon Interfaith Housing Collaborative, as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beacon Interfaith Housing Collaborative and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Beacon Interfaith Housing Collaborative's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

(Continued)

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, including omissions, 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 GAAS 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beacon Interfaith Housing Collaborative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beacon Interfaith Housing Collaborative'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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on that work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Matters

Report on Summarized Comparative Information

We have previously audited Beacon Interfaith Housing Collaborative's 2021 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated October 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Consolidating and Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on pages 37 to 48 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities. The accompanying supplementary information on pages 49 and 50 is presented for purposes of additional analysis as required by the *Audit Guide of the Minnesota Housing Finance Agency*. The information on pages 37 to 51 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 consolidating and supplementary 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 consolidating and supplementary information is fairly stated, in all material respects, in relation to the consolidated 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 29, 2022, on our consideration of Beacon Interfaith Housing Collaborative'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 Beacon Interfaith Housing Collaborative'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 Beacon Interfaith Housing Collaborative's internal control over financial reporting and compliance.

Mahoney Ulbrich
Christiansen & Russ, PA

November 29, 2022

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash - undesignated	\$ 1,648,456	\$ 3,124,990
Cash - board designated for operating reserve	1,685,997	1,436,000
Cash - board designated - other funds	800,010	849,582
Cash - operating funds for properties	745,065	972,842
Cash - restricted for short-term purposes	<u>1,668,967</u>	<u>1,489,672</u>
Total cash	6,548,495	7,873,086
Accounts receivable, net	495,365	262,025
Government grants receivable	453,523	193,187
Contributions receivable, current portion	1,025,679	1,096,885
Prepaid expenses	<u>409,720</u>	<u>171,181</u>
Total current assets	8,932,782	9,596,364
Notes and other receivables	55,195	55,195
Predevelopment costs	337,263	204,299
Escrows and reserves	4,212,024	4,861,962
Contributions receivable, less current portion, net	786,487	1,464,404
Cash - board designated for predevelopment housing fund	2,068,759	653,887
Cash - restricted for long-term purposes	-	16,701
Contributions receivable restricted for housing development	20,000	100,000
Property and equipment, net	103,461,842	77,230,920
Tax credit fees, net	<u>198,172</u>	<u>128,160</u>
Total assets	<u>\$ 120,072,524</u>	<u>\$ 94,311,892</u>

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
LIABILITIES AND NET ASSETS		
Accounts payable - operations	\$ 1,236,409	\$ 992,388
Construction payables	4,286,826	-
Current maturities of long-term debt	4,493,243	1,113,473
Accrued expenses	1,118,605	901,610
Accrued interest	2,453	2,564
Tenant security deposits	224,699	213,597
Other current liabilities	55,000	61,677
Total current liabilities	<u>11,417,235</u>	<u>3,285,309</u>
Long-term debt, net	60,356,735	46,210,278
Accrued interest, long-term	1,195,505	1,095,972
Refundable advances	<u>6,589,166</u>	<u>4,887,619</u>
Total liabilities	<u>79,558,641</u>	<u>55,479,178</u>
Net assets:		
Without donor restrictions:		
Undesignated	2,679,925	2,931,868
Board designated - predevelopment housing fund	2,784,009	2,415,417
Board designated - operating reserve	1,685,997	1,436,000
Board designated - other funds	800,010	849,582
Noncontrolling interests	23,010,915	20,975,285
Total without donor restrictions	<u>30,960,856</u>	<u>28,608,152</u>
With donor restrictions	<u>9,553,027</u>	<u>10,224,562</u>
Total net assets	<u>40,513,883</u>	<u>38,832,714</u>
Total liabilities and net assets	<u>\$ 120,072,524</u>	<u>\$ 94,311,892</u>

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating revenues and support:				
Contributions	\$ 1,728,452	\$ 1,602,663	\$ 3,331,115	\$ 3,349,869
Contributions in-kind	86,523	-	86,523	85,070
Government grants	2,249,396	-	2,249,396	2,007,352
Rent and housing assistance payments	5,018,670	-	5,018,670	4,953,114
Fee income	1,561,256	-	1,561,256	458,290
Interest income	58,471	-	58,471	44,207
Miscellaneous	254,252	-	254,252	130,503
Net assets released from restrictions	2,257,497	(2,257,497)	-	-
Total operating revenues and support	<u>13,214,517</u>	<u>(654,834)</u>	<u>12,559,683</u>	<u>11,028,405</u>
Operating expenses:				
Program services:				
Housing operations	6,381,990	-	6,381,990	5,184,362
Supportive services	1,884,121	-	1,884,121	1,789,714
Housing development	1,005,307	-	1,005,307	1,132,619
Shelter programs (Families Moving Forward)	528,973	-	528,973	572,140
Policy	361,756	-	361,756	105,805
Total program services	<u>10,162,147</u>	<u>-</u>	<u>10,162,147</u>	<u>8,784,640</u>
Support services:				
Management and general	1,280,213	-	1,280,213	1,219,402
Fundraising	1,115,322	-	1,115,322	882,596
Total operating expenses	<u>12,557,682</u>	<u>-</u>	<u>12,557,682</u>	<u>10,886,638</u>
Operating income	656,835	(654,834)	2,001	141,767
Other revenues (expenses):				
Forgiveness of debt and refundable advances	101,502	-	101,502	269,714
Impairment of property	-	-	-	(814,064)
Contributions and grants for property acquisition	-	-	-	100,000
Net assets released from restrictions for housing development	16,701	(16,701)	-	-
Amortization of refundable advances	446,249	-	446,249	446,249
Gain (loss) on sale of property and equipment	-	-	-	232,959
Deferred interest - rental properties	(92,084)	-	(92,084)	(113,433)
Interest expense - finance fee amortization	(26,187)	-	(26,187)	(18,370)
Depreciation and amortization - rental properties	(2,412,396)	-	(2,412,396)	(2,430,108)
Change in allowance for contributions	<u>(14,677)</u>	<u>-</u>	<u>(14,677)</u>	<u>(44,194)</u>
Change in net assets	(1,324,057)	(671,535)	(1,995,592)	(2,229,480)
Net assets, beginning of year	28,608,152	10,224,562	38,832,714	38,176,767
Capital contributions - noncontrolling interests	3,779,612	-	3,779,612	2,945,756
Distributions - noncontrolling interests	(18,221)	-	(18,221)	(20,329)
Syndication costs - noncontrolling interests	<u>(84,630)</u>	<u>-</u>	<u>(84,630)</u>	<u>(40,000)</u>
Net assets, end of year	<u>\$ 30,960,856</u>	<u>\$ 9,553,027</u>	<u>\$ 40,513,883</u>	<u>\$ 38,832,714</u>

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022								
	Program Services					Support Services			
	Housing Operations	Supportive Services	Housing Development	Shelter Programs	Policy	Management and general	Fundraising	Total	2021
Salaries	\$ 201,463	\$ 258,862	\$ 656,177	\$ 158,686	\$ 227,801	\$ 785,946	\$ 720,206	\$ 3,009,141	\$ 2,975,301
Payroll taxes	15,546	19,976	50,636	12,245	17,579	60,633	55,577	232,192	217,943
Benefits	25,504	32,770	83,067	20,088	28,838	100,481	91,172	381,920	355,833
Total salaries and related	242,513	311,608	789,880	191,019	274,218	947,060	866,955	3,623,253	3,549,077
Occupancy and property expense	12,402	15,936	72,907	90,033	14,024	35,141	44,336	284,779	220,096
Office and staff expense	10,159	13,053	33,088	17,093	11,487	40,299	36,318	161,497	145,080
Professional fees	103,970	16,019	84,863	15,474	59,040	235,994	138,165	653,525	250,738
Meetings and events	247	-	3,406	-	2,000	6,528	13,712	25,893	7,377
Contributed goods and services	-	-	-	86,523	-	-	-	86,523	85,070
Direct client assistance	-	5,459	-	112,649	-	-	-	118,108	116,479
Contracted program services	-	1,520,704	349	385	-	-	-	1,521,438	1,530,293
Miscellaneous	-	220	17,970	4,622	-	11,730	12,713	47,255	46,468
Depreciation and amortization	873	1,122	2,844	11,175	987	3,461	3,123	23,585	32,524
	370,164	1,884,121	1,005,307	528,973	361,756	1,280,213	1,115,322	6,545,856	5,983,202
Residential rental property expenses:									
Staffing	1,232,046	-	-	-	-	-	-	1,232,046	903,280
Management fees	409,940	-	-	-	-	-	-	409,940	388,536
Administrative	392,765	-	-	-	-	-	-	392,765	282,334
Professional fees	151,499	-	-	-	-	-	-	151,499	111,060
Utilities	890,026	-	-	-	-	-	-	890,026	715,703
Operating and maintenance	1,784,024	-	-	-	-	-	-	1,784,024	1,528,868
Insurance	288,229	-	-	-	-	-	-	288,229	264,725
Taxes	807,427	-	-	-	-	-	-	807,427	654,305
Interest	55,870	-	-	-	-	-	-	55,870	54,625
Total operating expenses	6,381,990	1,884,121	1,005,307	528,973	361,756	1,280,213	1,115,322	12,557,682	10,886,638
Deferred interest - rental properties	92,084	-	-	-	-	-	-	92,084	113,433
Interest expense - finance fee amortization	26,187	-	-	-	-	-	-	26,187	18,370
Depreciation and amortization - rental properties	2,412,396	-	-	-	-	-	-	2,412,396	2,430,108
Change in allowance for contributions	-	-	-	-	-	-	14,677	14,677	44,194
	\$ 8,912,657	\$ 1,884,121	\$ 1,005,307	\$ 528,973	\$ 361,756	\$ 1,280,213	\$ 1,129,999	\$ 15,103,026	\$ 13,492,743

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (1,995,592)	\$ (2,229,480)
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation and amortization	2,462,168	2,481,002
Contributions and grants for property acquisition	-	(100,000)
Change in allowance for contributions	14,677	44,194
Gain on sale of property and equipment	-	(232,959)
Amortization of refundable advances	(446,249)	(446,249)
Forgiveness of debt and refundable advances	(160,002)	(269,714)
Impairment of property	-	814,064
Change in operating assets and liabilities:		
Accounts receivable	52,204	47,528
Government grants receivable	(260,336)	165,736
Contributions receivable	814,446	794,219
Prepaid expenses	(302,032)	(25,836)
Accounts payable and accrued expenses	188,811	268,973
Accrued interest	99,422	123,079
Tenant security deposits	11,102	729
Other current liabilities	(6,677)	4,177
Net cash from operating activities	<u>471,942</u>	<u>1,439,463</u>
Cash flows from investing activities:		
Payments for property and equipment	(24,286,017)	(5,553,393)
Change in predevelopment costs, net	(132,964)	638,198
Proceeds from sale of property and equipment	-	341,806
Net cash from investing activities	<u>(24,418,981)</u>	<u>(4,573,389)</u>
Cash flows from financing activities:		
Payments of finance and tax credit fees	(499,116)	(159,484)
Proceeds from issuance of long-term debt	20,297,683	5,333,349
Payments of principal on long-term debt	(2,353,945)	(1,729,766)
Refundable advances received	2,324,298	-
Repayment of refundable advances	(75,000)	-
Capital contributions - noncontrolling interests	3,779,612	2,945,756
Syndication costs	(84,630)	(40,000)
Distributions - noncontrolling interests	(18,221)	(20,329)
Contributions and grants for property acquisition	-	265,000
Net cash from financing activities	<u>23,370,681</u>	<u>6,594,526</u>
Total increase (decrease)	(576,358)	3,460,600
Cash, cash equivalents and restricted cash, beginning of year	<u>13,405,636</u>	<u>9,945,036</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 12,829,278</u>	<u>\$ 13,405,636</u>
Reconciliation to the statement of financial position:		
Total cash	\$ 6,548,495	\$ 7,873,086
Escrows and reserves	4,212,024	4,861,962
Cash - board designated for predevelopment housing fund	2,068,759	653,887
Cash - restricted for long-term purposes	-	16,701
	<u>\$ 12,829,278</u>	<u>\$ 13,405,636</u>
Supplemental cash flow information:		
Cash paid for interest, net capitalized interest	\$ 237,825	\$ 369,330
Noncash investing and financing activities:		
Property and equipment included in construction payables and other accrued expenses	4,883,670	-
Loan proceeds used to pay for property and finance fees	-	879,000
Property and equipment rebates included in accounts receivable	280,000	

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION

Beacon Interfaith Housing Collaborative is a 501(c)(3) nonprofit organization. Beacon is a collaborative of nearly 100 congregations committed to making sure all people have a home. Beacon congregations create and sustain homes, shelter families, and work for policy change, with a focus on people who are experiencing homelessness and those who have the lowest incomes. Beacon has created over 660 homes, two-thirds of which have on-site support services.

Beacon's primary sources of revenue and support are contributions, government grants, and rents.

A summary of the properties owned, managed, or developed by Beacon follows:

Beacon wholly owns the following entities and properties:

- | | |
|--------------------------------|--|
| • North Haven LLC | Formed to own and operate North Haven I apartments (4 units) acquired in July 2000 and North Haven II apartments (5 units) acquired in March 2014. |
| • Cedar View LLC | Formed to own and operate Cedar View fka Anpa Waste Numpa (10 units) acquired in February 2005. |
| • Hawthorne Avenue LLC | Formed to own and operate Hawthorne Avenue Apartments (35 units) acquired in August 2005. |
| • 545 Snelling LLC | Formed to own and operate Kimball Court (76 units) acquired in May 2010. |
| • 352 Wacouta LLC | Formed to own and operate American House (70 units) acquired in May 2010. Rehab on the building began in April 2022. |
| • Housing 150 LLC | Formed to own and operate Abbott View (21 units) acquired in October 2006. |
| • Oakhaven Housing LLC | Formed to own and operate Oakhaven Townhomes (10 units) acquired in December 2006. |
| • Clinton Avenue Townhomes LLC | Formed to own and operate Clinton Avenue Townhomes acquired in December 2011. |

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION (Continued)

- Housing 150-Nicollet LLC Formed to be the general partner in PCNF Nicollet Housing LP, and to own and operate 5,765 square feet of commercial rental space.
- Nicollet Housing LLC Formed to be the limited partner in PCNF Nicollet Housing LP. The only activity relates to the operations of Nicollet Square apartments.
- PCNF Nicollet Housing LP General and limited partner interests in partnership formed to own and operate Nicollet Square apartments (42 units).
- Creekside Commons LLC Formed to be the general partner in PCNF Creekside Commons LP.
- Plymouth Housing LLC Formed to be the general partner in Lydia House LP. The only activity relates to the operations of Lydia House LP.
- Prior Crossing LLC The LLC is the general partner in Prior Crossing Housing Limited Partnership.
- Housing 150-Lonoke LLC Formed to be the general partner in Lonoke LP.
- 66 West LLC The LLC is the general partner in 66 West Housing LP.
- Great River Landing LLC The LLC is the general partner in Great River Landing Housing LP.
- Lydia House LP General and limited partner interests in partnership formed to own and operate Lydia Apartments (40 units). Sold in June 2021.
- Lydia Apartments LLC Formed to be the general partner in Lydia Apartments Housing LP.
- Cranberry Ridge LLC Formed to be the general partner in Cranberry Ridge LP.
- Bimosedaa LLC Formed to be the general partner in Bimosedaa Housing LP.
- Development Projects:
 - Beacon Acquisition LLC Functions to acquire and hold property pending development. At June 30, 2022, held the properties to be used for the planned Kimball Court, Prairie Pointe, and Vista 44 projects.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION (Continued)

Beacon has the following interests in consolidated partnerships:

- | | |
|-------------------------------------|--|
| • PCNF Creekside Commons LP | General partner interest (.01%) in partnership formed to own and operate Creekside Commons (30 units). |
| • Lonoke LP | General partner interest (.01%) in partnership formed to own and operate Franklin Garden Apartments (19 units). |
| • Prior Crossing Housing LP | General partner interest (.01%) in partnership formed to own and operate Prior Crossing Apartments (44 units). |
| • 66 West Housing LP | General partner interest (.01%) in partnership formed to own and operate 66 West Apartments (39 units). |
| • FMF 38th Street Development, LLLP | Limited partner interest (.99%) in partnership formed to own and operate Third Avenue Townhomes (12 units). Acquired interest January 1, 2018. |
| • Great River Landing Housing LP | General partner interest (.01%) in partnership formed to develop, own and operate Great River Landing (72 units). |
| • Cranberry Ridge Housing LP | General partner interest (.01%) in partnership formed to develop, own and operate Cranberry Ridge (45 units). The project was placed into service in April 2022. |
| • Lydia Apartments Housing LP | General partner interest (.01%) in partnership formed to develop, own and operate Lydia Apartments (80 units). The project is in development at June 30, 2022. |
| • Bimosedaa Housing LP | General partner interest (.01%) in partnership formed to develop, own and operate Bimosedaa (80 units). The project is in development at June 30, 2022. |

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION (Continued)

FMF Housing is a nonprofit organization of which Beacon is the sole member.

FMF Housing has interests in the following partnerships and companies which are consolidated:

- FMF 38th Street Development, LLLP General partner interest (.01%) in partnership formed to own and operate Third Avenue Townhomes (12 units).
- FMF Audubon, LLC Wholly owned LLC formed to represent Beacon's 50% interest in Lowry Apartments GP, LLC. The only activity relates to the operations of Audubon Crossing Apartments (Note 7).
- FMF Properties, LLC Wholly owned LLC formed to provide affordable housing and long-term transitional housing services. The LLC is currently inactive.
- FMF Development, Inc. FMF Housing is the sole shareholder of FMF Development, which was formed to facilitate future development of affordable rental housing. FMF Development is currently inactive.

FMF Housing has interests in the following partnerships and companies which are not consolidated because Beacon is not the controlling partner (Note 7):

- Lowry Apartments LP Limited partnership formed to own and operate Audubon Crossing Apartments (30 units).
- Lowry Apartments GP, LLC LLC formed to be the general partner (.01%) in Lowry Apartments, LP. FMF Audubon is the co-member of the LLC with MetroPlains Partners LLC (an unrelated entity).
- Lowry Apartments Developer, LLC FMF Housing has a 50% membership interest along with Metroplains, LLC (unrelated entity) in Lowry Apartments Developer, LLC, which was formed to facilitate the development of Audubon Crossing Apartments.

Riverview Apartments Senior Housing (Riverview) is a nonprofit organization formed to own and operate a 42-unit senior apartment complex. Beacon can appoint four members of the eight-member board of directors. Upon dissolution of Riverview, all assets and property will be distributed to Beacon. Accordingly, Riverview is consolidated.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation Policy – The consolidated financial statements include the accounts of Beacon, nonprofit entities in which Beacon has both an economic interest and control, the wholly owned subsidiaries, and the limited partnerships in which Beacon is a general partner and exercises control. All material intra-entity transactions have been eliminated with the exception of developer fees. Only developer fee revenue from related entities recognized in excess of development expenses incurred by Beacon is eliminated in the consolidated financial statements. The limited partners' equity in consolidated partnerships is reported as a component of net assets without donor restrictions as noncontrolling interests.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Total Column – The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Financial Statement Presentation – Revenues and support are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, a predevelopment housing fund, and other designated funds.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Beacon has presented noncash revenues and expenses including amortization of refundable advances, forgiveness of debt, deferred interest expense, depreciation and amortization for rental properties, as well as capital acquisition grants and contributions in the other revenues (expenses) section on the Statement of Activities. Beacon believes the presentation will assist users in analyzing operating results.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, Beacon considers all highly liquid instruments purchased with an original maturity of three months or less to be cash. Restricted escrows and reserves and cash restricted for long-term purposes are also included. Cash restricted for long-term purposes consists of cash restricted by donors for certain development projects of Beacon.

Credit Risk – Beacon maintains accounts at several financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. Although at times the amount on deposit in these accounts may exceed the federally insured limit, Beacon has never experienced any losses. At June 30, 2022 and 2021, deposits exceeded the insured limit by approximately \$2,247,000 and \$1,811,000.

Accounts Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances and are noninterest bearing. Operating accounts receivable are charged to expense when they are determined to be uncollectible based upon a periodic review of the accounts by management.

For development receivables, management reviews receivable balances at year end and establishes an allowance for doubtful accounts based on expected collections. Receivables are written off as a charge to the allowance when, in management's estimation, it is probable that the receivable is worthless. An allowance of 3% - 5% is used for receivables due with the next five years and an allowance of 80% is used for receivables past due.

Predevelopment Costs – Predevelopment costs represent costs incurred on projects under development. The costs are expected to be recovered when financing for the project is secured; the project is sold to an unrelated entity; or the project is transferred to an entity formed by Beacon. Costs include acquisition, legal, architectural, and construction costs incurred to date.

Property and Equipment – Property and equipment are carried at cost, with the exception of donated items which are recorded at fair market value at date of gift. Costs incurred to develop projects for interest, property taxes and insurance are capitalized only during periods in which activities necessary to prepare the property for its intended use are in progress. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Maintenance and repairs are expensed as incurred. Major renewals or betterments that extend the lives of property and equipment are capitalized. Asset impairment is evaluated whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. See Note 6 for impairment of property.

Absent explicit donor restrictions regarding how long donated assets must be maintained, Beacon reports expiration of donor restrictions when the donated or acquired assets are placed in service.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Credit Fees – Tax credit fees are amortized over 10 - 15 years using the straight-line method.

Finance Fees – Finance fees are deferred and amortized over the term of the related debt using the straight-line method. Unamortized finance fees related to funded debt are reported on the statement of financial position as a deduction from the face amount of the related debt. Finance fees related to debt which has not yet been funded are reported as prepaid expenses.

Construction Payables – Construction payables consist of costs incurred on development projects which have not been paid. Construction payables will be paid with proceeds of debt and capital contributions.

Grants, Contracts, and Contributions – Beacon recognizes contributions when cash, securities or other assets or an unconditional promise to give are received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions are recorded when received as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Upon expiration of the time restriction or when purpose restrictions have been met, they are reclassified to net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

A portion of Beacon's revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Beacon has incurred expenditures in compliance with specific contract or grant provisions.

Revenues under government grants and contracts are subject to review by the granting authority. If, as a result of such a review, expenditures are determined to be unallowable, or services performed not in compliance, the disallowance will be recorded at the time the assessment for refund is made.

Capital advances received from the Department of Housing and Urban Development (HUD) under the Section 202 program were recorded as donor restricted revenue when received. These grants are subject to a number of requirements, including that the property be used as affordable housing for 40 years. These grants continue to be reported as net assets with donor restrictions and released to net assets without donor restrictions upon expiration of the grant requirements based on the accounting guidance applicable when the grants were awarded.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital advances received from the Department of Housing and Urban Development (HUD) under the Section 202 program were recorded as donor restricted revenue when received. These grants are subject to a number of requirements, including that the property be used as affordable housing for 40 years. These grants continue to be reported as net assets with donor restrictions and released to net assets without donor restrictions upon expiration of the grant requirements based on the accounting guidance applicable when the grants were awarded.

Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances. Contributions receivable expected to be collected in greater than one year are recorded at the present value of the amount expected to be collected, using risk free rates applicable to the years in which the promises are to be received. Grants receivable represent expenditures made in accordance with the terms of the awards not yet reimbursed in cash or services performed but not paid. Operating funding received in advance of the incurrence of project expenditures or performance of required services is recorded as a refundable advance and included in other current liabilities. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants or contributions receivable.

Contributed Goods and Services – Donated items are recorded as contributions at their estimated fair value in the period received. Donated services are recorded as contributions at their estimated fair value only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Fair value is estimated by management by reference to the appropriate market and type of goods and services donated. Beacon utilizes donated goods and services in its programs and operations or according to any donor restrictions.

Beacon regularly receives donated services from many volunteers. However, no amounts have been recognized for these services because they do not meet the criteria described above.

Special Events – Revenues from special events consist of donations and are included in contributions.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fee Income – The following is a description of principal activities from which Beacon generates its fee income. The services, as well as the nature and timing of satisfaction of performance obligations and significant payment terms are as follows:

- **Asset management and related fees** – Revenue is recognized at a point in time when the other contractual requirements are met and the risk around the collectability of the fee is low. Payment is generally due annually. Asset management and related fees earned from affiliated entities consolidated in these financials are eliminated in the consolidated financial statements.
- **Developer fees** – Revenue is recognized over time when requirements for the performance obligation are met and the risk around the collectability of the fee is low. Customers are invoiced periodically as part of the construction draw process when the other contractual requirements are met. The compensation for the performance obligation is variable depending on the timing of completion and the amounts of total construction costs and credit delivered. Variable consideration is estimated at the most likely amount that is expected to be earned. Changes to estimates are recorded in the period determined. Developer fee revenue from related entities recognized in excess of development expenses incurred by Beacon is eliminated in the consolidated financial statements ratably as the developer fee is recognized.
- **Miscellaneous income** – Miscellaneous income is earned from various other services, none of which are individually significant. Revenue is recognized in the period service is provided. Customers are invoiced upon the service being provided. Payment is typically due within thirty days of receipt of invoice. Any material other income from affiliated entities is eliminated in the consolidated financial statements.

Rents – Revenue from commercial and residential leases, including housing assistance payments, is recorded over the term to which it relates. Residential leases are for periods of up to one year. Commercial leases are for periods up to ten years. Other rents result from fees charged to tenants, including late fees, forfeited security deposits, laundry facilities, cleaning, and damage charges and are recorded when earned.

Functional Expenses – The costs of providing programs and Beacon's supporting services have been reported on a functional basis. The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services based on management's estimates of employee time and effort.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes – Beacon, FMF Housing and Riverview are exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent they have taxable income from activities that are not related to their exempt purpose. Activities generating unrelated business income consist of income from commercial leasing. No significant unrelated business income taxes were paid in 2022 or 2021 related to the commercial leasing. The wholly owned LLCs and the limited partnerships are not taxable entities. Income or losses are passed through to the partners or members. Management believes Beacon and related entities do not have any uncertain income tax positions.

Reclassifications – Certain reclassifications have been made to the June 30, 2021 financial statements in order for them to conform to the June 30, 2022 presentation. These reclassifications had no effect on total net assets.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are due in the following years ending June 30:

2023	\$ 1,348,414
2024	534,215
2025	139,003
2026	94,203
2027	38,273
Thereafter	65,508
	<hr/>
	2,219,616
Less discounts to net present value (1%)	(55,563)
Less allowance (3 - 80%)	(331,887)
	<hr/>
	1,832,166
Less portion restricted for housing development	(20,000)
Less current portion	(1,025,679)
	<hr/>
Contributions receivable, long-term portion	\$ 786,487

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

4. ESCROWS AND RESERVES

Certain partnership and debt agreements place restrictions on and require that cash be escrowed for payment of real estate taxes, insurance, replacement reserves, operating reserves, development cost escrows and other reserves. Escrows and reserves consist of the following:

	2022	2021
Security deposits	\$ 237,828	\$ 224,841
Tax and insurance escrows	139,608	336,751
Replacement reserves	1,431,074	1,097,656
Operating reserves	1,384,039	1,140,772
Revenue deficit reserves	822,272	618,758
Construction escrows	128,000	1,363,761
Other reserves	69,203	79,423
	<u>\$ 4,212,024</u>	<u>\$ 4,861,962</u>

Any escrows and reserves held by MHFA are in a common pool primarily invested in cash and cash equivalents and cannot be released without their approval. MHFA escrows and reserves are carried at cost plus investment income credited by MHFA.

5. PREDEVELOPMENT COSTS

Predevelopment costs relate to the following projects:

	2022	2021
American House renovation	\$ -	\$ 132,094
Astor Commons	21,219	-
Gladstone Crossing	59,805	-
Emerson Village	256,239	72,205
	<u>\$ 337,263</u>	<u>\$ 204,299</u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2022	2021	Estimated useful lives (years)
Land	\$ 14,570,813	\$ 13,528,748	-
Buildings and improvements	84,053,146	70,896,923	20-40
Land improvements	2,497,571	2,089,302	5-20
Leasehold improvements	311,056	311,056	6-10
Equipment	2,732,986	2,382,686	3-9
Construction in progress	19,217,846	5,520,725	-
	<u>123,383,418</u>	<u>94,729,440</u>	
Less accumulated depreciation	<u>(19,921,576)</u>	<u>(17,498,520)</u>	
	<u>\$ 103,461,842</u>	<u>\$ 77,230,920</u>	

Depreciation expense charged to operations was \$2,422,287 in 2022 and \$2,447,106 in 2021.

In 2021, an impairment loss of \$814,064 was recognized on the Lydia Apartments property due to an appraisal obtained during the transfer from Lydia House LP to Lydia Apartments Housing LP. Lydia Apartments Housing LP intends to redevelop Lydia Apartments and expand from 40 units to 80 units.

In 2021, Housing 150 – Nicollet LLC sold a parcel of land for \$350,000 resulting in a gain on the sale of \$232,959.

Construction in progress consists of projects in the development phase as follows:

	2022	2021
Lydia Apartments	\$ 11,595,933	\$ 380,260
Cranberry Ridge	-	1,658,897
Bimosedaa	5,060,060	2,123,387
Prairie Pointe	286,257	241,219
Vista 44	634,338	473,793
Kimball Court	950,031	643,169
352 Wacouta	<u>691,227</u>	<u>-</u>
	<u>\$ 19,217,846</u>	<u>\$ 5,520,725</u>

Amortization of \$89,808 and \$1,586 was capitalized in 2022 and 2021.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

7. INVESTMENT IN UNCONSOLIDATED LIMITED PARTNERSHIP

FMF Housing is the sole member of FMF Audubon, LLC which has a 50% membership interest along with MetroPlains Partners LLC in Lowry Apartments GP, LLC. Lowry Apartments GP, LLC, is the General Partner in Lowry Apartments LP which owns Audubon Crossing, a 30 unit low income housing tax credit apartment building. FMF Housing's investment in FMF Audubon, LLC is recorded using the cost method (\$0).

FMF Housing has no responsibility for tax credit guarantees or operating deficits. FMF Housing has a right of first refusal to purchase Audubon Crossing from the partnership at the completion of the tax credit compliance period in 2025.

FMF Audubon, LLC has the overall responsibility to provide and supervise the provision of the supportive services. FMF Housing is responsible for marketing the four "long term homeless" units to eligible families and has an agreement to provide the supportive services to those families. Funding has been established in a Social Service Reserve to ensure available funding for services during the tax credit compliance period.

A summary of the financial position and results of operations for Lowry Apartments LP as of and for the year ended December 31, 2021 follows:

BALANCE SHEET

Property and equipment, net	\$	4,768,728
Cash		73,851
Reserves and escrows		207,681
Receivables and prepaid expenses		18,081
Other assets, net		6,596
		<hr/>
	\$	5,074,937
		<hr/>
Debt, net	\$	2,705,403
Accounts and other payables		23,038
Other liabilities		201,353
		<hr/>
		2,929,794
		<hr/>
Partners' equity		2,145,143
		<hr/>
	\$	5,074,937
		<hr/>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

7. INVESTMENT IN UNCONSOLIDATED LIMITED PARTNERSHIP (Continued)

STATEMENT OF OPERATIONS

Operating revenue	\$ 367,043
Operating expenses	(346,079)
Depreciation and amortization	<u>(216,137)</u>
Net loss	<u>\$ (195,173)</u>

8. DEBT

Debt consists of the following:

	<u>2022</u>	<u>2021</u>
Beacon		
Otto Bremer Trust – Note with 2% interest, paid off with new Otto Bremer Trust Note.	\$ -	\$ 1,000,000
Bethlehem Lutheran Church Foundation – Note with 2% interest, due December 31, 2023.	200,000	200,000
Otto Bremer Trust – Note with 1.5% interest, due January 14, 2025.	1,500,000	-
Development Projects:		
Bremer Bank* - Mortgage with variable interest, due in monthly installments of interest through the earlier of closing or December 2022 (Bimosedaa Development). Paid in full at closing on March 22, 2022.	-	170,000
City of Minneapolis* – Mortgage with 1% interest, (Bimosedaa Development). Assumed by the new LP.	-	1,000,000
Bremer Bank* - Mortgage with 3.50% interest, due in monthly installments of interest through the earlier of closing or December 2023 (Prairie Pointe Development).	476,800	476,800
Bremer Bank* - Mortgage with 2.75% interest, due in monthly installments of interest through the earlier of closing or January 2023 (Vista 44 Development).	343,863	1,348,000

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

8. DEBT (Continued)

	2022	2021
Bremer Bank* - Mortgage with 3.40% interest, due in monthly installments of interest through the earlier of closing or December 2022 (Kimball Court Development).	\$ 496,000	\$ 496,000
North Haven LLC		
MHFA – Mortgage without interest, due in August 2038.	161,700	161,700
City of Minneapolis – Mortgage with 1% interest, due in August 2038.	171,814	171,814
MHFA – Mortgage without interest due in March 2044.	238,396	238,396
City of Minneapolis – Mortgage with 1% interest, due in March 2044.	212,184	212,184
Cedar View LLC		
MHFA – Two mortgages without interest, due in November 2035.	518,000	518,000
City of Minneapolis – Mortgage with 1% interest, due in November 2035.	433,746	433,746
Hawthorne Avenue LLC		
Hennepin County – Mortgage with 1% interest, due in August 2035.	115,000	115,000
MHFA – Two mortgages without interest, due in August 2035.	883,610	883,610
City of Minneapolis – Two mortgages with 1% interest, due in August 2025 and August 2035.	525,000	525,000
American National Bank – Mortgage with 4.88% interest, due in monthly installments of \$1,542 through September 2022. No prepayment is allowed without penalty. In September 2022, the mortgage was extended with monthly installments of \$1,570, interest of 5.38%, and due in September 2027.	177,604	187,064
545 Snelling LLC		
MHFA – Four mortgages without interest, due in May 2040.	2,150,818	2,150,818
Saint Paul HRA – Two mortgages without interest, due in May 2040. See note below related to change in funding.	523,527	593,880

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

8. DEBT (Continued)

	2022	2021
352 Wacouta LLC		
Saint Paul HRA – Four mortgages without interest, due in November 2032 and May 2040. See note below related to new funding.	\$ 560,524	\$ 560,524
Ramsey County HRA – Mortgage without interest, due in November 2032.	250,000	250,000
Family Housing Fund – Mortgage without interest, due in November 2032.	200,000	200,000
MHFA – Three mortgages without interest, due in May 2040. \$6,500 is forgiven annually on one mortgage.	1,959,546	2,018,046
Saint Paul CDBG – Mortgage without interest, due in April 2052. Original amount of \$750,000; \$273,081 remaining to be drawn.	476,919	-
MHFA – Mortgage without interest, due in April 2052.	100,000	-
Housing 150 LLC		
MHFA – Mortgage with .5% interest, due in monthly installments of \$4,384 through November 2039.	877,267	925,355
City of Minneapolis – Mortgage with 1% interest, due in March 2039.	530,000	530,000
Oakhaven Housing LLC		
MHFA – Mortgage with 3% interest, due in monthly installments of \$2,909 through February 2043.	537,176	555,667
Clinton Avenue Townhomes LLC		
MHFA – Mortgage without interest, due in monthly installments of \$1,566 through September 2052.	568,523	587,317
PCNF Nicollet Housing Limited Partnership		
City of Minneapolis – Mortgage with 1% interest, due in December 2039.	977,584	977,584
MHFA – Mortgage without interest, due in February 2040.	882,774	882,774
Hennepin County HRA – Mortgage with 1% interest, due in February 2040.	200,000	200,000

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

8. DEBT (Continued)

	2022	2021
Family Housing Fund – Mortgage with 1% interest, due in February 2040.	\$ 100,000	\$ 100,000
FMF 38th Street Development, LLLP		
MHFA - Mortgage with 6.5% interest due in varying monthly installments through January 2034.	260,631	275,252
MHFA - Mortgage with 1% interest, due in July 2033.	525,000	525,000
Hennepin County HRA – Mortgage with 1% interest, due in July 2033.	118,500	118,500
PCNF Creekside Commons LP		
City of Minneapolis – Three mortgages with 1% interest, due in November 2039.	2,149,104	2,149,104
MHFA – Mortgage with 1% interest, due in November 2039.	247,260	247,260
Lonoke Limited Partnership		
City of Minneapolis – Mortgage with 1% interest, due in April 2045.	432,523	432,523
MHFA – Mortgage with 1% interest, due in April 2045.	645,454	645,454
Hennepin County HRA – Mortgage without interest, due in April 2045.	225,000	225,000
Prior Crossing Housing Limited Partnership		
MHFA – Mortgage in the amount up to \$5,625,954 without interest, due in August 2045.	5,225,954	5,225,954
St. Paul HRA – Two mortgages without interest, due in August 2045.	1,101,000	1,101,000
City of St. Paul – Mortgage without interest, due in August 2045.	927,015	927,015
Riverview Apartments Senior Housing		
City of Minneapolis – Mortgage with 1% interest, due in December 2051.	1,634,602	1,634,602
MHFA – Mortgage without interest, due in December 2051.	200,000	200,000

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

8. DEBT (Continued)

	2022	2021
66 West Housing LP		
MHFA – Housing Infrastructure Bonds without interest, due in July 2046.	\$ 5,008,303	\$ 5,008,303
City of Edina – 2 mortgages without interest, due in June 2046.	1,300,000	1,300,000
Hennepin County – 2 mortgages with 1% interest, due in July 2046.	800,000	800,000
Family Housing Fund – Mortgage without interest, due in July 2046.	227,000	227,000
Great River Landing Housing LP		
Minneapolis AHTF – Mortgage with interest at 1%, due in June 2063.	1,800,000	1,800,000
MHFA – Mortgage without interest, due in June 2063	1,193,462	1,193,462
City of Minneapolis – 2 mortgages without interest, due in June 2063	1,325,700	1,325,700
Hennepin County – Mortgage without interest, due in June 2063.	375,000	375,000
Cranberry Ridge Housing LP		
Hennepin County – Mortgage with interest at 1%, due in May 2051.	1,050,000	1,050,000
City of Plymouth – Mortgage without interest, due in December 2051.	527,000	527,000
Wells Fargo – Construction loan with interest at 2%, due in May 2023. Original amount of the loan is \$11,514,250; \$2,004,853 remaining to be drawn.	9,509,397	-
Lydia Apartments Housing LP		
MHFA - Housing Infrastructure Bonds without interest. \$3,374,000 is due in April 2023, the remaining balance is due in June 2061.	7,600,000	44,775
City of Minneapolis – Two mortgages without interest, due in December 2061. An additional mortgage was received in 2022 for \$315,000 with the same terms. Full amount awarded is \$2,400,000.	815,000	500,000
MHFA – Two mortgages without interest, due in June 2061.	529,584	529,584
Family Housing Fund – Mortgage without interest, due in December 2061.	328,000	328,000

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

8. DEBT (Continued)

	2022	2021
Hennepin County – Mortgage without interest, due in December 2061. An additional mortgage was received in 2022 for \$650,000 with the same terms.	\$ 1,050,000	\$ 400,000
Bimosedaa Housing LP		
City of Minneapolis – Mortgage with 1% interest, due in August 2050.	1,000,000	-
Hennepin County – Mortgage without interest, due March 2052. Original amount is \$500,000; \$308,858 remaining to be drawn.	191,142	-
	65,670,006	47,784,767
Less current maturities of debt	(4,493,243)	(1,113,473)
Less unamortized finance fees	(820,028)	(461,016)
	<u>\$ 60,356,735</u>	<u>\$ 46,210,278</u>

*Loans with recourse

545 Snelling LLC and 352 Wacouta received additional funds in 2021 through the Saint Paul HRA. These funds were to be used for eligible expenses due to the COVID-19 pandemic through September 30, 2021. Any unspent funds must be returned to the Saint Paul HRA within thirty days of the receipt of the repayment notice. In 2022, \$70,353 of these funds were repaid.

Interest of \$189,293 and \$71,539 was capitalized in 2022 and 2021, respectively. Finance fees of \$102,302 for debt yet to be funded was shown as prepaid expense in 2021.

Maturities of debt for the years ending June 30 are as follows:

2023	\$ 4,493,243
2024	780,443
2025	1,605,599
2026	307,647
2027	109,796
Thereafter	58,373,278
	<u>\$ 65,670,006</u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

9. REFUNDABLE ADVANCES

	2022	2021
PCNF Nicollet Housing Limited Partnership was awarded a government grant under the Section 1602 Grants to States for Low-Income Housing Projects in Lieu of Low-Income Housing Credits for 2009 Program in the amount of \$6,093,729. This grant program is administered by the Minnesota Housing Finance Agency (MHFA) and requires that the project be used as low-income housing for a 15 year compliance period plus the extended use period. The grant will not be required to be repaid unless there is a recapture event during the 15 year compliance period. A recapture event takes place any time the project does not comply with applicable occupancy requirements. If a recapture event takes place, the full amount of the grant is repayable, less 6.67% (1/15th) for each full year the project has complied with the prescribed occupancy requirements. The grant is secured by a mortgage on the property.	\$ 1,624,990	\$ 2,031,239
Grants from Local Initiative Support Corporation to help pay for predevelopment activities related to the Cranberry Ridge housing development. Funds were repaid in July 2021.	-	75,000
Grant from United States Department of Housing and Urban Development under the McKinney-Vento Homeless Assistance Act for the Lydia House property. If the project ceases to be used as supportive housing within 10 years after the placed in service date of October 2003, the entire amount is to be repaid. After 10 years, HUD will reduce the percentage of the amount required to be repaid by 10% for each year in excess of 10 that the project is used as supportive housing.	80,000	120,000

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

9. REFUNDABLE ADVANCES (Continued)

	2022	2021
Eight (seven in 2021) grants from Federal Home Loan Bank for the rehabilitation of the Lydia; Abbott View; Riverview; Nokoma; Prior Crossing; 66 West; Great River Landing; and Bimosedaa properties. Recoveries from excess cash generated by property operations must be repaid to the Federal Home Loan Bank. The grants will be forgiven on dates between 2024 and 2037 provided the properties maintain compliance with the low-income housing requirements of the grant agreements.	\$ 2,814,878	\$ 1,814,878
Three grants from Hennepin County for the renovation of the North Haven and Abbott View properties. The grants will be forgiven on dates between 2033 and 2039 provided the properties maintain compliance with the low-income housing requirements of the grant agreements. The entire grants are due in full on demand in the event of a default with the grant agreements.	745,000	745,000
Grant from the Minnesota Housing Finance Agency that was used to make improvements on the Clinton Avenue Townhomes. The grant was assumed at the purchase of the Clinton Avenue Townhomes. The grant was forgiven on August 28, 2021.	-	101,502
Forgivable loan from the City of Hopkins without interest. Full award is \$1,500,000. The loan will be forgiven after a fifteen-year affordability period. (Vista 44 Development).	1,300,000	-
Grant from the City of Saint Paul to be used by December 2022 for the 352 Wacouta rehab project. Full award is \$335,000; \$310,702 remaining to be received.	24,298	-
	<u>\$ 6,589,166</u>	<u>\$ 4,887,619</u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

10. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Beacon's Board of Directors has designated portions of the net assets without donor restrictions as an operating reserve for Beacon, to provide funds for purchasing property and predevelopment costs, and other designations the board decides on in the future to further its mission. The board has the objective of setting funds aside at a level that would cover at least 3 months of general operating expenses. In addition, the board considers the supportive services costs paid for by partners and reserves for these costs to the level anticipated that would be continued in the event of the partners' inability or unwillingness to deliver or fund the services.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following:

	2022	2021
Not subject to appropriation or expenditure:		
HUD capital advance - Riverview	\$ 6,056,900	\$ 6,056,900
Expendable for specified purposes:		
Housing supportive services	920,183	1,200,734
Housing development	566,204	972,394
Other	742,740	276,581
Subject to the passage of time	<u>1,267,000</u>	<u>1,717,953</u>
	<u>\$ 9,553,027</u>	<u>\$ 10,224,562</u>

Net assets with donor restrictions consist of cash of \$1,668,967, contributions receivable of \$1,832,166, and property and equipment of \$6,056,900 as of June 30, 2022.

Net assets with donor restrictions consist of cash of \$1,506,373, contributions receivable of \$2,661,289, and property and equipment of \$6,056,900 as of June 30, 2021.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

12. NONCONTROLLING INTERESTS

Changes in net assets attributed to controlling and noncontrolling interests for the years ended June 30, 2022 and 2021 follows:

	Total	Controlling	Noncontrolling
Net assets, June 30, 2020	\$ 38,176,767	\$ 18,772,151	\$ 19,404,616
Capital contributions	2,945,756	-	2,945,756
Distributions	(20,329)	-	(20,329)
Syndication costs	(40,000)	(40,000)	-
Change in net assets	(2,229,480)	(874,722)	(1,354,758)
Net assets, June 30, 2021	38,832,714	17,857,429	20,975,285
Capital contributions	3,779,612	-	3,779,612
Distributions	(18,221)	-	(18,221)
Syndication costs	(84,630)	-	(84,630)
Change in net assets	(1,995,592)	(354,461)	(1,641,131)
Net assets, June 30, 2022	<u>\$ 40,513,883</u>	<u>\$ 17,502,968</u>	<u>\$ 23,010,915</u>

13. CONTRIBUTED GOODS AND SERVICES

Emergency shelter guests receive meals and a place to sleep at various Minneapolis/St. Paul metropolitan churches. These services are essential to the continuation of Beacon's shelter programs. If these services were not provided to emergency shelter guests at no cost, Beacon would be required to purchase the services at a much greater cost.

In 2022 and 2021, the churches were not able to provide these services to emergency shelter guests due to the pandemic. Alternatively, hotel rooms were used for these services. Revenue and expenses for meals have been recorded at an estimated fair market value of \$72,210 for 2022 and \$86,070 for 2021, as determined using an estimated value of \$15 per night per guest. Beacon also received donated other goods of \$14,313 in 2022 for the shelter. No donated services in 2022. No other donated goods and services were received in 2021.

14. MINIMUM FUTURE RENTAL PAYMENTS

Beacon leases 6,139 square feet of office space under an operating lease agreement with monthly payments equal to \$10.41/sq. ft., increasing \$0.50/sq. ft. annually, plus a pro-rata share of operating expenses through November 30, 2021. The lease was extended for an additional year at \$12.28/sq. ft. Management expects to renew the lease again when it expires.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

14. MINIMUM FUTURE RENTAL PAYMENTS (Continued)

Beacon leases space from a congregation for its shelter programs under a lease agreement ending February 28, 2022, with monthly payments of \$3,000. The lease was renewed for one year ending February 28, 2023 with monthly payments of \$2,917. Beacon has the option to extend the lease beyond the original term increasing 3% each year renewed.

Rent expense was \$180,786 for 2022 and \$179,563 for 2021.

Minimum future rental payments for the year ending June 30, 2023 are \$54,745.

15. MINIMUM FUTURE RENTAL RECEIPTS

Housing 150-Nicollet LLC leases commercial space in Nicollet Square apartments to four tenants under long-term lease agreements with initial terms of six to ten years. The leases are classified as operating leases. In addition to minimum rental payments, the tenants pay certain operating costs.

FMF Housing leases space to two other nonprofit tenants. The leases are month-to-month and are classified as operating leases.

The following is a schedule of future minimum rental receipts for the years ending June 30:

2023	\$	59,640
2024		58,440
2025		61,320
2026		64,200
2027		62,780
Thereafter		<u>2,960</u>
	\$	<u><u>309,340</u></u>

16. RETIREMENT PLAN

Beacon offers a 403(b) retirement plan to all permanent staff. Beacon contributes 2% of the employee's salary for all eligible employees. Beacon will also match 2% up to 4% of staff contributions. All Beacon contributions are subject to a 2-year vesting period. Retirement expense was \$127,455 and \$126,478 for 2022 and 2021.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

17. RELATED PARTY TRANSACTIONS

Fee income includes uneliminated development fees of \$621,000 from Cranberry Ridge Housing LP, \$614,092 from Lydia Apartments Housing LP, \$84,512 from Bimosedaa Housing LP, and \$176,400 from American House in 2022. Fee income includes development fees of \$207,000 from Cranberry Ridge Housing LP and \$201,788 from Lydia Apartments Housing LP in 2021.

A board member of Beacon also serves as a board member of the Family Housing Fund through which Beacon obtains financing for its developments.

18. CONTINGENCIES AND COMMITMENTS

The rental units of the following properties are all eligible to receive housing assistance payments (HAP) under the Section 8 Program of the National Housing Act or a Project Rental Assistance Contract with HUD. The expiration dates of the HAP contracts and the rental revenues provided under the HAP contracts are shown below. No assurance can be provided that these contracts will be renewed upon their expiration or if renewed, at what terms.

	2022 rental revenues	Expiration date
Lydia House	\$ 233,497	October 2023
Creekside Commons	189,640	October 2025
FMF 38 th Street	163,666	July 2023
Housing 150 LLC	160,637	June 2027
Oakhaven Housing LLC	81,161	January 2033
Clinton Avenue Townhomes LLC	63,153	August 2026
Riverview Apartments Senior Housing	161,678	November 2022
Prior Crossing	278,116	September 2031

Great River Landing entered into a Housing Assistance Payments Contract with Minneapolis Public Housing Authority (MPHA) for 40 efficiency apartment units. Great River Landing received housing assistance payments of \$325,297 and \$429,289 in 2022 and 2021.

Cedar View entered into a Sponsor-Based Assistance Payment Agreement with Minneapolis Public Housing Authority (MPHA) for a flat subsidy set at \$788 per participant occupied unit per month. MPHA agrees to provide financial assistance on an annual basis for up to 5 years. Cedar View received housing assistance payments of \$72,503 and \$53,155 in 2022 and 2021.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

18. CONTINGENCIES AND COMMITMENTS (Continued)

PCNF Nicollet Housing entered into a Sponsor-Based Assistance Payment Agreement with Minneapolis Public Housing Authority (MPHA) for a flat subsidy set at \$536 per participant occupied unit per month. MPHA agrees to provide financial assistance on an annual basis for up to 5 years. PCNF Nicollet Housing LP received housing assistance payments of \$246,031 and \$166,191 in 2022 and 2021.

Prior Crossing entered into a Section 8 HAP contract for 32 of the 44 units with a term of 15 years. Beacon has also entered into a Housing Support Contract with the State of Minnesota and Ramsey County which provides for the payment of rent for 12 units.

Riverview is subject to restrictive covenants imposed by HUD and MHFA. Among other requirements, the agreements require that all units be rented to qualified tenants. The HUD Capital Advance Agreement terminates in 2051.

FMF Housing has entered into an agreement with Lowry Apartments LP to provide social services to residents of Audubon Crossing. Under the terms, Lowry Apartments LP will establish a Social Services Reserve of \$100,000. From the reserve, Lowry Apartments LP will pay an annual social services fee of \$10,000 increasing 3% each year to FMF Housing for providing the social services. Beginning October 1, 2012, FMF Housing transferred this agreement to Beacon. The agreement expires in 2025. The reserve was fully used in a prior year.

Beacon has signed a service agreement for the Great River Landing development committing \$200,000 annually for 15 years commencing on January 3, 2020, the date Great River Landing was issued a certificate of occupancy.

Lydia Apartments Housing LP has obtained bonds, loans and syndication commitments for the development of the property totaling approximately \$11.7 million. Funds remaining to be received total approximately \$3.5 million. The property also entered into a construction contract totaling \$10.8 million of which \$1.8 million remains to be used.

Cranberry Ridge Housing LP has been awarded approximately \$1.1 million in tax credits, \$250,000 in grants, and \$15.7 million in loan commitments. Funds remaining to be received total approximately \$5.8 million. The property also entered into a construction contract totaling \$12.2 million of which approximately \$338,000 remains to be used.

The Bimosedaa development project has been awarded approximately \$4.7 million in grants, \$6.7 million in equity, and \$12.5 million in loan commitments. Funds remaining to be received from all sources total approximately \$20.3 million. In August 2022, Bimosedaa obtained additional loan commitments of \$3.3 million.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

18. CONTINGENCIES AND COMMITMENTS (Continued)

The American House rehab project has been awarded approximately \$335,000 in grants, \$409,000 in equity, and \$3.1 million in loan commitments. Funds remaining to be received total approximately \$2.9 million. The property also entered into a construction contract totaling \$2.3 million of which \$2 million remains to be used.

Beacon development and predevelopment projects have obtained \$1.5 million in grants and \$11.9 million in loan commitments. Approximately \$531,000 of funding was committed in July and September 2022.

Beacon's employees are represented by The NewsGuild-CWA (the Union). The Union represents approximately 78% of all employees. The union contract was ratified with an effective date of May 11, 2022, and includes, among other things, a new pay scale.

Beacon has several government grants that contain donor conditions (primarily that funds be expended before they are earned or received). Since these grants represent conditional promises to give, they are not recorded as contribution revenue until donor conditions are met. Beacon has unearned conditional contributions of the following at June 30, 2022:

Housing Services	\$ 584,862
Shelter	<u>153,973</u>
	<u>\$ 738,835</u>

Shelter commitments of \$55,000 are included in other liabilities as a refundable advance.

19. LIQUIDITY AND AVAILABILITY

At June 30, 2022, resources available for general expenditures within one year of the statement of financial position date are as follows:

	<u>2022</u>	<u>2021</u>
Cash – undesignated	\$ 1,648,456	\$ 3,214,990
Cash – operating funds for properties	745,065	882,842
Cash – donor restricted (short-term)	336,057	693,676
Cash – other board designated (short-term)	800,010	849,582
Accounts receivable	495,365	262,025
Government grants receivable	453,523	193,187
Contributions receivable, current portion	<u>925,679</u>	<u>942,700</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,404,155</u>	<u>\$ 7,039,002</u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

19. **LIQUIDITY AND AVAILABILITY (Continued)**

Cash balances are monitored at least weekly in anticipation of needs for general expenditures, predevelopment needs, liabilities, and other obligations that come due. Reports are used by management monthly and the Board quarterly to monitor liquidity relative to budgets and projections. Cash is kept in accounts that offer quick access and low risk and are spread to multiple financial institutions to spread risk. Beacon's Board of Directors has designated portions of the net assets without donor restrictions in an operating reserve at a level that would cover at least three months of general expenditures, totaling \$1,685,997. While Beacon does not plan to spend the funds other than the intended purposes, the amounts could be made available for current operations, if necessary.

Many of the gifts Beacon receives are restricted to specific projects, programs and/or purposes – these are restricted until spent for their intended purposes. In addition, the rental properties restrict funds in reserve and escrow accounts to be available to pay periodic expenses such as insurance and real estate taxes, replace fixed assets and for protection in case of operational shortfalls. Many of these practices are required by lenders and funders of the properties. These funds are not considered available for general expenditures unless Beacon expects to meet the related restriction in the next year.

The purchase of potential housing sites, investment in related predevelopment costs and construction are not considered to be general expenditures and are planned for separately. These are managed using multi-year projections (updated at least quarterly) given the longer-term nature of these projects. Secured loans are arranged with banks to fund the acquisition of potential housing sites and Beacon has donor-restricted and board-designated funds committed to related predevelopment costs. At times, Beacon will arrange lines of credit to fund predevelopment costs. None were in place or outstanding as of June 30, 2022.

20. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 29, 2022, the date on which the financial statements were available for issue, and identified no further significant events or transactions to disclose.

**CONSOLIDATING FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2022

	Beacon	Wholly owned Entities	Eliminations	Subtotal	Affiliates		Eliminations	Total
					FMF Housing	Housing Entities		
ASSETS								
Cash	\$ 5,803,430	\$ 519,945	\$ -	\$ 6,323,375	\$ 59,585	\$ 165,535	\$ -	\$ 6,548,495
Accounts receivable	269,332	89,074	(93,924)	264,482	2,800	422,707	(194,624)	495,365
Government grants receivable	453,523	-	-	453,523	-	-	-	453,523
Contributions receivable, current portion	1,025,679	-	-	1,025,679	-	-	-	1,025,679
Prepaid expenses	139,358	202,115	(98,000)	243,473	10,139	156,108	-	409,720
Total current assets	7,691,322	811,134	(191,924)	8,310,532	72,524	744,350	(194,624)	8,932,782
Investment in subsidiaries	33,000	-	(33,000)	-	33,551	-	(33,551)	-
Notes and other receivables	5,376,941	-	(1,009,704)	4,367,237	456,000	-	(4,768,042)	55,195
Predevelopment costs	4,184,384	-	(1,590,451)	2,593,933	-	-	(2,256,670)	337,263
Interest receivable	27,912	-	(15,832)	12,080	201,062	-	(213,142)	-
Escrows and reserves	-	871,110	-	871,110	101,422	3,239,492	-	4,212,024
Contributions receivable, less current portion	786,487	-	-	786,487	-	-	-	786,487
Cash - board designated for predevelopment housing fund	2,068,759	-	-	2,068,759	-	-	-	2,068,759
Contributions receivable restricted for housing development	20,000	-	-	20,000	-	-	-	20,000
Property and equipment, net	37,865	19,845,379	(75,600)	19,807,644	534,917	85,249,820	(2,130,539)	103,461,842
Tax credit fees, net	-	13,192	-	13,192	-	184,980	-	198,172
Total assets	\$ 20,226,670	\$ 21,540,815	\$ (2,916,511)	\$ 38,850,974	\$ 1,399,476	\$ 89,418,642	\$ (9,596,568)	\$ 120,072,524
LIABILITIES AND NET ASSETS								
Accounts payable - operations	\$ 708,275	\$ 198,810	\$ (59,946)	\$ 847,139	\$ 139,048	\$ 422,131	\$ (171,909)	\$ 1,236,409
Construction payable	-	-	-	-	-	4,675,623	(388,797)	4,286,826
Current maturities of long-term debt	-	1,103,643	-	1,103,643	-	3,389,600	-	4,493,243
Accrued expenses	265,269	412,693	-	677,962	-	665,478	(224,835)	1,118,605
Accrued interest	-	2,453	-	2,453	-	201,062	(201,062)	2,453
Tenant security deposits	-	93,241	-	93,241	-	131,458	-	224,699
Other current liabilities	153,000	-	(98,000)	55,000	-	-	-	55,000
Total current liabilities	1,126,544	1,810,840	(157,946)	2,779,438	139,048	9,485,352	(986,603)	11,417,235
Deferred developer fee	-	33,000	(33,000)	-	-	1,789,989	(1,789,989)	-
Due to Beacon	-	2,630,155	(2,630,155)	-	99,439	4,158,866	(4,258,305)	-
Long-term debt, net	1,700,000	14,407,182	-	16,107,182	-	44,720,553	(471,000)	60,356,735
Accrued interest, long-term	2,000	463,486	(15,832)	449,654	-	757,931	(12,080)	1,195,505
Refundable advances	2,684,878	3,694,288	-	6,379,166	-	-	210,000	6,589,166
Total liabilities	5,513,422	23,038,951	(2,836,933)	25,715,440	238,487	60,912,691	(7,307,977)	79,558,641
Net assets:								
Without donor restrictions:								
Undesignated	5,947,105	(1,498,136)	(79,578)	4,369,391	1,160,989	(771,864)	(2,078,591)	2,679,925
Designated	5,270,016	-	-	5,270,016	-	-	-	5,270,016
Non-controlling interests	-	-	-	-	-	23,010,915	-	23,010,915
Total without donor restrictions	11,217,121	(1,498,136)	(79,578)	9,639,407	1,160,989	22,239,051	(2,078,591)	30,960,856
With donor restrictions	3,496,127	-	-	3,496,127	-	6,266,900	(210,000)	9,553,027
Total net assets	14,713,248	(1,498,136)	(79,578)	13,135,534	1,160,989	28,505,951	(2,288,591)	40,513,883
Total liabilities and net assets	\$ 20,226,670	\$ 21,540,815	\$ (2,916,511)	\$ 38,850,974	\$ 1,399,476	\$ 89,418,642	\$ (9,596,568)	\$ 120,072,524

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	Beacon	Wholly owned Entities	Eliminations	Beacon Subtotal	Affiliates		Eliminations	Total
					FMF Housing	Housing Entities		
Operating revenues and support:								
Contributions	\$ 3,331,115	\$ -	\$ -	\$ 3,331,115	\$ -	\$ -	\$ -	\$ 3,331,115
Contributions in-kind	86,523	-	-	86,523	-	-	-	86,523
Government grants	1,513,129	486,267	-	1,999,396	-	250,000	-	2,249,396
Rent and housing assistance payments	-	2,260,630	-	2,260,630	37,600	2,720,440	-	5,018,670
Fee income	2,196,587	-	(75,600)	2,120,987	36,732	-	(596,463)	1,561,256
Management fees	133,363	-	(5,413)	127,950	-	-	(127,950)	-
Interest income	64,348	5,693	(1,173)	68,868	27,556	3,800	(41,753)	58,471
Miscellaneous	96,033	100,203	-	196,236	-	58,016	-	254,252
Total operating revenues and support	<u>7,421,098</u>	<u>2,852,793</u>	<u>(82,186)</u>	<u>10,191,705</u>	<u>101,888</u>	<u>3,032,256</u>	<u>(766,166)</u>	<u>12,559,683</u>
Operating expenses	<u>6,445,722</u>	<u>3,025,041</u>	<u>(8,106)</u>	<u>9,462,657</u>	<u>159,137</u>	<u>3,092,182</u>	<u>(156,294)</u>	<u>12,557,682</u>
Operating income (loss)	975,376	(172,248)	(74,080)	729,048	(57,249)	(59,926)	(609,872)	2,001
Forgiveness of debt and refundable advances	-	101,502	-	101,502	-	-	-	101,502
Amortization of refundable advances	40,000	406,249	-	446,249	-	-	-	446,249
Deferred interest - rental properties	-	(29,558)	1,173	(28,385)	-	(96,861)	33,162	(92,084)
Interest expense - finance fee amortization	-	(5,100)	-	(5,100)	-	(21,087)	-	(26,187)
Depreciation and amortization - rental properties	-	(677,068)	-	(677,068)	-	(1,789,011)	53,683	(2,412,396)
Change in allowance for contributions	<u>(14,677)</u>	<u>-</u>	<u>-</u>	<u>(14,677)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,677)</u>
Change in net assets before investment activity	1,000,699	(376,223)	(72,907)	551,569	(57,249)	(1,966,885)	(523,027)	(1,995,592)
Contributions - noncontrolling interests	-	-	-	-	-	3,779,612	-	3,779,612
Distributions - noncontrolling interests	-	-	-	-	-	(18,221)	-	(18,221)
Syndication costs	-	-	-	-	-	(84,630)	-	(84,630)
Interfund transfers	<u>(381,796)</u>	<u>281,796</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Change in net assets	618,903	(94,427)	(72,907)	451,569	(57,249)	1,809,876	(523,027)	1,681,169
Net assets, beginning of year	<u>14,094,345</u>	<u>(1,403,709)</u>	<u>(6,671)</u>	<u>12,683,965</u>	<u>1,218,238</u>	<u>26,696,075</u>	<u>(1,765,564)</u>	<u>38,832,714</u>
Net assets, end of year	<u>\$ 14,713,248</u>	<u>\$ (1,498,136)</u>	<u>\$ (79,578)</u>	<u>\$ 13,135,534</u>	<u>\$ 1,160,989</u>	<u>\$ 28,505,951</u>	<u>\$ (2,288,591)</u>	<u>\$ 40,513,883</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

	Beacon	Wholly Owned Entities	Affiliates		Eliminations	Total
			FMF Housing	Housing Entities		
Cash flows from operating activities:						
Change in net assets	\$ 1,000,699	\$ (376,223)	\$ (57,249)	\$ (1,966,885)	\$ (595,934)	\$ (1,995,592)
Adjustments to reconcile the change in net assets to net cash from operating activities:						
Depreciation and amortization	13,098	682,168	10,487	1,810,098	(53,683)	2,462,168
Change in allowance for contributions	14,677	-	-	-	-	14,677
Amortization of refundable advances	(40,000)	(406,249)	-	-	-	(446,249)
Forgiveness of debt and refundable advances	-	(160,002)	-	(10,727)	10,727	(160,002)
Changes in operating assets and liabilities:						
Accounts receivable	(87,459)	12,715	4,000	94,053	28,895	52,204
Government grants receivable	(260,336)	-	-	-	-	(260,336)
Contributions receivable	814,446	-	-	-	-	814,446
Prepaid expenses	(91,242)	(182,315)	(10,139)	(116,336)	98,000	(302,032)
Interest receivable	(6,975)	-	(13,680)	-	20,655	-
Accounts payable and accrued expenses	(36,216)	62,012	88,807	181,240	(107,032)	188,811
Accrued interest	(8,000)	33,600	-	83,102	(9,280)	99,422
Tenant security deposits	-	(7,738)	-	18,840	-	11,102
Other current liabilities	91,323	-	-	-	(98,000)	(6,677)
Net cash from operating activities	<u>1,404,015</u>	<u>(342,032)</u>	<u>22,226</u>	<u>93,385</u>	<u>(705,652)</u>	<u>471,942</u>
Cash flows from investing activities:						
Payments for property and equipment	-	(1,054,654)	-	(21,775,685)	(1,455,678)	(24,286,017)
Change in predevelopment costs, net	(943,663)	-	-	-	810,699	(132,964)
Notes and other receivable	(1,292,199)	-	-	-	1,292,199	-
Net cash from investing activities	<u>(2,235,862)</u>	<u>(1,054,654)</u>	<u>-</u>	<u>(21,775,685)</u>	<u>647,220</u>	<u>(24,418,981)</u>
Cash flows from financing activities:						
Payments of finance and tax credit fees	-	(49,976)	-	(449,140)	-	(499,116)
Proceeds from issuance of debt	1,500,000	576,919	-	18,220,764	-	20,297,683
Payments of principal on long-term debt	(1,000,000)	(1,169,323)	-	(184,622)	-	(2,353,945)
Refundable advances received	1,000,000	1,324,298	-	-	-	2,324,298
Repayment of refundable advances	(75,000)	-	-	-	-	(75,000)
Due to Beacon	-	477,044	(24,812)	(510,664)	58,432	-
Capital contributions - noncontrolling interests	-	-	-	3,779,612	-	3,779,612
Syndication costs	-	-	-	(84,630)	-	(84,630)
Distributions - noncontrolling interests	-	-	-	(18,221)	-	(18,221)
Interfund transfers	(381,796)	281,796	-	100,000	-	-
Net cash from financing activities	<u>1,043,204</u>	<u>1,440,758</u>	<u>(24,812)</u>	<u>20,853,099</u>	<u>58,432</u>	<u>23,370,681</u>
Total increase (decrease)	211,357	44,072	(2,586)	(829,201)	-	(576,358)
Cash, cash equivalents and restricted cash, beginning of year	<u>7,660,832</u>	<u>1,346,983</u>	<u>163,593</u>	<u>4,234,228</u>	<u>-</u>	<u>13,405,636</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 7,872,189</u>	<u>\$ 1,391,055</u>	<u>\$ 161,007</u>	<u>\$ 3,405,027</u>	<u>\$ -</u>	<u>\$ 12,829,278</u>
Cash	\$ 5,803,430	\$ 519,945	\$ 59,585	\$ 165,535	\$ -	\$ 6,548,495
Escrows and reserves	-	871,110	101,422	3,239,492	-	4,212,024
Cash - board designated	2,068,759	-	-	-	-	2,068,759
	<u>\$ 7,872,189</u>	<u>\$ 1,391,055</u>	<u>\$ 161,007</u>	<u>\$ 3,405,027</u>	<u>\$ -</u>	<u>\$ 12,829,278</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - WHOLLY OWNED ENTITIES

June 30, 2022

	North Haven LLC	Cedar View LLC	Hawthorne Avenue LLC	545 Snelling LLC	352 Wacouta LLC	Housing 150 LLC
ASSETS						
Cash	\$ 9,893	\$ 19,711	\$ 11,555	\$ 34,236	\$ 23,648	\$ 43,150
Accounts receivable	560	5,869	13,127	12,835	7,659	3,083
Prepaid expenses	10,908	5,528	11,226	16,728	115,357	8,381
Total current assets	21,361	31,108	35,908	63,799	146,664	54,614
Escrows and reserves	30,722	32,691	28,219	27,130	409,211	99,442
Property and equipment, net	621,367	580,304	1,078,932	1,725,031	2,547,536	1,591,716
Tax credit fees, net	-	-	-	-	-	-
Total assets	<u>\$ 673,450</u>	<u>\$ 644,103</u>	<u>\$ 1,143,059</u>	<u>\$ 1,815,960</u>	<u>\$ 3,103,411</u>	<u>\$ 1,745,772</u>
LIABILITIES AND NET ASSETS						
Accounts payable - operations	\$ 4,082	\$ 5,185	\$ 8,586	\$ 39,162	\$ 29,416	\$ 4,233
Current maturities of long-term debt	-	-	177,604	-	-	48,329
Accrued expenses	1,566	3,193	2,365	25,483	219,278	1,776
Accrued interest	-	-	744	-	-	366
Tenant security deposits	7,377	5,003	13,694	12,647	14,148	4,524
Total current liabilities	13,025	13,381	202,993	77,292	262,842	59,228
Deferred developer fee	-	-	33,000	-	-	-
Due to Beacon	22,150	20,000	10,000	411,232	535,279	117,331
Long-term debt, net	780,725	943,434	1,517,962	2,667,693	3,488,761	1,358,938
Accrued interest, long-term	41,278	71,977	107,748	-	-	84,728
Refundable advances	225,000	-	-	-	24,298	520,000
Total liabilities	1,082,178	1,048,792	1,871,703	3,156,217	4,311,180	2,140,225
Net assets:						
Without donor restrictions	(408,728)	(404,689)	(728,644)	(1,340,257)	(1,207,769)	(394,453)
Total liabilities and net assets	<u>\$ 673,450</u>	<u>\$ 644,103</u>	<u>\$ 1,143,059</u>	<u>\$ 1,815,960</u>	<u>\$ 3,103,411</u>	<u>\$ 1,745,772</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - WHOLLY OWNED ENTITIES

June 30, 2022

	Oakhaven Housing LLC	Clinton Avenue Townhomes LLC	Housing 150- Nicollet LLC	PCNF Nicollet LP	Development Projects	Total
ASSETS						
Cash	\$ 22,976	\$ 1,021	\$ 334,846	\$ 18,909	\$ -	\$ 519,945
Accounts receivable	6,893	677	6,558	31,813	-	89,074
Prepaid expenses	10,227	4,747	-	19,013	-	202,115
Total current assets	40,096	6,445	341,404	69,735	-	811,134
Escrows and reserves	110,418	85,716	-	47,561	-	871,110
Property and equipment, net	465,020	543,814	741,615	5,814,018	4,136,026	19,845,379
Tax credit fees, net	-	-	-	13,192	-	13,192
Total assets	<u>\$ 615,534</u>	<u>\$ 635,975</u>	<u>\$ 1,083,019</u>	<u>\$ 5,944,506</u>	<u>\$ 4,136,026</u>	<u>\$ 21,540,815</u>
LIABILITIES AND NET ASSETS						
Accounts payable - operations	\$ 1,363	\$ 3,231	\$ 56,295	\$ 42,057	\$ 5,200	\$ 198,810
Current maturities of long-term debt	19,053	18,794	-	-	839,863	1,103,643
Accrued expenses	4,079	1,166	-	153,787	-	412,693
Accrued interest	1,343	-	-	-	-	2,453
Tenant security deposits	7,603	2,374	6,743	19,128	-	93,241
Total current liabilities	33,441	25,565	63,038	214,972	845,063	1,810,840
Deferred developer fee	-	-	-	-	-	33,000
Due to Beacon	-	-	-	-	1,514,163	2,630,155
Long-term debt, net	518,123	533,544	-	2,121,202	476,800	14,407,182
Accrued interest, long-term	-	-	-	157,755	-	463,486
Refundable advances	-	-	-	1,624,990	1,300,000	3,694,288
Total liabilities	551,564	559,109	63,038	4,118,919	4,136,026	23,038,951
Net assets:						
Without donor restrictions	63,970	76,866	1,019,981	1,825,587	-	(1,498,136)
Total liabilities and net assets	<u>\$ 615,534</u>	<u>\$ 635,975</u>	<u>\$ 1,083,019</u>	<u>\$ 5,944,506</u>	<u>\$ 4,136,026</u>	<u>\$ 21,540,815</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2022

	North Haven LLC	Cedar View LLC	Hawthorne Avenue LLC	545 Snelling LLC	352 Wacouta LLC	Housing 150 LLC
Operating revenues and support:						
Government grants	\$ -	\$ -	\$ -	\$ 129,228	\$ 192,497	\$ -
Rent and housing assistance payments	100,040	108,286	243,423	428,634	408,217	232,601
Interest income	19	17	17	43	393	286
Miscellaneous	1,536	918	6,113	3,655	73,053	1,179
Total operating revenues and support	<u>101,595</u>	<u>109,221</u>	<u>249,553</u>	<u>561,560</u>	<u>674,160</u>	<u>234,066</u>
Operating expenses	<u>112,845</u>	<u>108,561</u>	<u>252,545</u>	<u>736,120</u>	<u>757,224</u>	<u>144,780</u>
Operating income (loss)	(11,250)	660	(2,992)	(174,560)	(83,064)	89,286
Forgiveness of debt and refundable advances	-	-	-	-	-	-
Amortization of refundable advances	-	-	-	-	-	-
Deferred interest - rental properties	(3,909)	-	(6,400)	-	-	(6,473)
Interest expense - finance fee amortization	(155)	(608)	(418)	(373)	(793)	-
Depreciation and amortization - rental properties	<u>(27,226)</u>	<u>(40,662)</u>	<u>(66,729)</u>	<u>(92,923)</u>	<u>(97,680)</u>	<u>(98,074)</u>
Change in net assets before investment activity	(42,540)	(40,610)	(76,539)	(267,856)	(181,537)	(15,261)
Interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>(50,139)</u>
Change in net assets	(42,540)	(40,610)	(76,539)	(267,856)	168,463	(65,400)
Net assets, beginning of year	<u>(366,188)</u>	<u>(364,079)</u>	<u>(652,105)</u>	<u>(1,072,401)</u>	<u>(1,376,232)</u>	<u>(329,053)</u>
Net assets, end of year	<u>\$ (408,728)</u>	<u>\$ (404,689)</u>	<u>\$ (728,644)</u>	<u>\$ (1,340,257)</u>	<u>\$ (1,207,769)</u>	<u>\$ (394,453)</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2022

	Oakhaven Housing LLC	Clinton Avenue Townhomes LLC	Housing 150- Nicollet LLC	PCNF Nicollet LP	Development Projects	Total
Operating revenues and support:						
Government grants	\$ -	\$ -	\$ -	\$ 164,542	\$ -	\$ 486,267
Rent and housing assistance payments	154,843	103,937	92,993	387,656	-	2,260,630
Interest income	388	3,496	736	298	-	5,693
Miscellaneous	592	2,990	1,000	9,167	-	100,203
Total operating revenues and support	<u>155,823</u>	<u>110,423</u>	<u>94,729</u>	<u>561,663</u>	<u>-</u>	<u>2,852,793</u>
Operating expenses	<u>123,781</u>	<u>102,872</u>	<u>94,445</u>	<u>591,868</u>	<u>-</u>	<u>3,025,041</u>
Operating income (loss)	32,042	7,551	284	(30,205)	-	(172,248)
Forgiveness of debt and refundable advances	-	101,502	-	-	-	101,502
Amortization of refundable advances	-	-	-	406,249	-	406,249
Deferred interest - rental properties	-	-	-	(12,776)	-	(29,558)
Interest expense - finance fee amortization	-	(535)	-	(2,218)	-	(5,100)
Depreciation and amortization - rental properties	<u>(24,493)</u>	<u>(24,856)</u>	<u>(37,614)</u>	<u>(166,811)</u>	<u>-</u>	<u>(677,068)</u>
Change in net assets before investment activity	7,549	83,662	(37,330)	194,239	-	(376,223)
Interfund transfers	<u>(18,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,796</u>
Change in net assets	(10,516)	83,662	(37,330)	194,239	-	(94,427)
Net assets, beginning of year	<u>74,486</u>	<u>(6,796)</u>	<u>1,057,311</u>	<u>1,631,348</u>	<u>-</u>	<u>(1,403,709)</u>
Net assets, end of year	<u>\$ 63,970</u>	<u>\$ 76,866</u>	<u>\$ 1,019,981</u>	<u>\$ 1,825,587</u>	<u>\$ -</u>	<u>\$ (1,498,136)</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2022

	North Haven LLC	Cedar View LLC	Hawthorne Avenue LLC	545 Snelling LLC	352 Wacouta LLC	Housing 150 LLC
Cash flows from operating activities:						
Change in net assets	\$ (42,540)	\$ (40,610)	\$ (76,539)	\$ (267,856)	\$ (181,537)	\$ (15,261)
Adjustments to reconcile the change in net assets to net cash from operating activities:						
Depreciation and amortization	27,381	41,270	67,147	93,296	98,473	98,074
Amortization of refundable advances	-	-	-	-	-	-
Forgiveness of debt and refundable advances	-	-	-	-	(58,500)	-
Changes in operating assets and liabilities:						
Accounts receivable	1,965	(1,344)	(1,796)	(1,870)	22,179	4,882
Prepaid expenses	(10,908)	(5,445)	(11,226)	(15,836)	(114,739)	(268)
Accounts payable and accrued expenses	852	1,505	4,824	27,043	10,724	(1,550)
Accrued interest	3,840	4,337	6,240	-	-	6,453
Tenant security deposits	69	(1,423)	2,101	(5,228)	(1,922)	(424)
Net cash from operating activities	<u>(19,341)</u>	<u>(1,710)</u>	<u>(9,249)</u>	<u>(170,451)</u>	<u>(225,322)</u>	<u>91,906</u>
Cash flows from investing activities:						
Payments for property and equipment	-	-	-	-	(507,419)	-
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(507,419)</u>	<u>-</u>
Cash flows from financing activities:						
Payments of finance and tax credit fees	-	-	-	-	(49,976)	-
Proceeds from issuance of debt	-	-	-	-	576,919	-
Payments of principal on long-term debt	-	-	(9,460)	(70,353)	-	(48,088)
Receipts from refundable advances	-	-	-	-	24,298	-
Due to Beacon	15,350	20,000	10,000	179,364	85,938	-
Interfund transfers	-	-	-	-	350,000	(50,139)
Net cash from financing activities	<u>15,350</u>	<u>20,000</u>	<u>540</u>	<u>109,011</u>	<u>987,179</u>	<u>(98,227)</u>
Total increase (decrease)	(3,991)	18,290	(8,709)	(61,440)	254,438	(6,321)
Cash, cash equivalents and restricted cash, beginning of year	44,606	34,112	48,483	122,806	178,421	148,913
Cash, cash equivalents and restricted cash, end of year	<u>\$ 40,615</u>	<u>\$ 52,402</u>	<u>\$ 39,774</u>	<u>\$ 61,366</u>	<u>\$ 432,859</u>	<u>\$ 142,592</u>
Reconciliation to the statement of financial position:						
Cash	\$ 9,893	\$ 19,711	\$ 11,555	\$ 34,236	\$ 23,648	\$ 43,150
Escrows and reserves	30,722	32,691	28,219	27,130	409,211	99,442
	<u>\$ 40,615</u>	<u>\$ 52,402</u>	<u>\$ 39,774</u>	<u>\$ 61,366</u>	<u>\$ 432,859</u>	<u>\$ 142,592</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2022

	Oakhaven Housing LLC	Clinton Avenue Townhomes LLC	Housing 150- Nicollet LLC	PCNF Nicollet LP	Development Projects	Total
Cash flows from operating activities:						
Change in net assets	\$ 7,549	\$ 83,662	\$ (37,330)	\$ 194,239	\$ -	\$ (376,223)
Adjustments to reconcile the change in net assets to net cash from operating activities:						
Depreciation and amortization	24,493	25,391	37,614	169,029	-	682,168
Amortization of refundable advances	-	-	-	(406,249)	-	(406,249)
Forgiveness of debt and refundable advances	-	(101,502)	-	-	-	(160,002)
Changes in operating assets and liabilities:						
Accounts receivable	(4,203)	1,363	(1,344)	(7,117)	-	12,715
Prepaid expenses	(278)	(4,747)	(1,000)	(17,868)	-	(182,315)
Accounts payable and accrued expenses	3,270	914	2,343	12,087	-	62,012
Accrued interest	(46)	-	-	12,776	-	33,600
Tenant security deposits	661	(648)	-	(924)	-	(7,738)
Net cash from operating activities	<u>31,446</u>	<u>4,433</u>	<u>283</u>	<u>(44,027)</u>	<u>-</u>	<u>(342,032)</u>
Cash flows from investing activities:						
Payments for property and equipment	<u>(27,675)</u>	<u>-</u>	<u>-</u>	<u>(7,115)</u>	<u>(512,445)</u>	<u>(1,054,654)</u>
Net cash from investing activities	<u>(27,675)</u>	<u>-</u>	<u>-</u>	<u>(7,115)</u>	<u>(512,445)</u>	<u>(1,054,654)</u>
Cash flows from financing activities:						
Payments of finance and tax credit fees	-	-	-	-	-	(49,976)
Proceeds from issuance of debt	-	-	-	-	-	576,919
Payments of principal on long-term debt	(18,491)	(18,794)	-	-	(1,004,137)	(1,169,323)
Receipts from refundable advances	-	-	-	-	1,300,000	1,324,298
Due to Beacon	-	-	-	(50,190)	216,582	477,044
Interfund transfers	(18,065)	-	-	-	-	281,796
Net cash from financing activities	<u>(36,556)</u>	<u>(18,794)</u>	<u>-</u>	<u>(50,190)</u>	<u>512,445</u>	<u>1,440,758</u>
Total increase (decrease)	(32,785)	(14,361)	283	(101,332)	-	44,072
Cash, cash equivalents and restricted cash, beginning of year	<u>166,179</u>	<u>101,098</u>	<u>334,563</u>	<u>167,802</u>	<u>-</u>	<u>1,346,983</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 133,394</u>	<u>\$ 86,737</u>	<u>\$ 334,846</u>	<u>\$ 66,470</u>	<u>\$ -</u>	<u>\$ 1,391,055</u>
Reconciliation to the statement of financial position:						
Cash	\$ 22,976	\$ 1,021	\$ 334,846	\$ 18,909	\$ -	\$ 519,945
Escrows and reserves	<u>110,418</u>	<u>85,716</u>	<u>-</u>	<u>47,561</u>	<u>-</u>	<u>871,110</u>
	<u>\$ 133,394</u>	<u>\$ 86,737</u>	<u>\$ 334,846</u>	<u>\$ 66,470</u>	<u>\$ -</u>	<u>\$ 1,391,055</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - AFFILIATED HOUSING ENTITIES

June 30, 2022

	FMF 38th Street	PCNF Creekside Commons LP	Lonoke LP	Prior Crossing Housing LP	Riverview Apartments Senior Housing	66 West Housing LP	Great River Landing Housing LP	Cranberry Ridge Housing LP	Lydia Apartments Housing LP	Bimosedaa Housing LP	Total
ASSETS											
Cash	\$ 47,789	\$ 52,904	\$ 7,485	\$ 10,671	\$ 5,176	\$ 12,834	\$ 6,770	\$ 18,034	\$ 3,872	\$ -	\$ 165,535
Accounts receivable	276	-	6,356	35,337	8,313	22,526	60,091	284,585	5,223	-	422,707
Prepaid expenses	7,985	25,429	9,508	17,802	13,874	9,171	23,674	15,626	33,039	-	156,108
Total current assets	56,050	78,333	23,349	63,810	27,363	44,531	90,535	318,245	42,134	-	744,350
Escrows and reserves	80,467	845,601	135,136	304,935	152,079	435,189	762,929	23,001	372,155	128,000	3,239,492
Property and equipment, net	1,568,240	5,461,333	2,359,453	8,821,008	6,344,038	9,124,836	16,089,820	15,484,180	13,558,968	6,437,944	85,249,820
Tax credit fees, net	-	-	26,728	20,182	-	20,640	33,723	83,707	-	-	184,980
Total assets	\$ 1,704,757	\$ 6,385,267	\$ 2,544,666	\$ 9,209,935	\$ 6,523,480	\$ 9,625,196	\$ 16,977,007	\$ 15,909,133	\$ 13,973,257	\$ 6,565,944	\$ 89,418,642
LIABILITIES AND NET ASSETS											
Accounts payable - operations	\$ 5,751	\$ 10,604	11,995	\$ 79,856	\$ 147,200	\$ 11,328	\$ 94,149	\$ 13,252	\$ 47,996	\$ -	\$ 422,131
Construction Payable	-	-	-	-	-	-	-	868,090	1,131,173	2,676,360	4,675,623
Current maturities of long-term debt	15,600	-	-	-	-	-	-	-	3,374,000	-	3,389,600
Accrued expenses	49,086	60,990	75,943	90,912	7,504	55,338	136,990	152,906	35,809	-	665,478
Accrued interest	201,062	-	-	-	-	-	-	-	-	-	201,062
Tenant security deposits	5,087	17,629	4,386	18,383	17,865	15,898	19,197	22,641	10,372	-	131,458
Total current liabilities	276,586	89,223	92,324	189,151	172,569	82,564	250,336	1,056,889	4,599,350	2,676,360	9,485,352
Deferred developer fee	-	-	-	-	-	-	-	900,000	889,989	-	1,789,989
Due to Beacon	-	9,075	69,844	308,000	-	941,400	800,000	700,000	265,713	1,064,834	4,158,866
Long-term debt, net	1,314,587	2,361,882	1,297,062	7,228,299	1,834,602	7,239,626	4,621,059	10,923,940	6,708,354	1,191,142	44,720,553
Accrued interest, long-term	126,096	301,079	102,316	-	169,173	47,892	-	11,375	-	-	757,931
Total liabilities	1,717,269	2,761,259	1,561,546	7,725,450	2,176,344	8,311,482	5,671,395	13,592,204	12,463,406	4,932,336	60,912,691
Net assets:											
Without donor restrictions:											
Undesignated	(12,512)	729,860	53,525	33,496	(1,919,764)	(130,170)	(186)	2,476	371,411	100,000	(771,864)
Noncontrolling interests	-	2,894,148	929,595	1,450,989	-	1,443,884	11,305,798	2,314,453	1,138,440	1,533,608	23,010,915
Total without donor restrictions	(12,512)	3,624,008	983,120	1,484,485	(1,919,764)	1,313,714	11,305,612	2,316,929	1,509,851	1,633,608	22,239,051
With donor restrictions	-	-	-	-	6,266,900	-	-	-	-	-	6,266,900
Total net assets	(12,512)	3,624,008	983,120	1,484,485	4,347,136	1,313,714	11,305,612	2,316,929	1,509,851	1,633,608	28,505,951
Total liabilities and net assets	\$ 1,704,757	\$ 6,385,267	\$ 2,544,666	\$ 9,209,935	\$ 6,523,480	\$ 9,625,196	\$ 16,977,007	\$ 15,909,133	\$ 13,973,257	\$ 6,565,944	\$ 89,418,642

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES - AFFILIATED HOUSING ENTITIES

For the Year Ended June 30, 2022

	FMF 38th Street	PCNF Creekside Commons, LP	Lonoke LP	Prior Crossing Housing LP	Riverview Apartments Senior Housing	66 West Housing LP	Great River Landing Housing LP	Cranberry Ridge Housing LP	Lydia Apartments Housing LP	Bimosedaa Housing LP	Total
Operating revenues and support:											
Government grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
Rent and housing assistance payments	216,655	375,392	156,087	335,322	348,550	439,819	483,275	29,043	336,297	-	2,720,440
Interest income - operations	198	44	174	453	185	641	1,143	-	962	-	3,800
Miscellaneous	541	6,996	503	13,380	2,671	1,696	11,896	-	20,333	-	58,016
Total operating revenues and support	<u>217,394</u>	<u>382,432</u>	<u>156,764</u>	<u>349,155</u>	<u>351,406</u>	<u>442,156</u>	<u>496,314</u>	<u>279,043</u>	<u>357,592</u>	<u>-</u>	<u>3,032,256</u>
Operating expenses	<u>188,992</u>	<u>325,566</u>	<u>207,716</u>	<u>454,162</u>	<u>341,010</u>	<u>454,779</u>	<u>641,081</u>	<u>75,945</u>	<u>402,931</u>	<u>-</u>	<u>3,092,182</u>
Operating income (loss)	28,402	56,866	(50,952)	(105,007)	10,396	(12,623)	(144,767)	203,098	(45,339)	-	(59,926)
Deferred interest - rental properties	(33,795)	(23,965)	(14,755)	-	(16,346)	(8,000)	-	-	-	-	(96,861)
Interest expense - finance fee amortization	(2,723)	(2,841)	(260)	(1,108)	-	(3,987)	(1,785)	(1,846)	(6,537)	-	(21,087)
Depreciation and amortization - rental properties	<u>(45,935)</u>	<u>(184,626)</u>	<u>(98,007)</u>	<u>(269,374)</u>	<u>(201,627)</u>	<u>(305,734)</u>	<u>(540,623)</u>	<u>(87,460)</u>	<u>(55,625)</u>	<u>-</u>	<u>(1,789,011)</u>
Change in net assets before investment activity	(54,051)	(154,566)	(163,974)	(375,489)	(207,577)	(330,344)	(687,175)	113,792	(107,501)	-	(1,966,885)
Contributions - noncontrolling interests	-	-	-	-	-	-	596,153	1,594,851	-	1,588,608	3,779,612
Distributions - noncontrolling interests	-	(18,221)	-	-	-	-	-	-	-	-	(18,221)
Syndication costs	-	-	-	-	-	-	-	(19,630)	(10,000)	(55,000)	(84,630)
Interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Change in net assets	(54,051)	(172,787)	(163,974)	(375,489)	(207,577)	(330,344)	(91,022)	1,689,013	(117,501)	1,633,608	1,809,876
Net assets, beginning of year	<u>41,539</u>	<u>3,796,795</u>	<u>1,147,094</u>	<u>1,859,974</u>	<u>4,554,713</u>	<u>1,644,058</u>	<u>11,396,634</u>	<u>627,916</u>	<u>1,627,352</u>	<u>-</u>	<u>26,696,075</u>
Net assets, end of year	<u>\$ (12,512)</u>	<u>\$ 3,624,008</u>	<u>\$ 983,120</u>	<u>\$ 1,484,485</u>	<u>\$ 4,347,136</u>	<u>\$ 1,313,714</u>	<u>\$ 11,305,612</u>	<u>\$ 2,316,929</u>	<u>\$ 1,509,851</u>	<u>\$ 1,633,608</u>	<u>\$ 28,505,951</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS - AFFILIATED HOUSING ENTITIES

For the Year Ended June 30, 2022

	FMF 38th Street	PCNF Creekside Commons, LP	Lonoke LP	Prior Crossing Housing LP	Riverview Apartment Senior Housing	66 West Housing LP	Great River Landing Housing LP	Cranberry Ridge Housing LP	Lydia Apartments Housing LP	Bimosedaa Housing LP	Total
Cash flows from operating activities:											
Change in net assets	\$ (54,051)	\$ (154,566)	\$ (163,974)	\$ (375,489)	\$ (207,577)	\$ (330,344)	\$ (687,175)	\$ 113,792	\$ (107,501)	\$ -	\$ (1,966,885)
Adjustments to reconcile the change in net assets to net cash from operating activities:											
Depreciation and amortization	48,658	187,467	98,267	270,482	201,627	309,721	542,408	89,306	62,162	-	1,810,098
Forgiveness of debt	-	-	-	(10,727)	-	-	-	-	-	-	(10,727)
Changes in operating assets and liabilities:											
Accounts receivable	155	845	(785)	7,252	(4,335)	(2,586)	97,575	(4,585)	517	-	94,053
Prepaid expenses	(7,361)	(25,429)	(9,425)	(16,626)	(2,289)	(8,021)	(22,961)	(15,626)	(8,598)	-	(116,336)
Accounts payable and accrued expenses	9,002	7,724	28,616	87,391	36,609	(14,840)	28,338	40,971	(42,571)	-	181,240
Accrued interest	20,036	23,965	14,755	-	16,346	8,000	-	-	-	-	83,102
Tenant security deposits	(245)	160	(1,531)	3,490	851	47	(6,351)	22,641	(222)	-	18,840
Net cash from operating activities	<u>16,194</u>	<u>40,166</u>	<u>(34,077)</u>	<u>(34,227)</u>	<u>41,232</u>	<u>(38,023)</u>	<u>(48,166)</u>	<u>246,499</u>	<u>(96,213)</u>	<u>-</u>	<u>93,385</u>
Cash flows from investing activities:											
Payments for property and equipment	(4,159)	(49,387)	(4,678)	-	(30,512)	-	-	(11,419,741)	(9,194,511)	(1,072,697)	(21,775,685)
Net cash from investing activities	<u>(4,159)</u>	<u>(49,387)</u>	<u>(4,678)</u>	<u>-</u>	<u>(30,512)</u>	<u>-</u>	<u>-</u>	<u>(11,419,741)</u>	<u>(9,194,511)</u>	<u>(1,072,697)</u>	<u>(21,775,685)</u>
Cash flows from financing activities:											
Payments of finance and tax credit fees	-	-	-	-	-	-	-	(340,730)	(108,410)	-	(449,140)
Proceeds from issuance of debt	-	-	-	-	-	-	-	9,509,397	8,520,225	191,142	18,220,764
Payments of principal on long-term debt	(14,622)	-	-	-	-	-	-	-	-	(170,000)	(184,622)
Due to Beacon	-	-	-	-	-	-	-	(56,611)	-	(454,053)	(510,664)
Capital contributions - noncontrolling interests	-	-	-	-	-	-	596,153	1,594,851	-	1,588,608	3,779,612
Syndication costs	-	-	-	-	-	-	-	(19,630)	(10,000)	(55,000)	(84,630)
Distributions - noncontrolling interests	-	(18,221)	-	-	-	-	-	-	-	-	(18,221)
Interfund transfers	-	-	-	-	-	-	-	-	-	100,000	100,000
Net cash from financing activities	<u>(14,622)</u>	<u>(18,221)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596,153</u>	<u>10,687,277</u>	<u>8,401,815</u>	<u>1,200,697</u>	<u>20,853,099</u>
Total increase (decrease)	(2,587)	(27,442)	(38,755)	(34,227)	10,720	(38,023)	547,987	(485,965)	(888,909)	128,000	(829,201)
Cash, cash equivalents and restricted cash, beginning of year	<u>130,843</u>	<u>925,947</u>	<u>181,376</u>	<u>349,833</u>	<u>146,535</u>	<u>486,046</u>	<u>221,712</u>	<u>527,000</u>	<u>1,264,936</u>	<u>-</u>	<u>4,234,228</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 128,256</u>	<u>\$ 898,505</u>	<u>\$ 142,621</u>	<u>\$ 315,606</u>	<u>\$ 157,255</u>	<u>\$ 448,023</u>	<u>\$ 769,699</u>	<u>\$ 41,035</u>	<u>\$ 376,027</u>	<u>\$ 128,000</u>	<u>\$ 3,405,027</u>
Reconciliation to the statement of financial position:											
Cash	\$ 47,789	\$ 52,904	\$ 7,485	\$ 10,671	\$ 5,176	\$ 12,834	\$ 6,770	\$ 18,034	\$ 3,872	\$ -	\$ 165,535
Escrows and reserves	80,467	845,601	135,136	304,935	152,079	435,189	762,929	23,001	372,155	128,000	3,239,492
	<u>\$ 128,256</u>	<u>\$ 898,505</u>	<u>\$ 142,621</u>	<u>\$ 315,606</u>	<u>\$ 157,255</u>	<u>\$ 448,023</u>	<u>\$ 769,699</u>	<u>\$ 41,035</u>	<u>\$ 376,027</u>	<u>\$ 128,000</u>	<u>\$ 3,405,027</u>

See independent auditor's report.

**Computation of Surplus Cash,
Distribution and Residual
Receipts**

**Minnesota Housing
Multifamily Department
Asset Management**

Project Name:	Abbott View (aka Stevens Court)	Fiscal Period Ended:	Loan #
Location:	Minneapolis	June 30, 2022	1264408

A. ALLOWABLE DISTRIBUTION

1 Partnership Initial Equity	
2 Rate of return on Equity	
3 Maximum Distribution (<i>per legal agreement</i>)	\$ 67,731
4 Allowable Distribution from Operations	36,775
5 Interest Earned on Development Cost Escrow	-
6 Allowable Distribution for Fiscal Year	36,775

B. COMPUTATION OF SURPLUS CASH

Cash	
7 Operating Cash Balance	\$ 43,150
8 Tenant Subsidy Receivable (Payable)	-
9 Interest Earned on Development Cost Escrow	-
10 Deposits to Residual Receipts	-
11 Deposits to FAF/DS savings	-
12 Other (describe): _____	-
(a) Cash Available to Meet Obligations (add lines 7 thru 12)	43,150
Current Obligations	
13 Accounts Payable Balance, trade	4,233
14 Accrued Interest on Amort. Mortgages	366
15 Accrued MHFA Annual Fee	-
16 Accrued FAF/FA Monthly Escrow	-
17 Prepaid rents	-
18 Other (describe): <u>Accrued expenses</u>	1,776
(b) Surplus Cash/(Deficiency) (line (a) minus Lines 13 thru 18)	\$ 36,775
19 Amount Available for Distribution	\$ 36,775
20 Net Amount to be Deposited to Residual Receipts	\$ -

C. COMPUTATION OF RESIDUAL RECEIPTS TRANSFER

21 Required Deposit (From Sec. B) (line 20)	\$ -
22 Less: Interest Earned on Development Cost Escrow	-
23 Deposits to Residual Receipts	-
24 Deposits to FAF/DS savings	-
25 Deposit required to Residual Receipts	\$ -
26 Transfer from Res. Receipts or FAF/DS to operations	\$ -

Was the Partnership in full compliance with all provisions of the "Distribution of Income and Assets" section of the first mortgage Regulatory Agreement with Minnesota Housing?

YES	NO
X	

If NO, please list below the noncompliance findings:

See independent auditor's report.

**Computation of Surplus Cash,
Distribution and Residual
Receipts**

**Minnesota Housing
Multifamily Department
Asset Management**

Project Name:	Oakhaven	Fiscal Period Ended:	Loan #
Location:	Minneapolis	June 30, 2022	1266209

A. ALLOWABLE DISTRIBUTION

1 Partnership Initial Equity	120,433
2 Rate of return on Equity	15%
3 Maximum Distribution (<i>per legal agreement</i>)	<u>\$ 18,065</u>
4 Allowable Distribution from Operations	<u>16,191</u>
5 Interest Earned on Development Cost Escrow	-
6 Allowable Distribution for Fiscal Year	<u>16,191</u>

B. COMPUTATION OF SURPLUS CASH

Cash	
7 Operating Cash Balance	\$ 22,976
8 Tenant Subsidy Receivable (Payable)	-
9 Interest Earned on Development Cost Escrow	-
10 Deposits to Residual Receipts	-
11 Deposits to FAF/DS savings	-
12 Other (describe): _____	-
	-
(a) Cash Available to Meet Obligations (add lines 7 thru 12)	<u>22,976</u>
Current Obligations	
13 Accounts Payable Balance, trade	1,363
14 Accrued Interest on Amort. Mortgages	1,343
15 Accrued MHFA Annual Fee	-
16 Accrued FAF/FA Monthly Escrow	-
17 Prepaid rents	-
18 Other (describe): <u>Accrued expenses</u>	4,079
	-
(b) Surplus Cash/(Deficiency) (line (a) minus Lines 13 thru 18)	<u>\$ 16,191</u>
19 Amount Available for Distribution	<u>\$ 16,191</u>
20 Net Amount to be Deposited to Residual Receipts	<u>\$ -</u>

C. COMPUTATION OF RESIDUAL RECEIPTS TRANSFER

21 Required Deposit (From Sec. B) (line 20)	\$ -
22 Less: Interest Earned on Development Cost Escrow	-
23 Deposits to Residual Receipts	-
24 Deposits to FAF/DS savings	-
25 Deposit required to Residual Receipts	<u>\$ -</u>
26 Transfer from Res. Receipts or FAF/DS to operations	<u>\$ -</u>

Was the Partnership in full compliance with all provisions of the "Distribution of Income and Assets" section of the first mortgage Regulatory Agreement with Minnesota Housing?

YES	NO
X	

If NO, please list below the noncompliance findings:

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

MANAGEMENT CERTIFICATION

For the Year Ended June 30, 2022

We hereby certify that we have examined the accompanying consolidated financial statements, notes and supplementary information of Beacon Interfaith Housing Collaborative and, to the best of our knowledge and belief, the same is complete and accurate.

By:_____

Date:_____

Title:_____