



**BEACON INTERFAITH
HOUSING COLLABORATIVE**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024



BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

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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, 2024, and the related consolidated statements of activities, 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, 2024, 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.

(Continued)

Other Matters

Report on Summarized Comparative Information

We have previously audited Beacon Interfaith Housing Collaborative’s 2023 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated November 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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 39 to 50 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 51 to 53 is presented for purposes of additional analysis as required by the *Audit Guide of the Minnesota Housing Finance Agency*. The information on pages 39 to 53 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 15, 2024, 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 15, 2024

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash - undesignated	\$ 655,636	\$ 625,082
Cash - board designated for operating reserve	2,258,747	1,973,747
Cash - board designated - other funds	737,342	737,342
Cash - operating funds for properties	677,717	712,542
Cash - donor-restricted for short-term purposes	813,796	1,314,867
Total cash	<u>5,143,238</u>	<u>5,363,580</u>
Accounts receivable, net	1,583,285	633,280
Government grants receivable, net	643,505	219,378
Contributions receivable, current portion	514,039	469,561
Prepaid expenses	430,984	304,473
Total current assets	<u>8,315,051</u>	<u>6,990,272</u>
Notes and other receivables, net	-	55,195
Predevelopment costs	414,527	949,886
Escrows and reserves	5,105,720	4,690,567
Contributions receivable, less current portion, net	505,907	597,357
Cash - board designated for predevelopment housing fund	436,285	1,397,054
Contributions receivable restricted for housing development	187,500	287,500
Property and equipment, net	151,914,454	119,097,851
Right-of-use asset, net	77,900	129,649
Tax credit fees, net	276,188	191,027
Total assets	<u>\$ 167,233,532</u>	<u>\$ 134,386,358</u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
Accounts payable - operations	\$ 1,469,528	\$ 1,146,183
Current maturities of long-term debt	3,321,997	1,286,342
Current portion of lease liability	55,052	51,286
Accrued expenses	1,166,293	1,224,343
Accrued interest	2,233	2,393
Tenant security deposits	310,386	271,783
Other current liabilities	18,539	24,927
Total current liabilities	<u>6,344,028</u>	<u>4,007,257</u>
Construction payables	4,422,839	4,748,846
Long-term debt, net	100,998,130	71,713,772
Long-term portion of lease liability	23,960	79,013
Accrued interest, long-term	1,547,991	1,331,459
Refundable advances	9,335,740	8,203,619
Total liabilities	<u>122,672,688</u>	<u>90,083,966</u>
Net assets:		
Without donor restrictions:		
Undesignated	3,450,755	3,324,054
Board designated - predevelopment housing fund	1,491,197	1,591,197
Board designated - operating reserve	2,258,747	1,973,747
Board designated - other funds	737,342	737,342
Noncontrolling interests	28,544,661	27,959,105
Total without donor restrictions	<u>36,482,702</u>	<u>35,585,445</u>
With donor restrictions	8,078,142	8,716,947
Total net assets	<u>44,560,844</u>	<u>44,302,392</u>
Total liabilities and net assets	<u>\$ 167,233,532</u>	<u>\$ 134,386,358</u>

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating revenues and support:				
Contributions	\$ 1,959,490	\$ 1,557,451	\$ 3,516,941	\$ 4,868,763
Contributions in-kind	-	-	-	64,230
Government grants	3,709,209	-	3,709,209	2,242,825
Rent and housing assistance payments	6,943,282	-	6,943,282	5,816,258
Bad debt - rents	(553,208)	-	(553,208)	(283,409)
Fee income	1,485,000	-	1,485,000	1,074,784
Interest income	230,171	-	230,171	81,973
Miscellaneous	128,032	-	128,032	176,970
Net assets released from restrictions	1,686,086	(1,686,086)	-	-
Total operating revenues and support	15,588,062	(128,635)	15,459,427	14,042,394
Operating expenses:				
Program services:				
Housing operations	8,751,144	-	8,751,144	8,121,802
Supportive services	3,118,945	-	3,118,945	2,199,933
Housing development	1,157,355	-	1,157,355	1,029,345
Shelter programs (Families Moving Forward)	-	-	-	591,115
Policy	532,389	-	532,389	625,419
Total program services	13,559,833	-	13,559,833	12,567,614
Support services:				
Management and general	1,740,679	-	1,740,679	1,371,793
Fundraising	1,142,219	-	1,142,219	1,197,251
Total operating expenses	16,442,731	-	16,442,731	15,136,658
Operating loss	(854,669)	(128,635)	(983,304)	(1,094,264)
Other revenues (expenses):				
Forgiveness of debt and refundable advances	533,924	-	533,924	71,500
Contributions and grants for property acquisition	-	85,000	85,000	250,000
Net assets released from restrictions for housing development	595,170	(595,170)	-	-
Amortization of refundable advances	446,249	-	446,249	446,249
Insurance proceeds, net of expenses	35,235	-	35,235	-
Deferred interest - rental properties	(102,748)	-	(102,748)	(102,629)
Interest expense - finance fee amortization	(37,116)	-	(37,116)	(62,168)
Depreciation and amortization - rental properties	(3,945,415)	-	(3,945,415)	(3,168,091)
Change in allowance for contributions	(51,764)	-	(51,764)	(824,898)
Change in net assets	(3,381,134)	(638,805)	(4,019,939)	(4,484,301)
Net assets, beginning of year	35,585,445	8,716,947	44,302,392	40,513,883
Capital contributions - noncontrolling interests	4,326,154	-	4,326,154	8,290,966
Syndication costs - noncontrolling interests	(47,763)	-	(47,763)	(18,156)
Net assets, end of year	\$ 36,482,702	\$ 8,078,142	\$ 44,560,844	\$ 44,302,392

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	2024				2023		Total	2023
	Program Services			Policy	Support Services			
	Housing Operations	Supportive Services	Housing Development			Management and general	Fundraising	
Salaries	\$ -	\$ 526,708	\$ 728,948	\$ 383,535	\$ 1,059,920	\$ 825,394	\$ 3,524,505	\$ 3,554,384
Payroll taxes	-	41,974	58,090	30,564	84,466	65,776	280,870	265,618
Benefits	-	65,953	91,277	48,025	132,720	103,352	441,327	455,735
Total salaries and related	-	634,635	878,315	462,124	1,277,106	994,522	4,246,702	4,275,737
Occupancy and property expense	-	28,850	27,525	14,482	40,023	31,167	142,047	255,641
Office and staff expense	-	35,385	48,972	25,766	71,207	55,340	236,670	272,509
Professional fees	-	81,303	162,490	28,953	330,251	26,456	629,453	463,976
Meetings and events	-	-	6,461	399	6,042	23,126	36,028	77,508
Contributed goods and services	-	-	-	-	-	-	-	64,230
Direct client assistance	-	9,660	-	-	-	-	9,660	233,099
Contracted program services	-	2,327,779	-	-	-	-	2,327,779	1,697,956
Miscellaneous	-	420	32,329	-	14,213	10,180	57,142	71,292
Depreciation and amortization	-	913	1,263	665	1,837	1,428	6,106	23,391
	-	3,118,945	1,157,355	532,389	1,740,679	1,142,219	7,691,587	7,435,339
Residential rental property expenses:								
Staffing	1,579,279	-	-	-	-	-	1,579,279	1,605,110
Management fees	743,464	-	-	-	-	-	743,464	445,788
Administrative	379,220	-	-	-	-	-	379,220	480,314
Professional fees	235,269	-	-	-	-	-	235,269	161,460
Utilities	994,073	-	-	-	-	-	994,073	962,654
Operating and maintenance	3,518,100	-	-	-	-	-	3,518,100	2,689,824
Insurance	358,684	-	-	-	-	-	358,684	295,095
Taxes	692,840	-	-	-	-	-	692,840	737,554
Interest	250,215	-	-	-	-	-	250,215	323,520
Total operating expenses	8,751,144	3,118,945	1,157,355	532,389	1,740,679	1,142,219	16,442,731	15,136,658
Deferred interest - rental properties	102,748	-	-	-	-	-	102,748	102,629
Interest expense - finance fee amortization	37,116	-	-	-	-	-	37,116	62,168
Depreciation and amortization - rental properties	3,945,415	-	-	-	-	-	3,945,415	3,168,091
Change in allowance for contributions	-	-	-	-	-	51,764	51,764	824,898
	<u>\$ 12,836,423</u>	<u>\$ 3,118,945</u>	<u>\$ 1,157,355</u>	<u>\$ 532,389</u>	<u>\$ 1,740,679</u>	<u>\$ 1,193,983</u>	<u>\$ 20,579,774</u>	<u>\$ 19,294,444</u>

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ (4,019,939)	\$ (4,484,301)
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation and amortization	3,988,637	3,253,650
Bad debt	608,403	-
Contributions and grants for property acquisition	(85,000)	(250,000)
Change in allowance for contributions	51,764	824,898
Loss on disposal of property and equipment	58,200	24,748
Loss on disposal of finance fees	-	59,831
Amortization of refundable advances	(446,249)	(446,249)
Reduction in right-of-use asset	51,749	62,008
Forgiveness of debt and refundable advances	(533,924)	(71,500)
Change in operating assets and liabilities:		
Accounts receivable	(1,158,263)	(137,915)
Government grants receivable	(424,127)	234,145
Contributions receivable	(4,792)	(159,650)
Prepaid expenses	(126,510)	84,271
Lease liability	(51,287)	(61,359)
Accounts payable and accrued expenses	589,817	(2,029)
Accrued interest	216,372	135,894
Tenant security deposits	38,603	47,084
Other current liabilities	(6,388)	(30,073)
Net cash from operating activities	<u>(1,252,934)</u>	<u>(916,547)</u>
Cash flows from investing activities:		
Payments for property and equipment	(38,184,146)	(18,243,228)
Change in predevelopment costs, net	535,359	(612,623)
Net cash from investing activities	<u>(37,648,787)</u>	<u>(18,855,851)</u>
Cash flows from financing activities:		
Payments of finance and tax credit fees	(315,624)	(3,300)
Proceeds from issuance of long-term debt	35,513,014	19,071,958
Payments of principal on long-term debt	(3,544,935)	(11,070,349)
Refundable advances received	2,019,917	2,060,702
Capital contributions - noncontrolling interests	4,326,154	8,290,966
Syndication costs	(47,763)	(18,156)
Contributions and grants for property acquisition	185,000	62,500
Net cash from financing activities	<u>38,135,763</u>	<u>18,394,321</u>
Total decrease	(765,958)	(1,378,077)
Cash, cash equivalents and restricted cash, beginning of year	<u>11,451,201</u>	<u>12,829,278</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 10,685,243</u>	<u>\$ 11,451,201</u>
Reconciliation to the statement of financial position:		
Total cash	\$ 5,143,238	\$ 5,363,580
Escrows and reserves	5,105,720	4,690,567
Cash - board designated for predevelopment housing fund	436,285	1,397,054
	<u>\$ 10,685,243</u>	<u>\$ 11,451,201</u>
Supplemental cash flow information:		
Cash paid for interest, net capitalized interest	\$ 266,362	\$ 354,529
Right-of-use asset obtained in exchange for operating lease obligation	-	194,927
Noncash investing and financing activities:		
Property and equipment included in construction payables and other accrued expenses	5,657,230	1,638,574
Loan proceeds used to pay for property and finance fees	20,694,322	-
Property and equipment rebates included in accounts receivable	344,950	-

See accompanying notes to consolidated financial statements.

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

1. ORGANIZATION

Beacon Interfaith Housing Collaborative (Beacon) is a 501(c)(3) nonprofit organization. Beacon is changing the landscape of home through the power of our collaborative of congregations that advocates to create new, deeply affordable homes, invests in residents through wrap-around supportive services, and champions transformative policy solutions to ensure all people have a home. Beacon provides nearly 800 homes across the Twin Cities – two-thirds of which have on-site supportive services – and has more than 200 homes in development.

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 (69 units) acquired in May 2010. Rehab on the building began in April 2022 and was substantially completed in June 2023.
- 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, 2024
(With Comparative Totals for 2023)

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.
- Vista 44 LLC Formed to construct, own, and operate Vista 44 apartments (50 units). Construction of the project was substantially completed in June 2024.
- Emerson Village LLC Formed to construct, own, and operate Emerson Village apartments (40 units). Construction of the project is ongoing at June 30, 2024.
- 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 Apartments LLC The LLC is the general partner in Lydia Apartments Housing LP.
- Cranberry Ridge LLC The LLC is the general partner in Cranberry Ridge LP.
- Bimosedaa LLC and Bimosedaa Co-GP LLC Formed to be the general partners in Bimosedaa Housing LP.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

1. ORGANIZATION (Continued)

- Development Projects:

- Beacon Acquisition LLC Functions to acquire and hold property pending development. At June 30, 2024, held the properties to be used for the planned Kimball Court, Prairie Pointe, Gladstone Crossing, and Aragon projects.

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 was placed into service in October 2022.
- Bimosedaa Housing LP General partners interest (.01%) in partnership formed to develop, own and operate Bimosedaa (80 units). The project was placed into service in December 2023.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

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, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards Adopted - Effective July 1, 2023, Beacon adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires entities to utilize an “expected losses” model for estimating most credit losses. The adoption did not result in a significant change in amounts reported in the statement of operations and there was no cumulative-effect adjustment to net assets at the time of adoption.

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, 2023, from which the summarized information was derived.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2024 and 2023, deposits exceeded the insured limit by approximately \$2,108,000 and \$1,540,000.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances and are noninterest bearing. Management periodically assesses the collectability of accounts receivable and establishes allowances for accounts deemed to be uncollectible based on historical experience, relevant economic conditions, and the financial stability of the tenants. Changes to the allowances are charged to bad debts, which is presented as an adjustment of rental revenue when related to rent receivable. Other bad debts are presented as an operating expense. The allowance was \$157,716 and is \$94,470 at June 30, 2024 and 2023, respectively.

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 5% - 10% is used for receivables due with the next five years and an allowance of 60% – 100% 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.

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.

Leases – Beacon assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Beacon currently has one lease, which is classified as an operating lease.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Right-of-use (ROU) assets represent Beacon's right to use an underlying asset for the lease term, and lease liabilities represent Beacon's obligation to make lease payments. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Beacon uses the implicit rate when it is readily determinable. Management uses a risk-free rate to determine the present value of lease payments when a lease does not provide an implicit rate.

Lease expense is recognized on a straight-line basis over the lease term.

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.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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, 2024
(With Comparative Totals for 2023)

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 credits 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, 2024
(With Comparative Totals for 2023)

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 2024 or 2023 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, 2023 financial statements in order for them to conform to the June 30, 2024 presentation. These reclassifications had no effect on total net assets.

3. CONTRIBUTIONS RECEIVABLE

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

2025	\$ 880,187
2026	292,122
2027	180,735
2028	72,813
2029	24,120
Thereafter	23,248
	<hr/>
	1,473,225
Less discounts to net present value (2%)	(29,120)
Less allowance (5 - 100%)	(236,659)
	<hr/>
	1,207,446
Less portion restricted for housing development	(187,500)
Less current portion	(514,039)
	<hr/>
Contributions receivable, long-term portion	\$ 505,907

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.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

4. ESCROWS AND RESERVES (Continued)

Escrows and reserves consist of the following:

	<u>2024</u>	<u>2023</u>
Security deposits	\$ 297,888	\$ 286,783
Tax and insurance escrows	464,242	409,236
Replacement reserves	1,371,062	1,452,085
Operating reserves	1,712,970	1,256,251
Revenue deficit reserves	636,254	627,240
Interest reserve	375,658	588,211
Other reserves	247,646	70,761
	<u>\$ 5,105,720</u>	<u>\$ 4,690,567</u>

Any escrows and reserves held by Minnesota Housing Finance Agency (MHFA) are in a common pool primarily invested in cash, cash equivalents, and U.S. government agency securities 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:

	<u>2024</u>	<u>2023</u>
Northview	\$ 57,730	\$ 18,295
Astor Commons	290,221	175,508
Gladstone Crossing	-	129,968
Emerson Village	-	625,975
Aragon	65,476	-
Other	1,100	140
	<u>\$ 414,527</u>	<u>\$ 949,886</u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2024	2023	Estimated useful lives (years)
	<u> </u>	<u> </u>	
Land	\$ 14,951,805	\$ 14,618,967	-
Buildings and improvements	143,807,105	98,767,512	20-40
Land improvements	2,836,161	3,032,790	5-20
Leasehold improvements	259,076	259,076	6-10
Equipment	4,252,341	3,574,136	3-9
Construction in progress	12,501,091	21,787,836	-
	<u>178,607,579</u>	<u>142,040,317</u>	
Less accumulated depreciation	<u>(26,693,125)</u>	<u>(22,942,466)</u>	
	<u>\$ 151,914,454</u>	<u>\$ 119,097,851</u>	

Depreciation expense charged to operations was \$3,923,596 in 2024 and \$3,160,061 in 2023.

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

	2024	2023
	<u> </u>	<u> </u>
Bimosedaa	\$ -	\$ 16,058,244
Prairie Pointe	700,376	387,615
Vista 44	-	4,269,628
Kimball Court	1,311,221	1,072,349
Emerson Village	9,943,514	-
North Haven	280,669	-
Gladstone Crossing	265,311	-
	<u>\$ 12,501,091</u>	<u>\$ 21,787,836</u>

Amortization of \$46,392 and \$89,808 was capitalized in 2024 and 2023. Interest of \$145,177 and \$64,274 was capitalized in 2024 and 2023.

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).

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

7. INVESTMENT IN UNCONSOLIDATED LIMITED PARTNERSHIP (Continued)

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, 2023 follows:

BALANCE SHEET

Property and equipment, net	\$	4,383,312
Cash		48,643
Reserves and escrows		167,156
Receivables and prepaid expenses		30,040
Other assets, net		2,915
		<hr/>
	\$	4,632,066
		<hr/>
Debt, net	\$	2,692,128
Accounts payable and accrued expenses		187,384
Other liabilities		45,792
		<hr/>
		2,925,304
		<hr/>
Partners' equity		1,706,762
		<hr/>
	\$	4,632,066
		<hr/>

STATEMENT OF OPERATIONS

Operating revenue	\$	410,918
Operating expenses		(380,455)
Depreciation and amortization		(218,409)
		<hr/>
Net loss	\$	(187,946)
		<hr/>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT

Debt consists of the following:

	<u>2024</u>	<u>2023</u>
Beacon		
Bethlehem Lutheran Church Foundation – Note with 2% interest, due December 31, 2023. On January 1, 2024, this note was amended to increase interest to 3%, and due December 31, 2024.	\$ 200,000	\$ 200,000
Otto Bremer Trust – Note with 1.5% interest, due January 14, 2025.	2,000,000	1,500,000
Development Projects:		
Bremer Bank* - Mortgage with 7.75% interest, due in monthly installments of interest through March 2025 (Prairie Pointe Development).	476,800	476,800
Bremer Bank* - Mortgage with 7.75% interest, due in monthly installments of interest through August 2024 (Kimball Court Development).	481,000	496,000
Bremer Bank* - Mortgage with interest at the US Prime Rate less .75% (7.75% at June 30, 2024), due in monthly installments of interest through the earlier of closing or October 2026 (Gladstone Crossing Development).	364,000	-
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
Hennepin County HRA – Mortgage with 1% interest, due in December 2053.	167,332	-
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

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT (Continued)

	<u>2024</u>	<u>2023</u>
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.	158,199	168,051
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	523,527
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 – Two mortgages without interest, due in May 2040.	1,888,046	1,888,046
Saint Paul CDBG – Mortgage without interest, due in April 2052.	750,000	712,500
MHFA – Two mortgages without interest, due in April 2052.	2,377,420	2,088,161
Oakhaven Housing LLC		
MHFA – Mortgage with 3% interest, due in monthly installments of \$2,909 through February 2043.	498,488	518,121

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT (Continued)

	<u>2024</u>	<u>2023</u>
Housing 150 LLC		
MHFA – Mortgage with .5% interest, due in monthly installments of \$4,384 through November 2039.	\$ 780,366	\$ 828,938
City of Minneapolis – Mortgage with 1% interest, due in March 2039.	530,000	530,000
Clinton Avenue Townhomes LLC		
MHFA – Mortgage without interest, due in monthly installments of \$1,566 through September 2052.	530,935	549,729
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
Family Housing Fund – Mortgage with 1% interest, due in February 2040.	100,000	100,000
Vista 44 LLC		
MHFA – Mortgage in the amount up to \$14,118,000 without interest, due in March 2054.	12,976,030	-
MHFA – Mortgage without interest, due in March 2054.	400,000	400,000
Hennepin County HRA – Mortgage with 1% simple interest, due in December 2054.	250,000	250,000
Hennepin County HRA – Mortgage without interest, due in December 2054.	100,000	-
Hennepin County HOME – Mortgage with 1% simple interest, due in December 2054.	4,630,000	1,592,148
Emerson Village LLC		
MHFA – Two mortgages in the amount up to \$14,503,506 without interest, due in October 2054.	4,093,017	-
Hennepin County HRA – Two mortgages without interest, due in December 2055.	2,000,000	-

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT (Continued)

	2024	2023
FMF 38th Street Development, LLLP		
MHFA – Mortgage with 6.5% interest due in varying monthly installments through January 2034.	\$ 228,386	\$ 245,031
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
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

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT (Continued)

	<u>2024</u>	<u>2023</u>
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
Greater Minnesota Housing Fund – Mortgage with interest at 4.30% due in monthly installments of \$13,362, and all outstanding principal is due in February 2047.	2,631,582	2,674,022
Lydia Apartments Housing LP		
MHFA – Housing Infrastructure Bonds without interest due in June 2061. In 2024, \$3,374,000 was repaid upon receipt of the third capital installment.	4,226,000	7,600,000
City of Minneapolis – Three mortgages without interest, due in December 2061.	2,900,000	2,885,825
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
Hennepin County – Three mortgages without interest, due in December 2061.	1,077,544	1,077,544

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT (Continued)

	<u>2024</u>	<u>2023</u>
Bimosedaa Housing LP		
City of Minneapolis – Mortgage with 1% simple interest, due in August 2050. In March 2022, this was modified to 2.14% compounded interest, due in March 2062.	\$ 1,000,000	\$ 1,000,000
Hennepin County – Mortgage without interest, due March 2052.	500,000	500,000
City of Minneapolis – Two mortgages with no interest due in March 2052. \$506,873 remains to be drawn.	1,928,127	1,928,127
MHFA – Mortgage with no interest, in the amended amount of \$14,290,000, with \$4,567,000 due in December 2024. Payments of \$1,004,000 are due in December for the next four years. The remaining balance is due in March 2062.	14,290,000	6,490,934
Bremer Bank – Mortgage in the original amount of \$4,870,518, with monthly interest payments through October 15, 2028 (the maturity date), at the one-month term SOFR plus 2.15% per annum (7.48% at June 30, 2024), with a floor at 3.50%. Annual principal payments are due beginning on October 15, 2024 and ending on the maturity date in the greater of 1) the sum of Minnesota Historic Tax Credits arising out of the Project and payable for the immediately preceding year, or 2) \$974,104. \$735,735 remains available to be drawn on at June 30, 2024.	<u>4,134,784</u>	<u>-</u>
	105,568,194	73,600,115
Less current maturities of debt	(3,321,997)	(1,286,342)
Less unamortized finance fees	<u>(1,248,067)</u>	<u>(600,001)</u>
	<u>\$ 100,998,130</u>	<u>\$ 71,713,772</u>

*Loans with recourse

Bimosedaa Housing LP is expecting to use a portion of the proceeds from the Limited Partner’s second capital installment to repay \$4,567,000 of the MHFA debt that is due in December 2024. As a result, this debt is included in long-term debt, net on the consolidated statement of financial position.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

8. DEBT (Continued)

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

2025	\$ 3,321,997
2026	1,372,942
2027	1,541,913
2028	5,430,546
2029	1,175,551
Thereafter	<u>92,725,245</u>
	<u>\$ 105,568,194</u>

9. REFUNDABLE ADVANCES

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 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.

	<u>2024</u>	<u>2023</u>
	\$ 812,492	\$ 1,218,741

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.

-	40,000
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(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

9. **REFUNDABLE ADVANCES (Continued)**

	<u>2024</u>	<u>2023</u>
<p>Ten grants from Federal Home Loan Bank for the rehabilitation of the Lydia; Abbott View; Riverview; Nokoma; Prior Crossing; 66 West; Great River Landing; Bimosedaa, and Vista 44 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 2032 and 2040 provided the properties maintain compliance with the low-income housing requirements of the grant agreements. One grant (Nokoma) was forgiven one grant (Emerson Village) was received in 2024.</p>	\$ 5,208,331	\$ 4,564,878
<p>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.</p>	745,000	745,000
<p>Two grants from Hennepin County for the construction of the Vista 44 project. The grants will be forgiven if the project is completed within two years of the execution of the grant agreements.</p>	130,000	-
<p>Two forgivable loans from the City of Hopkins without interest. The loans will be forgiven after a fifteen-year affordability period. (Vista 44 Development).</p>	1,672,300	1,300,000
<p>Two grants from the City of Minneapolis for the Emerson Village project. One grant (\$92,617) will be forgiven if the project is completed within two years of the execution of the grant agreement, and one grant (\$675,000) will be forgiven at the end of the affordability period.</p>	767,617	-

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

9. **REFUNDABLE ADVANCES (Continued)**

	<u>2024</u>	<u>2023</u>
Grant from the City of Saint Paul for the 352 Wacouta rehab project. The grant was forgiven at the end of construction in 2024.	-	335,000
	<u>\$ 9,335,740</u>	<u>\$ 8,203,619</u>

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:

	<u>2024</u>	<u>2023</u>
Not subject to appropriation or expenditure:		
HUD capital advance - Riverview	\$ 6,056,900	\$ 6,056,900
Expendable for specified purposes:		
Housing supportive services	322,857	802,149
Housing development	442,426	955,134
Other	48,513	62,134
Subject to the passage of time	<u>1,207,446</u>	<u>840,630</u>
	<u>\$ 8,078,142</u>	<u>\$ 8,716,947</u>

Net assets with donor restrictions consist of cash of \$813,796, contributions receivable of \$1,207,446, and property and equipment of \$6,056,900 as of June 30, 2024.

Net assets with donor restrictions consist of cash of \$1,305,629, contributions receivable of \$1,354,418, and property and equipment of \$6,056,900 as of June 30, 2023.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

12. NONCONTROLLING INTERESTS

Changes in net assets attributed to controlling and noncontrolling interests for the years ended June 30, 2024 and 2023 follows:

	<u>Total</u>	<u>Controlling</u>	<u>Noncontrolling</u>
Net assets, June 30, 2022	\$ 40,513,883	\$ 17,502,968	\$ 23,010,915
Capital contributions	8,290,966	-	8,290,966
Syndication costs	(18,156)	-	(18,156)
Change in net assets	<u>(4,484,301)</u>	<u>(1,159,681)</u>	<u>(3,324,620)</u>
Net assets, June 30, 2023	44,302,392	16,343,287	27,959,105
Capital contributions	4,326,154	-	4,326,154
Syndication costs	(47,763)	-	(47,763)
Change in net assets	<u>(4,019,939)</u>	<u>(327,104)</u>	<u>(3,692,835)</u>
Net assets, June 30, 2024	<u>\$ 44,560,844</u>	<u>\$ 16,016,183</u>	<u>\$ 28,544,661</u>

13. CONTRIBUTED GOODS AND SERVICES

Prior to 2024, emergency shelter guests received meals and a place to sleep at various Minneapolis/St. Paul metropolitan churches under 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 2023, the churches were not able to provide these services to emergency shelter guests due to the pandemic. Alternatively, donated hotel rooms were used for these services. Revenue and expenses for meals and rooms have been recorded at an estimated fair market value of \$64,230 for 2023, as determined using an estimated value of \$15 per night per guest based on an average cost of meals. There were no donated goods or services in 2024 and 2023. Beginning in fiscal year 2024, these services were provided by a different organization.

14. LEASES

Beacon leases 4,450 square feet of office space under an operating lease agreement with monthly payments starting at \$4,647, increasing \$93/month annually, plus a pro-rata share of operating expenses through November 30, 2025. The variable lease expense under the lease for 2024 and 2023 was \$50,953 and \$59,952. Fixed lease expense for 2024 and 2023 was \$56,407 and \$64,586. Cash paid for amounts included in the measurement of lease liabilities was \$63,937 for the years ended June 30, 2024 and 2023.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

14. **LEASES (Continued)**

The remaining lease term is 1.34 years at June 30, 2024, and the discount rate used in the calculations was 5.00%.

Beacon leased space from a congregation for its shelter programs under a short-term lease agreement that ended February 28, 2023, with monthly payments of \$2,917. In 2023, the lease was extended to June 30, 2023, with monthly payments remaining at \$2,917. The lease expired and was not extended beyond June 30, 2023. Short-term lease expense for 2023 was \$35,004.

Future minimum lease payments are as follows for the years ended June 30:

2024 (less interest of \$2,467)	\$	55,052
2025		23,960
Thereafter		-
		<u>79,012</u>
Less: present value discount		(200)
	\$	<u><u>78,812</u></u>

15. **MINIMUM FUTURE RENTAL RECEIPTS**

Housing 150-Nicollet LLC leases commercial space in Nicollet Square apartments to three tenants under long-term lease agreements with initial terms of five 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:

2025	\$	81,720
2026		84,600
2027		78,080
2028		2,960
	\$	<u><u>247,360</u></u>

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

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 \$150,339 and \$146,209 for 2024 and 2023.

17. RELATED PARTY TRANSACTIONS

Fee income includes uneliminated development fees of \$423,900 from Vista 44 LLC, \$295,792 from Bimosedaa Housing LP, and \$653,310 from Emerson Village LLC in 2024. Fee income includes uneliminated development fees of \$375,300 from Vista 44 LLC, \$59,528 from Lydia Apartments Housing LP, \$464,816 from Bimosedaa Housing LP, and \$117,600 from American House in 2023.

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.

	2024	Expiration date
	<u>rental revenues</u>	<u></u>
Lydia Apartments	\$ 607,020	June 2041
Creekside Commons	191,409	October 2025
FMF 38 th Street	178,372	July 2028
Housing 150 LLC	168,073	June 2027
Oakhaven Housing LLC	51,971	January 2033
Clinton Avenue Townhomes LLC	58,909	August 2026
Riverview Apartments Senior Housing	182,759	November 2024
Prior Crossing	286,518	September 2031

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

18. CONTINGENCIES AND COMMITMENTS (Continued)

Great River Landing entered into a Housing Assistance Payments Contract with Minneapolis Public Housing Authority (MPHA) for 40 efficiency apartment units with an expiration date of August 23, 2025. Great River Landing received housing assistance payments of \$378,675 and \$189,251 in 2024 and 2023.

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 \$63,075 and \$53,984 in 2024 and 2023.

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 \$266,633 and \$245,029 in 2024 and 2023.

Prior Crossing entered into a Section 8 HAP contract for 32 of the 44 units with a term of 15 years, expiring September 15, 2031. 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, expiring June 30, 2025.

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.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

18. CONTINGENCIES AND COMMITMENTS (Continued)

The Bimosedaa development project has been awarded approximately \$2.2 million in grants, \$11.6 million in equity, and \$22.8 million in loan commitments. Funds remaining to be received from all sources total approximately \$11.2 million. A third closing occurred September 12, 2024, advancing additional funding that is included in the commitments previously listed.

Vista 44 development project has been awarded approximately \$900,000 in grants, \$300,000 in equity, and \$20.5 million in loan commitments. Funds remaining to be received total approximately \$1.9 million. The property also entered into a construction contract totaling \$17 million of which approximately \$500,000 remains to be completed.

Emerson Village LLC has obtained grants, loans, and equity commitments for the development of the property totaling approximately \$20 million. Funds remaining to be received total approximately \$12.5 million. The property also entered into a construction contract totaling \$16.8 million of which \$9 million remains to be completed.

Beacon development and predevelopment projects have obtained approximately \$1.4 million in grants, \$21.8 million in loan commitments and \$7.2 million in equity commitments.

On March 5, 2024, Beacon entered into a purchase agreement to acquire vacant land for the amount of \$1,350,000 or \$1,300,000 if certain conditions specified in the agreement are met. Upon execution of the agreement, Beacon paid the seller \$40,000 as specified in the agreement. This amount will be credited to the final sales price at the closing date.

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. The contract expires February 28, 2026.

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 for Housing services of \$1,287,455 at June 30, 2024.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

19. **LIQUIDITY AND AVAILABILITY**

At June 30, 2024, resources available for general expenditures within one year of the statement of financial position date are as follows:

	2024	2023
Cash – undesignated	\$ 655,636	\$ 628,294
Cash – operating funds for properties	677,717	712,542
Cash – donor restricted (short-term)	709,633	1,113,762
Cash – other board designated (short-term)	737,342	737,342
Accounts receivable	1,583,285	633,280
Government grants receivable	643,505	219,378
Contributions receivable, current portion	326,539	369,561
Financial assets available to meet general expenditures over the next twelve months	\$ 5,333,657	\$ 4,414,159

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 \$2,258,747. 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.

(Continued)

BEACON INTERFAITH HOUSING COLLABORATIVE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

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

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, 2024.

20. **SUBSEQUENT EVENTS**

In September and October 2024, the Beacon development and predevelopment projects received an additional \$40 million in capital and loan commitments.

Management has evaluated subsequent events through November 15, 2024, 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, 2024

	Beacon	Wholly owned		Subtotal	Affiliates			Total
		Entities	Eliminations		FMF Housing	Housing Entities	Eliminations	
ASSETS								
Cash	\$ 4,465,521	\$ 314,200	\$ -	\$ 4,779,721	\$ 100,632	\$ 262,885	\$ -	\$ 5,143,238
Accounts receivable, net	209,704	1,600,548	(872,249)	938,003	-	798,225	(152,943)	1,583,285
Government grants receivable, net	643,505	-	-	643,505	-	-	-	643,505
Contributions receivable, current portion	514,039	-	-	514,039	-	-	-	514,039
Prepaid expenses	347,355	22,278	-	369,633	-	61,351	-	430,984
Total current assets	<u>6,180,124</u>	<u>1,937,026</u>	<u>(872,249)</u>	<u>7,244,901</u>	<u>100,632</u>	<u>1,122,461</u>	<u>(152,943)</u>	<u>8,315,051</u>
Investment in subsidiaries	33,000	-	(33,000)	-	33,551	-	(33,551)	-
Notes and other receivables, net	10,688,844	-	(3,242,780)	7,446,064	456,000	-	(7,902,064)	-
Predevelopment costs	5,723,133	-	(2,615,077)	3,108,056	-	-	(2,693,529)	414,527
Interest receivable	42,007	-	(18,179)	23,828	242,102	-	(265,930)	-
Escrows and reserves	-	1,405,450	-	1,405,450	-	3,700,270	-	5,105,720
Contributions receivable, less current portion	505,907	-	-	505,907	-	-	-	505,907
Cash - board designated for predevelopment housing fund	436,285	-	-	436,285	-	-	-	436,285
Contributions receivable restricted for housing development	187,500	-	-	187,500	-	-	-	187,500
Property and equipment, net	2,545	54,114,582	(1,082,590)	53,034,537	-	101,123,060	(2,243,143)	151,914,454
Right-of-use asset, net	77,900	-	-	77,900	-	-	-	77,900
Tax credit fees, net	-	5,641	-	5,641	-	270,547	-	276,188
Total assets	<u>\$ 23,877,245</u>	<u>\$ 57,462,699</u>	<u>\$ (7,863,875)</u>	<u>\$ 73,476,069</u>	<u>\$ 832,285</u>	<u>\$ 106,216,338</u>	<u>\$ (13,291,160)</u>	<u>\$ 167,233,532</u>
LIABILITIES AND NET ASSETS								
Accounts payable - operations	\$ 692,317	\$ 258,226	\$ -	\$ 950,543	\$ 115,877	\$ 551,586	\$ (148,478)	\$ 1,469,528
Current maturities of long-term debt	2,200,000	1,073,876	-	3,273,876	-	48,121	-	3,321,997
Current portion of lease liability	55,052	-	-	55,052	-	-	-	55,052
Accrued expenses	280,324	297,900	(12,645)	565,579	-	851,758	(251,044)	1,166,293
Accrued interest	-	244,335	-	244,335	-	-	(242,102)	2,233
Tenant security deposits	-	110,046	-	110,046	-	200,340	-	310,386
Other current liabilities	18,539	-	-	18,539	-	-	-	18,539
Total current liabilities	<u>3,246,232</u>	<u>1,984,383</u>	<u>(12,645)</u>	<u>5,217,970</u>	<u>115,877</u>	<u>1,651,805</u>	<u>(641,624)</u>	<u>6,344,028</u>
Deferred developer fee	-	959,800	(959,800)	-	-	1,170,773	(1,170,773)	-
Construction payable	733,264	3,184,751	(733,264)	3,184,751	-	1,238,088	-	4,422,839
Due to Beacon	-	5,032,575	(5,032,575)	-	-	8,747,368	(8,747,368)	-
Long-term debt, net	-	42,335,416	-	42,335,416	-	59,133,714	(471,000)	100,998,130
Long-term portion of lease liability	23,960	-	-	23,960	-	-	-	23,960
Accrued interest, long-term	10,500	729,996	(18,179)	722,317	-	849,502	(23,828)	1,547,991
Refundable advances	3,498,331	5,627,409	-	9,125,740	-	-	210,000	9,335,740
Total liabilities	<u>7,512,287</u>	<u>59,854,330</u>	<u>(6,756,463)</u>	<u>60,610,154</u>	<u>115,877</u>	<u>72,791,250</u>	<u>(10,844,593)</u>	<u>122,672,688</u>
Net assets:								
Without donor restrictions:								
Undesignated	9,856,430	(2,391,631)	(1,107,412)	6,357,387	716,408	(1,386,473)	(2,236,567)	3,450,755
Designated	4,487,286	-	-	4,487,286	-	-	-	4,487,286
Non-controlling interests	-	-	-	-	-	28,544,661	-	28,544,661
Total without donor restrictions	<u>14,343,716</u>	<u>(2,391,631)</u>	<u>(1,107,412)</u>	<u>10,844,673</u>	<u>716,408</u>	<u>27,158,188</u>	<u>(2,236,567)</u>	<u>36,482,702</u>
With donor restrictions	<u>2,021,242</u>	<u>-</u>	<u>-</u>	<u>2,021,242</u>	<u>-</u>	<u>6,266,900</u>	<u>(210,000)</u>	<u>8,078,142</u>
Total net assets	<u>16,364,958</u>	<u>(2,391,631)</u>	<u>(1,107,412)</u>	<u>12,865,915</u>	<u>716,408</u>	<u>33,425,088</u>	<u>(2,446,567)</u>	<u>44,560,844</u>
Total liabilities and net assets	<u>\$ 23,877,245</u>	<u>\$ 57,462,699</u>	<u>\$ (7,863,875)</u>	<u>\$ 73,476,069</u>	<u>\$ 832,285</u>	<u>\$ 106,216,338</u>	<u>\$ (13,291,160)</u>	<u>\$ 167,233,532</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

	Beacon	Wholly owned Entities	Eliminations	Beacon Subtotal	Affiliates		Eliminations	Total
					FMF Housing	Housing Entities		
Operating revenues and support:								
Contributions	\$ 3,516,941	\$ -	\$ -	\$ 3,516,941	\$ -	\$ -	\$ -	\$ 3,516,941
Government grants	2,788,811	744,606	-	3,533,417	-	175,792	-	3,709,209
Rent and housing assistance payments	-	3,021,790	-	3,021,790	2,000	3,919,492	-	6,943,282
Bad debt - rents	-	(261,192)	-	(261,192)	-	(292,016)	-	(553,208)
Fee income	2,222,442	-	(641,090)	1,581,352	12,356	-	(108,708)	1,485,000
Management fees	169,295	-	(27,014)	142,281	-	-	(142,281)	-
Interest income	49,540	72,322	(28,533)	93,329	27,728	115,004	(5,890)	230,171
Miscellaneous	15	71,836	-	71,851	-	56,181	-	128,032
Total operating revenues and support	<u>8,747,044</u>	<u>3,649,362</u>	<u>(696,637)</u>	<u>11,699,769</u>	<u>42,084</u>	<u>3,974,453</u>	<u>(256,879)</u>	<u>15,459,427</u>
Operating expenses	<u>7,680,370</u>	<u>4,091,593</u>	<u>(27,014)</u>	<u>11,744,949</u>	<u>23,573</u>	<u>4,790,798</u>	<u>(116,589)</u>	<u>16,442,731</u>
Operating income (loss)	1,066,674	(442,231)	(669,623)	(45,180)	18,511	(816,345)	(140,290)	(983,304)
Forgiveness of debt and refundable advances	198,924	335,000	-	533,924	-	-	-	533,924
Contributions and grants for property acquisition	85,000	-	-	85,000	-	-	-	85,000
Amortization of refundable advances	40,000	406,249	-	446,249	-	-	-	446,249
Insurance proceeds, net of expenses	-	35,235	-	35,235	-	-	-	35,235
Deferred interest - rental properties	-	(63,284)	28,533	(34,751)	-	(73,887)	5,890	(102,748)
Interest expense - finance fee amortization	-	(9,211)	-	(9,211)	-	(27,905)	-	(37,116)
Depreciation and amortization - rental properties	-	(882,808)	4,200	(878,608)	-	(3,148,382)	81,575	(3,945,415)
Change in allowance for contributions	(51,764)	-	-	(51,764)	-	-	-	(51,764)
Change in net assets before investment activity	1,338,834	(621,050)	(636,890)	80,894	18,511	(4,066,519)	(52,825)	(4,019,939)
Contributions - noncontrolling interests	-	-	-	-	-	4,326,154	-	4,326,154
Syndication costs	-	-	-	-	-	(47,763)	-	(47,763)
Interfund transfers	(130,372)	575,497	-	445,125	(524,431)	79,306	-	-
Change in net assets	1,208,462	(45,553)	(636,890)	526,019	(505,920)	291,178	(52,825)	258,452
Net assets, beginning of year	<u>15,156,496</u>	<u>(2,346,078)</u>	<u>(470,522)</u>	<u>12,339,896</u>	<u>1,222,328</u>	<u>33,133,910</u>	<u>(2,393,742)</u>	<u>44,302,392</u>
Net assets, end of year	<u>\$ 16,364,958</u>	<u>\$ (2,391,631)</u>	<u>\$ (1,107,412)</u>	<u>\$ 12,865,915</u>	<u>\$ 716,408</u>	<u>\$ 33,425,088</u>	<u>\$ (2,446,567)</u>	<u>\$ 44,560,844</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2024

	Beacon	Wholly Owned Entities	Affiliates		Eliminations	Total
			FMF Housing	Housing Entities		
Cash flows from operating activities:						
Change in net assets	\$ 1,338,834	\$ (621,050)	\$ 18,511	\$ (4,066,519)	\$ (689,715)	\$ (4,019,939)
Adjustments to reconcile the change in net assets to net cash from operating activities:						
Depreciation and amortization	6,106	892,019	-	3,176,287	(85,775)	3,988,637
Bad debt	55,195	261,192	-	292,016	-	608,403
Contributions and grants for property acquisition	(85,000)	-	-	-	-	(85,000)
Change in allowance for contributions	51,764	-	-	-	-	51,764
Amortization of refundable advances	(40,000)	(406,249)	-	-	-	(446,249)
Loss on disposal of property and equipment	-	58,200	-	-	-	58,200
Reduction in right-of-use asset	51,749	-	-	-	-	51,749
Loss (gain) on transfer of assets	-	(524,431)	524,431	-	-	-
Forgiveness of debt and refundable advances	(198,924)	(335,000)	-	-	-	(533,924)
Changes in operating assets and liabilities:						
Accounts receivable	193,312	(1,673,734)	-	(369,081)	691,240	(1,158,263)
Government grants receivable	(424,127)	-	-	-	-	(424,127)
Contributions receivable	(4,792)	-	-	-	-	(4,792)
Prepaid expenses	(145,530)	12,632	-	6,388	-	(126,510)
Lease liability	(51,287)	-	-	-	-	(51,287)
Interest receivable	(7,063)	-	(27,360)	-	34,423	-
Accounts payable and accrued expenses	39,598	218,620	19,432	468,522	(156,355)	589,817
Accrued interest	8,500	127,436	-	114,859	(34,423)	216,372
Tenant security deposits	-	1,687	-	36,916	-	38,603
Other current liabilities	(6,388)	-	-	-	-	(6,388)
Net cash from operating activities	<u>781,947</u>	<u>(1,988,678)</u>	<u>535,014</u>	<u>(340,612)</u>	<u>(240,605)</u>	<u>(1,252,934)</u>
Cash flows from investing activities:						
Payments for property and equipment	418,552	(24,143,861)	-	(14,134,567)	(324,270)	(38,184,146)
Change in predevelopment costs, net	(1,342,246)	-	-	-	1,877,605	535,359
Notes and other receivable	(1,559,167)	-	-	-	1,559,167	-
Net cash from investing activities	<u>(2,482,861)</u>	<u>(24,143,861)</u>	<u>-</u>	<u>(14,134,567)</u>	<u>3,112,502</u>	<u>(37,648,787)</u>
Cash flows from financing activities:						
Payments of finance and tax credit fees	-	(174,160)	-	(141,464)	-	(315,624)
Proceeds from issuance of debt	500,000	23,064,990	-	11,948,024	-	35,513,014
Payments of principal on long-term debt	-	(128,495)	-	(3,416,440)	-	(3,544,935)
Refundable advances received	-	2,019,917	-	-	-	2,019,917
Due to Beacon	-	961,119	-	1,910,778	(2,871,897)	-
Capital contributions - noncontrolling interests	-	-	-	4,326,154	-	4,326,154
Syndication costs	-	-	-	(47,763)	-	(47,763)
Interfund transfers	(130,372)	575,497	(524,431)	79,306	-	-
Contributions and grants for property acquisition	185,000	-	-	-	-	185,000
Net cash from financing activities	<u>554,628</u>	<u>26,318,868</u>	<u>(524,431)</u>	<u>14,658,595</u>	<u>(2,871,897)</u>	<u>38,135,763</u>
Total increase (decrease)	(1,146,286)	186,329	10,583	183,416	-	(765,958)
Cash, cash equivalents and restricted cash, beginning of year	<u>6,048,092</u>	<u>1,533,321</u>	<u>90,049</u>	<u>3,779,739</u>	<u>-</u>	<u>11,451,201</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 4,901,806</u>	<u>\$ 1,719,650</u>	<u>\$ 100,632</u>	<u>\$ 3,963,155</u>	<u>\$ -</u>	<u>\$ 10,685,243</u>
Cash	\$ 4,465,521	\$ 314,200	\$ 100,632	\$ 262,885	\$ -	\$ 5,143,238
Escrows and reserves	-	1,405,450	-	3,700,270	-	5,105,720
Cash - board designated	436,285	-	-	-	-	436,285
	<u>\$ 4,901,806</u>	<u>\$ 1,719,650</u>	<u>\$ 100,632</u>	<u>\$ 3,963,155</u>	<u>\$ -</u>	<u>\$ 10,685,243</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - WHOLLY OWNED ENTITIES

June 30, 2024

	North Haven LLC	Cedar View LLC	Hawthorne Avenue LLC	545 Snelling LLC	352 Wacouta LLC	Housing 150 LLC	Oakhaven Housing LLC
ASSETS							
Cash	\$ 1,910	\$ 2,186	\$ 32,345	\$ 11,550	\$ 50,542	\$ 28,120	\$ 31,160
Accounts receivable, net	126,102	1,318	11,125	17,893	37,929	2,245	2,500
Prepaid expenses	-	-	-	-	-	-	-
Total current assets	<u>128,012</u>	<u>3,504</u>	<u>43,470</u>	<u>29,443</u>	<u>88,471</u>	<u>30,365</u>	<u>33,660</u>
Escrows and reserves	21,629	34,132	41,162	49,712	478,021	107,746	139,252
Property and equipment, net	794,803	504,376	947,196	1,707,916	4,902,010	1,395,568	415,841
Tax credit fees, net	-	-	-	-	-	-	-
Total assets	<u>\$ 944,444</u>	<u>\$ 542,012</u>	<u>\$ 1,031,828</u>	<u>\$ 1,787,071</u>	<u>\$ 5,468,502</u>	<u>\$ 1,533,679</u>	<u>\$ 588,753</u>
LIABILITIES AND NET ASSETS							
Accounts payable - operations	\$ 9,244	\$ 2,651	\$ 16,433	\$ 6,705	\$ 5,940	\$ 19,275	\$ 3,938
Current maturities of long-term debt	-	-	10,477	-	-	48,815	20,230
Accrued expenses	4,721	7,209	3,722	27,181	21,508	2,047	1,169
Accrued interest	-	-	662	-	-	325	1,246
Tenant security deposits	7,010	3,785	17,098	16,607	16,874	5,471	8,296
Total current liabilities	<u>20,975</u>	<u>13,645</u>	<u>48,392</u>	<u>50,493</u>	<u>44,322</u>	<u>75,933</u>	<u>34,879</u>
Deferred developer fee	-	-	33,000	-	-	-	-
Construction payables	112,237	-	-	-	-	-	-
Due to Beacon	38,200	92,110	50,000	1,606,897	728,892	117,331	-
Long-term debt, net	948,367	944,650	1,666,521	2,668,439	5,970,737	1,261,551	478,258
Accrued interest, long-term	48,958	80,652	120,548	-	-	97,675	-
Refundable advances	225,000	-	-	-	-	520,000	-
Total liabilities	<u>1,393,737</u>	<u>1,131,057</u>	<u>1,918,461</u>	<u>4,325,829</u>	<u>6,743,951</u>	<u>2,072,490</u>	<u>513,137</u>
Net assets:							
Without donor restrictions	<u>(449,293)</u>	<u>(589,045)</u>	<u>(886,633)</u>	<u>(2,538,758)</u>	<u>(1,275,449)</u>	<u>(538,811)</u>	<u>75,616</u>
Total liabilities and net assets	<u>\$ 944,444</u>	<u>\$ 542,012</u>	<u>\$ 1,031,828</u>	<u>\$ 1,787,071</u>	<u>\$ 5,468,502</u>	<u>\$ 1,533,679</u>	<u>\$ 588,753</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - WHOLLY OWNED ENTITIES

June 30, 2024

	Clinton Avenue Townhomes LLC	Housing 150- Nicollet LLC	FMF 38th Street	PCNF Nicollet LP	Vista 44 LLC	Emerson Village LLC	Development Projects	Total
ASSETS								
Cash	\$ 2,662	\$ 84,830	\$ 9,075	\$ 59,820	\$ -	\$ -	\$ -	\$ 314,200
Accounts receivable, net	888	-	165,087	12,307	473,154	750,000	-	1,600,548
Prepaid expenses	-	-	-	21,921	357	-	-	22,278
Total current assets	<u>3,550</u>	<u>84,830</u>	<u>174,162</u>	<u>94,048</u>	<u>473,511</u>	<u>750,000</u>	<u>-</u>	<u>1,937,026</u>
Escrows and reserves	75,945	-	24,475	59,201	287,447	41,728	45,000	1,405,450
Property and equipment, net	490,803	694,421	1,491,875	5,488,619	21,721,733	10,182,113	3,377,308	54,114,582
Tax credit fees, net	-	-	-	5,641	-	-	-	5,641
Total assets	<u>\$ 570,298</u>	<u>\$ 779,251</u>	<u>\$ 1,690,512</u>	<u>\$ 5,647,509</u>	<u>\$ 22,482,691</u>	<u>\$ 10,973,841</u>	<u>\$ 3,422,308</u>	<u>\$ 57,462,699</u>
LIABILITIES AND NET ASSETS								
Accounts payable - operations	\$ 6,465	\$ 24	\$ 131,266	\$ 44,954	6,131	\$ -	\$ 5,200	\$ 258,226
Current maturities of long-term debt	18,794	-	17,760	-	-	-	957,800	1,073,876
Accrued expenses	7,057	-	27,349	195,937	-	-	-	297,900
Accrued interest	-	-	242,102	-	-	-	-	244,335
Tenant security deposits	2,767	6,743	6,550	18,845	-	-	-	110,046
Total current liabilities	<u>35,083</u>	<u>6,767</u>	<u>425,027</u>	<u>259,736</u>	<u>6,131</u>	<u>-</u>	<u>963,000</u>	<u>1,984,383</u>
Deferred developer fee	-	-	-	-	758,500	168,300	-	959,800
Construction payables	-	-	-	-	437,278	2,635,236	-	3,184,751
Due to Beacon	-	19,479	55,000	111,012	755	117,591	2,095,308	5,032,575
Long-term debt, net	497,025	-	1,285,628	2,125,637	18,205,746	5,918,857	364,000	42,335,416
Accrued interest, long-term	-	-	138,793	183,307	60,063	-	-	729,996
Refundable advances	-	-	-	812,492	2,552,300	1,517,617	-	5,627,409
Total liabilities	<u>532,108</u>	<u>26,246</u>	<u>1,904,448</u>	<u>3,492,184</u>	<u>22,020,773</u>	<u>10,357,601</u>	<u>3,422,308</u>	<u>59,854,330</u>
Net assets:								
Without donor restrictions	<u>38,190</u>	<u>753,005</u>	<u>(213,936)</u>	<u>2,155,325</u>	<u>461,918</u>	<u>616,240</u>	<u>-</u>	<u>(2,391,631)</u>
Total liabilities and net assets	<u>\$ 570,298</u>	<u>\$ 779,251</u>	<u>\$ 1,690,512</u>	<u>\$ 5,647,509</u>	<u>\$ 22,482,691</u>	<u>\$ 10,973,841</u>	<u>\$ 3,422,308</u>	<u>\$ 57,462,699</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2024

	North Haven LLC	Cedar View LLC	Hawthorne Avenue LLC	545 Snelling LLC	352 Wacouta LLC	Housing 150 LLC	Oakhaven Housing LLC
Operating revenues and support:							
Government grants	\$ -	\$ 23,390	\$ -	\$ 129,228	\$ 192,500	\$ -	\$ -
Rent and housing assistance payments, net	94,616	83,184	270,645	632,157	737,324	243,559	163,013
Bad debt - rents	(1,016)	(32,463)	(4,416)	(48,751)	(49,408)	-	(567)
Interest income	718	1,009	1,035	3,418	25,957	5,394	6,416
Miscellaneous	370	1,891	8,558	27,107	26,759	1,097	576
Total operating revenues and support	<u>94,688</u>	<u>77,011</u>	<u>275,822</u>	<u>743,159</u>	<u>933,132</u>	<u>250,050</u>	<u>169,438</u>
Operating expenses	<u>131,412</u>	<u>141,628</u>	<u>239,986</u>	<u>1,109,501</u>	<u>1,047,061</u>	<u>186,913</u>	<u>116,256</u>
Operating income (loss)	(36,724)	(64,617)	35,836	(366,342)	(113,929)	63,137	53,182
Forgiveness of debt and refundable advances	-	-	-	-	335,000	-	-
Amortization of refundable advances	-	-	-	-	-	-	-
Insurance proceeds, net of expenses	67,889	-	-	-	-	-	-
Deferred interest - rental properties	(3,840)	-	(6,400)	-	-	(6,473)	-
Interest expense - finance fee amortization	(155)	(608)	(418)	(373)	(2,181)	-	-
Depreciation and amortization - rental properties	<u>(22,526)</u>	<u>(40,665)</u>	<u>(65,869)</u>	<u>(109,400)</u>	<u>(249,579)</u>	<u>(98,074)</u>	<u>(24,589)</u>
Change in net assets before investment activity	4,644	(105,890)	(36,851)	(476,115)	(30,689)	(41,410)	28,593
Interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,869)</u>	<u>(18,065)</u>
Change in net assets	4,644	(105,890)	(36,851)	(476,115)	(30,689)	(62,279)	10,528
Net assets, beginning of year	<u>(453,937)</u>	<u>(483,155)</u>	<u>(849,782)</u>	<u>(2,062,643)</u>	<u>(1,244,760)</u>	<u>(476,532)</u>	<u>65,088</u>
Net assets, end of year	<u>\$ (449,293)</u>	<u>\$ (589,045)</u>	<u>\$ (886,633)</u>	<u>\$ (2,538,758)</u>	<u>\$ (1,275,449)</u>	<u>\$ (538,811)</u>	<u>\$ 75,616</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2024

	Clinton Avenue Townhomes LLC	Housing 150- Nicollet LLC	FMF 38th Street	PCNF Nicollet LP	Vista 44 LLC	Emerson Village LLC	Development Projects	Total
Operating revenues and support:								
Government grants	\$ -	\$ -	\$ -	\$ 399,488	\$ -	\$ -	\$ -	\$ 744,606
Rent and housing assistance payments, net	112,459	102,442	195,131	387,260	-	-	-	3,021,790
Bad debt - rents	(9,647)	-	(20,714)	(94,210)	-	-	-	(261,192)
Interest income	3,835	230	1,406	3,648	17,447	1,809	-	72,322
Miscellaneous	3,080	-	852	1,546	-	-	-	71,836
Total operating revenues and support	<u>109,727</u>	<u>102,672</u>	<u>176,675</u>	<u>697,732</u>	<u>17,447</u>	<u>1,809</u>	<u>-</u>	<u>3,649,362</u>
Operating expenses	<u>103,893</u>	<u>62,088</u>	<u>211,132</u>	<u>735,194</u>	<u>6,529</u>	<u>-</u>	<u>-</u>	<u>4,091,593</u>
Operating income (loss)	5,834	40,584	(34,457)	(37,462)	10,918	1,809	-	(442,231)
Forgiveness of debt and refundable advances	-	-	-	-	-	-	-	335,000
Amortization of refundable advances	-	-	-	406,249	-	-	-	406,249
Insurance proceeds, net of expenses	-	-	(32,654)	-	-	-	-	35,235
Deferred interest - rental properties	-	-	(33,795)	(12,776)	-	-	-	(63,284)
Interest expense - finance fee amortization	(535)	-	(2,723)	(2,218)	-	-	-	(9,211)
Depreciation and amortization - rental properties	<u>(27,055)</u>	<u>(26,404)</u>	<u>(50,861)</u>	<u>(167,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(882,808)</u>
Change in net assets before investment activity	(21,756)	14,180	(154,490)	186,007	10,918	1,809	-	(621,050)
Interfund transfers	-	-	-	-	-	614,431	-	575,497
Change in net assets	(21,756)	14,180	(154,490)	186,007	10,918	616,240	-	(45,553)
Net assets, beginning of year	<u>59,946</u>	<u>738,825</u>	<u>(59,446)</u>	<u>1,969,318</u>	<u>451,000</u>	<u>-</u>	<u>-</u>	<u>(2,346,078)</u>
Net assets, end of year	<u>\$ 38,190</u>	<u>\$ 753,005</u>	<u>\$ (213,936)</u>	<u>\$ 2,155,325</u>	<u>\$ 461,918</u>	<u>\$ 616,240</u>	<u>\$ -</u>	<u>\$ (2,391,631)</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2024

	North Haven LLC	Cedar View LLC	Hawthorne Avenue LLC	545 Snelling LLC	352 Wacouta LLC	Housing 150 LLC	Oakhaven Housing LLC
Cash flows from operating activities:							
Change in net assets	\$ 4,644	\$ (105,890)	\$ (36,851)	\$ (476,115)	\$ (30,689)	\$ (41,410)	\$ 28,593
Adjustments to reconcile the change in net assets to net cash from operating activities:							
Depreciation and amortization	22,681	41,273	66,287	109,773	251,760	98,074	24,589
Bad debt	1,016	32,463	4,416	48,751	49,408	-	567
Loss (gain) on transfer of assets	-	-	-	-	-	-	-
Loss on disposal of property and equipment	58,200	-	-	-	-	-	-
Amortization of refundable advances	-	-	-	-	-	-	-
Forgiveness of debt and refundable advances	-	-	-	-	(335,000)	-	-
Changes in operating assets and liabilities:							
Accounts receivable	(126,596)	2,688	(7,216)	(39,407)	(47,983)	135	(2,444)
Prepaid expenses	-	6,991	-	10,563	10,329	-	-
Accounts payable and accrued expenses	5,161	6,293	5,581	(3,425)	3,560	4,314	(860)
Accrued interest	3,840	4,337	6,309	-	-	6,453	(49)
Tenant security deposits	(623)	(1,242)	(349)	4,297	(3,467)	689	623
Net cash from operating activities	<u>(31,677)</u>	<u>(13,087)</u>	<u>38,177</u>	<u>(345,563)</u>	<u>(102,082)</u>	<u>68,255</u>	<u>51,019</u>
Cash flows from investing activities:							
Payments for property and equipment	(167,332)	-	-	-	(283,373)	-	-
Net cash from investing activities	<u>(167,332)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(283,373)</u>	<u>-</u>	<u>-</u>
Cash flows from financing activities:							
Payments of finance and tax credit fees	-	-	-	-	-	-	-
Proceeds from issuance of debt	167,332	-	-	-	326,759	-	-
Payments of principal on long-term debt	-	-	(9,851)	-	-	(48,572)	(19,633)
Receipts from refundable advances	-	-	-	-	-	-	-
Due to Beacon	25,300	12,110	-	337,758	88,747	-	-
Interfund transfers	-	-	-	-	-	(20,869)	(18,065)
Net cash from financing activities	<u>192,632</u>	<u>12,110</u>	<u>(9,851)</u>	<u>337,758</u>	<u>415,506</u>	<u>(69,441)</u>	<u>(37,698)</u>
Total increase (decrease)	(6,377)	(977)	28,326	(7,805)	30,051	(1,186)	13,321
Cash, cash equivalents and restricted cash, beginning of year	29,916	37,295	45,181	69,067	498,512	137,052	157,091
Cash, cash equivalents and restricted cash, end of year	<u>\$ 23,539</u>	<u>\$ 36,318</u>	<u>\$ 73,507</u>	<u>\$ 61,262</u>	<u>\$ 528,563</u>	<u>\$ 135,866</u>	<u>\$ 170,412</u>
Reconciliation to the statement of financial position:							
Cash	\$ 1,910	\$ 2,186	\$ 32,345	\$ 11,550	\$ 50,542	\$ 28,120	\$ 31,160
Escrows and reserves	21,629	34,132	41,162	49,712	478,021	107,746	139,252
	<u>\$ 23,539</u>	<u>\$ 36,318</u>	<u>\$ 73,507</u>	<u>\$ 61,262</u>	<u>\$ 528,563</u>	<u>\$ 135,866</u>	<u>\$ 170,412</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS - WHOLLY OWNED ENTITIES

For the Year Ended June 30, 2024

	Clinton Avenue Townhomes LLC	Housing 150- Nicollet LLC	FMF 38th Street	PCNF Nicollet LP	Vista 44 LLC	Emerson Village LLC	Development Projects	Total
Cash flows from operating activities:								
Change in net assets	\$ (21,756)	\$ 14,180	\$ (154,490)	\$ 186,007	\$ 10,918	\$ 1,809	\$ -	\$ (621,050)
Adjustments to reconcile the change in net assets to net cash from operating activities:								
Depreciation and amortization	27,590	26,404	53,584	170,004	-	-	-	892,019
Bad debt	9,647	-	20,714	94,210	-	-	-	261,192
Loss (gain) on transfer of assets	-	-	-	-	-	(524,431)	-	(524,431)
Loss on disposal of property and equipment	-	-	-	-	-	-	-	58,200
Amortization of refundable advances	-	-	-	(406,249)	-	-	-	(406,249)
Forgiveness of debt and refundable advances	-	-	-	-	-	-	-	(335,000)
Changes in operating assets and liabilities:								
Accounts receivable	(8,728)	5,871	(175,310)	(51,590)	(473,154)	(750,000)	-	(1,673,734)
Prepaid expenses	-	-	5,516	(20,411)	(356)	-	-	12,632
Accounts payable and accrued expenses	4,024	(130)	133,861	54,110	6,131	-	-	218,620
Accrued interest	-	-	33,707	12,776	60,063	-	-	127,436
Tenant security deposits	(209)	-	2,366	(398)	-	-	-	1,687
Net cash from operating activities	<u>10,568</u>	<u>46,325</u>	<u>(80,052)</u>	<u>38,459</u>	<u>(396,398)</u>	<u>(1,272,622)</u>	<u>-</u>	<u>(1,988,678)</u>
Cash flows from investing activities:								
Payments for property and equipment	-	-	-	-	(16,193,041)	(6,228,171)	(1,271,944)	(24,143,861)
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,193,041)</u>	<u>(6,228,171)</u>	<u>(1,271,944)</u>	<u>(24,143,861)</u>
Cash flows from financing activities:								
Payments of finance and tax credit fees	-	-	-	-	-	(174,160)	-	(174,160)
Proceeds from issuance of debt	-	-	-	-	16,113,882	6,093,017	364,000	23,064,990
Payments of principal on long-term debt	(18,794)	-	(16,645)	-	-	-	(15,000)	(128,495)
Receipts from refundable advances	-	-	-	-	502,300	1,517,617	-	2,019,917
Due to Beacon	-	10,928	45,000	(8,988)	(9,296)	(508,384)	967,944	961,119
Interfund transfers	-	-	-	-	-	614,431	-	575,497
Net cash from financing activities	<u>(18,794)</u>	<u>10,928</u>	<u>28,355</u>	<u>(8,988)</u>	<u>16,606,886</u>	<u>7,542,521</u>	<u>1,316,944</u>	<u>26,318,868</u>
Total increase (decrease)	(8,226)	57,253	(51,697)	29,471	17,447	41,728	45,000	186,329
Cash, cash equivalents and restricted cash, beginning of year	86,833	27,577	85,247	89,550	270,000	-	-	1,533,321
Cash, cash equivalents and restricted cash, end of year	<u>\$ 78,607</u>	<u>\$ 84,830</u>	<u>\$ 33,550</u>	<u>\$ 119,021</u>	<u>\$ 287,447</u>	<u>\$ 41,728</u>	<u>\$ 45,000</u>	<u>\$ 1,719,650</u>
Reconciliation to the statement of financial position:								
Cash	\$ 2,662	\$ 84,830	\$ 9,075	\$ 59,820	\$ -	\$ -	\$ -	\$ 314,200
Escrows and reserves	75,945	-	24,475	59,201	287,447	41,728	45,000	1,405,450
	<u>\$ 78,607</u>	<u>\$ 84,830</u>	<u>\$ 33,550</u>	<u>\$ 119,021</u>	<u>\$ 287,447</u>	<u>\$ 41,728</u>	<u>\$ 45,000</u>	<u>\$ 1,719,650</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - AFFILIATED HOUSING ENTITIES

June 30, 2024

	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	\$ 42,836	\$ 193	\$ 249	\$ 8,330	\$ 42,731	\$ 29,336	\$ 64,991	\$ 15,565	\$ 58,654	\$ 262,885
Accounts receivable, net	25,250	24,583	103,490	6,384	44,563	50,079	6,637	14,887	522,352	798,225
Prepaid expenses	-	311	780	22,766	1,310	1,348	2,831	-	32,005	61,351
Total current assets	68,086	25,087	104,519	37,480	88,604	80,763	74,459	30,452	613,011	1,122,461
Escrows and reserves	923,448	97,009	209,429	141,209	479,650	487,625	422,979	537,136	401,785	3,700,270
Property and equipment, net	5,132,352	2,180,043	8,465,691	5,933,921	8,683,556	15,014,440	14,404,139	13,973,092	27,335,826	101,123,060
Tax credit fees, net	-	14,521	15,832	-	16,295	27,858	69,756	42,444	83,841	270,547
Total assets	<u>\$ 6,123,886</u>	<u>\$ 2,316,660</u>	<u>\$ 8,795,471</u>	<u>\$ 6,112,610</u>	<u>\$ 9,268,105</u>	<u>\$ 15,610,686</u>	<u>\$ 14,971,333</u>	<u>\$ 14,583,124</u>	<u>\$ 28,434,463</u>	<u>\$ 106,216,338</u>
LIABILITIES AND NET ASSETS										
Accounts payable - operations	\$ 13,015	\$ 12,612	\$ 88,446	\$ 332,700	\$ 26,562	\$ 17,388	23,132	\$ 20,136	\$ 17,595	\$ 551,586
Current maturities of long-term debt	-	-	-	-	-	-	48,121	-	-	48,121
Accrued expenses	58,961	122,406	87,060	6,390	144,998	103,899	111,940	150,615	65,489	851,758
Tenant security deposits	17,774	6,573	14,880	16,337	14,336	41,860	59,821	26,572	2,187	200,340
Total current liabilities	89,750	141,591	190,386	355,427	185,896	163,147	243,014	197,323	85,271	1,651,805
Deferred developer fee	-	-	-	-	-	-	23,127	146,846	1,000,800	1,170,773
Construction payables	-	-	-	-	-	-	-	-	1,238,088	1,238,088
Due to Beacon	21,751	676,718	546,598	-	959,135	1,054,035	700,000	1,246,882	3,542,249	8,747,368
Long-term debt, net	2,367,564	1,297,582	7,230,515	1,834,602	7,247,599	4,624,629	4,103,415	8,923,551	21,504,257	59,133,714
Accrued interest, long-term	349,009	132,147	-	201,865	63,892	-	41,888	11,836	48,865	849,502
Total liabilities	2,828,074	2,248,038	7,967,499	2,391,894	8,456,522	5,841,811	5,111,444	10,526,438	27,419,530	72,791,250
Net assets:										
Without donor restrictions:										
Undesignated	729,827	53,433	33,431	(2,546,184)	(130,220)	(339)	2,330	371,306	99,943	(1,386,473)
Noncontrolling interests	2,565,985	15,189	794,541	-	941,803	9,769,214	9,857,559	3,685,380	914,990	28,544,661
Total without donor restrictions	3,295,812	68,622	827,972	(2,546,184)	811,583	9,768,875	9,859,889	4,056,686	1,014,933	27,158,188
With donor restrictions	-	-	-	6,266,900	-	-	-	-	-	6,266,900
Total net assets	3,295,812	68,622	827,972	3,720,716	811,583	9,768,875	9,859,889	4,056,686	1,014,933	33,425,088
Total liabilities and net assets	<u>\$ 6,123,886</u>	<u>\$ 2,316,660</u>	<u>\$ 8,795,471</u>	<u>\$ 6,112,610</u>	<u>\$ 9,268,105</u>	<u>\$ 15,610,686</u>	<u>\$ 14,971,333</u>	<u>\$ 14,583,124</u>	<u>\$ 28,434,463</u>	<u>\$ 106,216,338</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF ACTIVITIES - AFFILIATED HOUSING ENTITIES

For the Year Ended June 30, 2024

	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	\$ -	\$ -	\$ 111,402	\$ -	\$ 64,390	\$ -	\$ -	\$ -	\$ -	\$ 175,792
Rent and housing assistance payments, net	429,645	112,337	375,415	363,269	393,251	537,363	715,962	761,560	230,690	3,919,492
Bad debt - rents	-	(10,499)	(97,263)	(6,658)	(105,552)	(22,577)	(23,469)	(25,998)	-	(292,016)
Interest income - operations	2,275	3,695	7,370	167	27,964	21,654	21,362	19,257	11,260	115,004
Miscellaneous	1,865	6,170	2,687	411	1,410	8,422	27,100	7,810	306	56,181
Total operating revenues and support	<u>433,785</u>	<u>111,703</u>	<u>399,611</u>	<u>357,189</u>	<u>381,463</u>	<u>544,862</u>	<u>740,955</u>	<u>762,629</u>	<u>242,256</u>	<u>3,974,453</u>
Operating expenses	<u>344,049</u>	<u>564,640</u>	<u>513,479</u>	<u>434,729</u>	<u>355,650</u>	<u>566,897</u>	<u>778,435</u>	<u>920,714</u>	<u>312,205</u>	<u>4,790,798</u>
Operating income (loss)	89,736	(452,937)	(113,868)	(77,540)	25,813	(22,035)	(37,480)	(158,085)	(69,949)	(816,345)
Deferred interest - rental properties	(23,965)	(15,076)	-	(16,346)	(8,000)	-	(10,500)	-	-	(73,887)
Interest expense - finance fee amortization	(2,841)	(260)	(1,108)	-	(3,987)	(1,785)	(2,172)	(3,669)	(12,083)	(27,905)
Depreciation and amortization - rental properties	<u>(192,149)</u>	<u>(100,088)</u>	<u>(229,408)</u>	<u>(200,124)</u>	<u>(235,778)</u>	<u>(540,622)</u>	<u>(564,651)</u>	<u>(596,682)</u>	<u>(488,880)</u>	<u>(3,148,382)</u>
Change in net assets before investment activity	(129,219)	(568,361)	(344,384)	(294,010)	(221,952)	(564,442)	(614,803)	(758,436)	(570,912)	(4,066,519)
Contributions - noncontrolling interests	-	-	-	-	-	-	711,960	3,614,194	-	4,326,154
Syndication costs	-	-	-	-	-	-	-	-	(47,763)	(47,763)
Interfund transfers	-	-	-	-	-	-	-	79,306	-	79,306
Change in net assets	(129,219)	(568,361)	(344,384)	(294,010)	(221,952)	(564,442)	97,157	2,935,064	(618,675)	291,178
Net assets, beginning of year	<u>3,425,031</u>	<u>636,983</u>	<u>1,172,356</u>	<u>4,014,726</u>	<u>1,033,535</u>	<u>10,333,317</u>	<u>9,762,732</u>	<u>1,121,622</u>	<u>1,633,608</u>	<u>33,133,910</u>
Net assets, end of year	<u>\$ 3,295,812</u>	<u>\$ 68,622</u>	<u>\$ 827,972</u>	<u>\$ 3,720,716</u>	<u>\$ 811,583</u>	<u>\$ 9,768,875</u>	<u>\$ 9,859,889</u>	<u>\$ 4,056,686</u>	<u>\$ 1,014,933</u>	<u>\$ 33,425,088</u>

See independent auditor's report.

BEACON INTERFAITH HOUSING COLLABORATIVE

CONSOLIDATING STATEMENT OF CASH FLOWS - AFFILIATED HOUSING ENTITIES

For the Year Ended June 30, 2024

	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	\$ (129,219)	\$ (568,361)	\$ (344,384)	\$ (294,010)	\$ (221,952)	\$ (564,442)	\$ (614,803)	\$ (758,436)	\$ (570,912)	\$ (4,066,519)
Adjustments to reconcile the change in net assets to net cash from operating activities:										
Depreciation and amortization	194,990	100,348	230,516	200,124	239,765	542,407	566,823	600,351	500,963	3,176,287
Bad debt	-	10,499	97,263	6,658	105,552	22,577	23,469	25,998	-	292,016
Changes in operating assets and liabilities:										
Accounts receivable	(25,250)	(11,866)	(119,459)	(10,271)	(141,863)	(55,280)	(6,437)	178,747	(177,402)	(369,081)
Prepaid expenses	-	12,911	532	(6,414)	211	6,265	8,955	15,933	(32,005)	6,388
Accounts payable and accrued expenses	(3,029)	32,665	96,684	102,657	70,467	(10,654)	9,485	87,163	83,084	468,522
Accrued interest	23,965	15,076	-	16,346	8,000	-	20,013	3,994	27,465	114,859
Tenant security deposits	40	2,824	(492)	(1,116)	2,959	29,718	(2,576)	3,372	2,187	36,916
Net cash from operating activities	<u>61,497</u>	<u>(405,904)</u>	<u>(39,340)</u>	<u>13,974</u>	<u>63,139</u>	<u>(29,409)</u>	<u>4,929</u>	<u>157,122</u>	<u>(166,620)</u>	<u>(340,612)</u>
Cash flows from investing activities:										
Payments for property and equipment	(34,044)	(7,168)	(62,375)	-	-	-	(415,948)	(840,158)	(12,774,874)	(14,134,567)
Net cash from investing activities	<u>(34,044)</u>	<u>(7,168)</u>	<u>(62,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(415,948)</u>	<u>(840,158)</u>	<u>(12,774,874)</u>	<u>(14,134,567)</u>
Cash flows from financing activities:										
Payments of finance and tax credit fees	-	-	-	-	-	-	-	(23,103)	(118,361)	(141,464)
Proceeds from issuance of debt	-	-	-	-	-	-	-	14,175	11,933,849	11,948,024
Payments of principal on long-term debt	-	-	-	-	-	-	(42,440)	(3,374,000)	-	(3,416,440)
Due to Beacon	12,676	371,610	63,798	-	(22,265)	-	-	(21,249)	1,506,208	1,910,778
Capital contributions - noncontrolling interests	-	-	-	-	-	-	711,960	3,614,194	-	4,326,154
Syndication costs	-	-	-	-	-	-	-	-	(47,763)	(47,763)
Interfund transfers	-	-	-	-	-	-	-	79,306	-	79,306
Net cash from financing activities	<u>12,676</u>	<u>371,610</u>	<u>63,798</u>	<u>-</u>	<u>(22,265)</u>	<u>-</u>	<u>669,520</u>	<u>289,323</u>	<u>13,273,933</u>	<u>14,658,595</u>
Total increase (decrease)	40,129	(41,462)	(37,917)	13,974	40,874	(29,409)	258,501	(393,713)	332,439	183,416
Cash, cash equivalents and restricted cash, beginning of year	926,155	138,664	247,595	135,565	481,507	546,370	229,469	946,414	128,000	3,779,739
Cash, cash equivalents and restricted cash, end of year	<u>\$ 966,284</u>	<u>\$ 97,202</u>	<u>\$ 209,678</u>	<u>\$ 149,539</u>	<u>\$ 522,381</u>	<u>\$ 516,961</u>	<u>\$ 487,970</u>	<u>\$ 552,701</u>	<u>\$ 460,439</u>	<u>\$ 3,963,155</u>
Reconciliation to the statement of financial position:										
Cash	\$ 42,836	\$ 193	\$ 249	\$ 8,330	\$ 42,731	\$ 29,336	\$ 64,991	\$ 15,565	\$ 58,654	\$ 262,885
Escrows and reserves	923,448	97,009	209,429	141,209	479,650	487,625	422,979	537,136	401,785	3,700,270
	<u>\$ 966,284</u>	<u>\$ 97,202</u>	<u>\$ 209,678</u>	<u>\$ 149,539</u>	<u>\$ 522,381</u>	<u>\$ 516,961</u>	<u>\$ 487,970</u>	<u>\$ 552,701</u>	<u>\$ 460,439</u>	<u>\$ 3,963,155</u>

See independent auditor's report.

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

**Minnesota Housing
Multifamily Department
Asset Management**

Project Name: <u>Abbott View (aka Stevens Court)</u>	Fiscal Period Ended: <u>June 30, 2024</u>	Loan # <u>1264408</u>
Location: <u>Minneapolis</u>		

A. ALLOWABLE DISTRIBUTION

1 Partnership Initial Equity	_____
2 Rate of return on Equity	_____
3 Maximum Distribution (per legal agreement)	<u>\$ 67,731</u>
4 Allowable Distribution from Operations	<u>6,473</u>
5 Interest Earned on Development Cost Escrow	<u>-</u>
6 Allowable Distribution for Fiscal Year	<u>6,473</u>

B. COMPUTATION OF SURPLUS CASH

Cash	
7 Operating Cash Balance	<u>\$ 28,120</u>
8 Tenant Subsidy Receivable (Payable)	<u>-</u>
9 Interest Earned on Development Cost Escrow	<u>-</u>
10 Deposits to Residual Receipts	<u>-</u>
11 Deposits to FAF/DS savings	<u>-</u>
12 Other (describe): _____	<u>-</u>
	<u>-</u>
(a) Cash Available to Meet Obligations (add lines 7 thru 12)	<u>28,120</u>
Current Obligations	
13 Accounts Payable Balance, trade	<u>19,275</u>
14 Accrued Interest on Amort. Mortgages	<u>325</u>
15 Accrued MHFA Annual Fee	<u>-</u>
16 Accrued FAF/FA Monthly Escrow	<u>-</u>
17 Prepaid rents	<u>-</u>
18 Other (describe): <u>Accrued expenses</u>	<u>2,047</u>
	<u>-</u>
(b) Surplus Cash/(Deficiency) (line (a) minus Lines 13 thru 18)	<u>\$ 6,473</u>
19 Amount Available for Distribution	<u>\$ 6,473</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)	<u>\$ -</u>
22 Less: Interest Earned on Development Cost Escrow	<u>-</u>
23 Deposits to Residual Receipts	<u>-</u>
24 Deposits to FAF/DS savings	<u>-</u>
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.

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

**Minnesota Housing
Multifamily Department
Asset Management**

Project Name: Oakhaven	Fiscal Period Ended: June 30, 2024	Loan # 1266209
Location: Minneapolis		

A. ALLOWABLE DISTRIBUTION

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

B. COMPUTATION OF SURPLUS CASH

Cash	
7 Operating Cash Balance	\$ 31,160
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>31,160</u>
Current Obligations	
13 Accounts Payable Balance, trade	3,938
14 Accrued Interest on Amort. Mortgages	1,246
15 Accrued MHFA Annual Fee	-
16 Accrued FAF/FA Monthly Escrow	-
17 Prepaid rents	-
18 Other (describe): <u>Accrued expenses</u>	<u>1,169</u>
	-
(b) Surplus Cash/(Deficiency) (line (a) minus Lines 13 thru 18)	<u>\$ 24,807</u>
19 Amount Available for Distribution	<u>\$ 18,065</u>
20 Net Amount to be Deposited to Residual Receipts	<u>\$ 6,742</u>

C. COMPUTATION OF RESIDUAL RECEIPTS TRANSFER

21 Required Deposit (From Sec. B) (line 20)	\$ 6,742
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>\$ 6,742</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.

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

**Minnesota Housing
Multifamily Department
Asset Management**

Project Name: Vista 44	Fiscal Period Ended: June 30, 2024	Loan # 1270382
Location: Hopkins		

A. ALLOWABLE DISTRIBUTION

1 Partnership Initial Equity	301,000
2 Rate of return on Equity	15%
3 Maximum Distribution (per legal agreement)	<u>\$ 45,150</u>
4 Allowable Distribution from Operations	_____
5 Interest Earned on Development Cost Escrow	_____
6 Allowable Distribution for Fiscal Year	<u>(6,131)</u>

B. COMPUTATION OF SURPLUS CASH

Cash	
7 Operating Cash Balance	\$ -
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>-</u>
Current Obligations	
13 Accounts Payable Balance, trade	6,131
14 Accrued Interest on Amort. Mortgages	-
15 Accrued MHFA Annual Fee	-
16 Accrued FAF/FA Monthly Escrow	-
17 Prepaid rents	-
18 Other (describe): <u>Accrued expenses</u>	-
	-
(b) Surplus Cash/(Deficiency) (line (a) minus Lines 13 thru 18)	<u>\$ (6,131)</u>
19 Amount Available for Distribution	<u>\$ -</u>
20 Net Amount to be Deposited to Residual Receipts	<u>\$ (6,131)</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, 2024

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: _____