

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

MY VERY OWN BED

DECEMBER 31, 2022



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Independent Auditor's Report

To the Board of Directors
My Very Own Bed

Opinion

We have audited the accompanying financial statements of My Very Own Bed (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of My Very Own Bed as of December 31, 2022, and the changes in its net assets and its 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. 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 My Very Own Bed 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about My Very Own Bed's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of My Very Own Bed's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about My Very Own Bed 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.

DSB RockIsland

Mendota Heights, Minnesota
August 18, 2023



My Very Own Bed

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT ASSETS

| | | |
|---------------------------|----|---------------|
| Cash and cash equivalents | \$ | 314,644 |
| Accounts receivable | | 3,820 |
| Prepaid expenses | | 5,898 |
| Investments | | 63,276 |
| Inventory | | <u>74,442</u> |
| Total current assets | | 462,080 |

PROPERTY AND EQUIPMENT - AT COST

| | | |
|-------------------------------|--|---------------|
| Vehicles | | 20,000 |
| Office equipment | | <u>1,004</u> |
| | | 21,004 |
| Less accumulated depreciation | | <u>18,337</u> |
| | | 2,667 |

OTHER ASSETS

| | | |
|------------------------------------|--|---------------|
| Operating lease right of use asset | | 40,874 |
| Other | | <u>1,447</u> |
| Total other assets | | <u>42,321</u> |

TOTAL ASSETS \$ 507,068

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|---|----|---------------|
| Current maturities of operating lease liability | \$ | 23,475 |
| Accounts payable | | 14,232 |
| Deferred revenue | | <u>15,000</u> |
| Total current liabilities | | 52,707 |

Operating lease liability, less current maturities 18,458

Net assets 435,903

TOTAL LIABILITIES AND NET ASSETS \$ 507,068

The accompanying notes are an integral part of this statement.

My Very Own Bed

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2022

| | |
|--|-------------------|
| CHANGES IN NET ASSETS | |
| Public support and other revenue: | |
| Public support: | |
| Grants | \$ 170,430 |
| Contributions | 394,586 |
| Special event income | 98,868 |
| Total fundraising | <u>663,884</u> |
| Donated goods | <u>216,096</u> |
| Total public support | 879,980 |
| Other revenue: | |
| Referral fees | 46,585 |
| Investment income | 3,320 |
| Realized loss on investments | (4,885) |
| Unrealized loss on investments | (4,454) |
| Total other revenue | <u>40,566</u> |
| Total public support and other revenue | 920,546 |
| Expenses | |
| Program services | 724,021 |
| Supporting services: | |
| Management and general | 76,318 |
| Fundraising | <u>90,475</u> |
| Total expenses | <u>890,814</u> |
| CHANGE IN NET ASSETS | 29,732 |
| Net assets | |
| Beginning of year | <u>406,171</u> |
| End of year | <u>\$ 435,903</u> |

The accompanying notes are an integral part of this statement.

My Very Own Bed

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|---|-----------------------------|-----------------------------------|--------------------|-------------------|
| Personnel | \$ 89,050 | \$ 47,790 | \$ 46,214 | \$ 183,054 |
| Professional fees | 10,139 | 18,477 | 5,746 | 34,362 |
| Operations | 6,740 | 3,099 | 3,239 | 13,078 |
| Facilities and equipment | 46,575 | 2,477 | 2,451 | 51,503 |
| Travel and meetings | 1,468 | - | - | 1,468 |
| Advertising, promotion and events | 1,664 | 893 | 31,765 | 34,322 |
| Other expenses | <u>2,895</u> | <u>3,582</u> | <u>1,060</u> | <u>7,537</u> |
| Total expenses before donated goods and services | 158,531 | 76,318 | 90,475 | 325,324 |
| Donated goods | <u>565,490</u> | <u>-</u> | <u>-</u> | <u>565,490</u> |
| Total | \$ <u>724,021</u> | \$ <u>76,318</u> | \$ <u>90,475</u> | \$ <u>890,814</u> |

The accompanying notes are an integral part of this statement.

My Very Own Bed

STATEMENT OF CASH FLOWS

Year ended December 31, 2022

Increase (Decrease) in Cash and Cash Equivalents

| | |
|---|-------------------|
| Cash flows from operating activities | |
| Change in net assets | \$ 29,732 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Donated investments received | (29,630) |
| Donated goods received | (160,710) |
| Donated goods provided | 483,880 |
| Realized loss on investments | 4,885 |
| Unrealized loss on investments | 4,454 |
| Depreciation | 4,000 |
| Operating lease right of use asset | 23,067 |
| Changes in current assets and liabilities: | |
| Accounts receivable | (3,820) |
| Prepaid expenses | (1,585) |
| Inventory | (293,673) |
| Other | (1,447) |
| Accounts payable | 14,232 |
| Accrued expenses | (9,234) |
| Payments on operating lease liability | <u>(22,008)</u> |
| Net cash provided by operating activities | 42,143 |
| Cash flows from investing activities | |
| Purchases of investments | (69,344) |
| Proceeds from sales of investments | <u>67,315</u> |
| Net cash used in investing activities | <u>(2,029)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 40,114 |
| Cash and cash equivalents, beginning of year | <u>274,530</u> |
| Cash and cash equivalents, end of year | <u>\$ 314,644</u> |

The accompanying notes are an integral part of this statement.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

My Very Own Bed (the “Organization”) is a not-for-profit Minnesota organization that provides new beds and Dream Kits (consisting of bedding, a book, and a stuffed animal) to children in need throughout the Twin Cities metro area. The Organization partners with other not-for-profit organizations of similar mission, such as those who provide supportive, affordable housing to families experiencing homelessness. The Organization’s primary mission is to identify children in need of beds and Dream Kits, and provide these children with a comfortable space of their own in which to hang out, dream big, and receive restorative and nurturing sleep that in turn helps them thrive in their home and school environment. The Organization’s mission serves children who, without a bed and Dream Kit, would be sleeping on the floor, an air mattress, or sharing a bed with a parent or sibling. The beds also contribute to the childrens’ families by establishing housing stability through providing an otherwise unaffordable essential item, thus helping turn a house into a home.

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual method of accounting, whereby support and revenue are recognized in the period earned and expenses are recognized when incurred. The Organization follows accounting and reporting standards applicable to nonprofit organizations.

Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Recently Adopted Accounting Standards

Leases

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. The Organization adopted FASB ASC 842, with a date of initial application of January 1, 2022 by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases* (Topic 842): *Targeted Improvements*. The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of \$63,941 of operating lease right of use ("ROU") assets and a total of \$63,941 of current and long-term operating lease liabilities on the statement of financial position as of January 1, 2022. No cumulative effect adjustment to net assets as of January 1, 2022 was necessary. FASB ASC 842 did not have a significant effect on the results of changes in net assets or cash flows for the year ended December 31, 2022.

As part of the transition, the Organization implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases
- Election not to reassess the lease classification for any expired or existing leases
- Election not to reassess initial direct costs on any existing leases

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Recently Adopted Accounting Standards - Continued

Contributed Nonfinancial Assets

In September of 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, requiring entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets an entity has received. The Organization adopted this standard beginning January 1, 2022. Adoption of this standard had no impact on the changes in net assets or cash flows for the year ended December 31, 2022.

2. Liquidity and Availability of Financial Assets

The Organization has \$381,740 in financial assets consisting of cash and cash equivalents, investments, and receivables available within one year of the statement of financial position date to meet cash needs for general operating expenditures.

3. Cash and Cash Equivalents

The Organization considers all short-term equity or debt instruments purchased with maturity of three months or less to be cash equivalents. The Organization maintains cash in bank deposit accounts at high credit quality financial institutions. Cash accounts are insured by the FDIC. The balances, at times, may exceed federally insured limits.

4. Investments

The Organization measures all investments at fair value, based on quoted values. Donated investments are initially recorded at fair value on the date of donation and thereafter reported in accordance with the above provision. Realized and unrealized gains and losses on investments are recorded in the statement of activities and change in net assets. Investment income earned, including realized and unrealized gains, is recorded as unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restrictions.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Investments - Continued

Investments are exposed to certain risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities and the volatility of capital markets, it is at least reasonably possible that changes in the value of investments could occur in the near term, and those investment values could materially differ from the amounts reported in the accompanying financial statements.

5. Accounts Receivable

Accounts receivable is composed of referral fees that arise from fees earned from partnering agencies upon delivery of new beds and linens. Referral fee receivables are recorded at the invoiced amount and do not bear interest. No allowance for doubtful accounts has been provided as of December 31, 2022, since management expects all receivables to be collectible within one year.

6. Inventory

Inventory consists of both purchased and donated goods. Purchased goods consist of primarily bed and bed frames. Inventory is stated at either the cost of purchase or the fair market value of the donated item, which is determined based on management's estimate of the most recent retail price available for a similar item purchased new in the general marketplace. Management's current estimate per donated item of inventory type as of the year ended December 31, 2022 is as follows:

| | | |
|-------------------------------------|----|-----|
| Bed in a Bag | \$ | 50 |
| Comforter | | 30 |
| Blanket, Sheets and Mattress Pad | | 20 |
| Pillows, Books, and Stuffed Animals | | 10 |
| Bed Frames | | 75 |
| Mattresses | | 125 |

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Fixed Assets

Vehicles and office equipment are recorded at cost, or fair value, if donated. Depreciation is provided principally on the straight-line method at rates based on the following estimated useful lives:

| | <u>Years</u> |
|------------------|--------------|
| Vehicle | 5 |
| Office equipment | 3 |

The Organization periodically evaluates the recoverability of the carrying value of long-lived assets, including fixed assets, whenever events or circumstances indicate the carrying amount may not be recoverable. An impairment in the carrying value of an asset is recognized when the fair value of the asset is less than its carrying value.

8. Leases

The Organization accounts for leases in accordance with FASB ASC 842. Lease contracts are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

Lease Liabilities

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Company uses the risk-free rate established by the US Treasury commensurate with the lease commencement date and the term of the lease.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Leases - Continued

ROU Assets

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued lease payments, less the unamortized balance of lease incentives received). Lease cost for lease payments is recognized on a straight-line basis over the lease term.

9. Public Support and Other Revenue

Grant Revenue

Grant revenue arises under agreements with local organizations and agencies. These agreements normally represent transactions between the Organization and the grantors. Revenue from grants is recognized according to the terms of the agreements, which commonly is when expenditures are incurred. Deferred revenues are recorded for grant funding received that have not yet been earned.

Contribution Revenue

The Organization receives support from individuals, foundations, corporations, and other nonprofit organizers in support of the Organization's mission. Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier. Contributions received are recorded as increases in net assets without restrictions or net assets with restrictions, depending on the existence and/or nature of any donor restrictions. There were no contributions with any donor imposed or other restrictions for the year ending December 31, 2022.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Public Support and Other Revenue - Continued

Special Events

Special events revenue is the total amount paid by sponsors of an event and may include elements of both contribution and exchange transactions. Special event revenue is recognized when the event occurs.

Donated Goods

The Organization reports the fair value of gifts of donated bed, bed linens and other goods as public support, without donor restrictions, and thereafter, as expense when provided to individuals. The Organization does not monetize any contributed nonfinancial assets.

Referral Fee Revenue

Referral fee revenue is revenue derived in exchange transactions with partnering agencies for bed and bed linens provided, which is considered revenue from contracts. This revenue is recognized at a point in time, generally when bed and bed linens are delivered to the recipient.

The Organization does not incur incremental costs of obtaining a contract and there are no significant financing components. Payment terms for program revenue is generally upon the delivery of beds. There were no significant judgements affecting the determination of the amount and timing of revenue recognized from the delivery of goods.

10. Expense Allocation

The cost of providing the Organization's primary program and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Personnel expenses are allocated on the basis of management's estimates of time and effort. Expenses, other than personnel expenses, which allocation is not directly identifiable are allocated on the basis of management's estimates. Volunteers, whose time is not reported in the financial statements, perform program activities and support activities for the Organization.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE A - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED**

11. Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) of 1954, as amended, and the Revenue and Taxation Code of the State of Minnesota.

The Organization's policy is to evaluate the likelihood that any uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the IRC, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Organization has no significant uncertain tax positions that would be subject to change upon examination. Accordingly, the Organization has not recorded any reserve or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2022. The federal and state income tax returns of the Organization are subject to examination by the income taxing authorities, generally for three years after they were filed. Interest and penalties, if any, assessed by income taxing authorities, will be recorded in management and general expenses.

12. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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. Management's estimate of the fair market value of inventory is considered a significant estimate. Additionally, management's estimate of time allocated to personnel expense, and occupancy costs allocated to square footage of office space in the accompanying statements of functional expenses is considered a significant estimate. Actual results could differ from those estimates.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE B - INVESTMENTS

The Organization has a custodial investment account used to receive donations of investment securities, which are reported at fair value. Certain donated investments may be held for less than 12 months' time with the intent to convert the balances to cash when needed for operating activities. As of the year ended December 31, 2022, investments held consisted of exchange traded mutual funds with a fair value of \$63,276. Income from investments includes interest and dividends of \$3,320 and realized and unrealized losses of \$9,339 for the year ended December 31, 2022.

NOTE C - FAIR VALUE MEASUREMENTS

The Organization follows the guidance of ASC Topic 820 for measuring fair value. ASC Topic 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements). The three levels of the fair value hierarchy are described below.

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

- Level 2 Inputs other than quoted prices included within Level 1 that are observable for similar assets or liabilities. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

- Level 3 Inputs to the valuation methodology are unobservable for the asset or liability. There were no Level 3 investments as of December 31, 2022.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Investments consist of mutual funds totaling \$63,276 as of December 31, 2022, and are classified within Level 1 on the fair value hierarchy.

The fair value of mutual funds is measured at the value at the daily closing prices as reported by the fund. These funds are required to publish their daily net asset value and to transact at that price.

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE D - INVENTORY

Inventory consisting of purchased and donated materials is comprised of the following as of December 31, 2022:

| | | |
|------------------------------------|----|---------------|
| Frames, mattresses, and other | \$ | 27,992 |
| Blanket, sheets and mattress pads | | 21,440 |
| Pillows, books and stuffed animals | | 22,610 |
| Bed in bag | | <u>2,400</u> |
| | \$ | <u>74,442</u> |

NOTE E - LEASES

The Organization has an operating lease of a building for office space which initially expires in 2023. The lease agreement contains a renewal option for an additional one-year term, which the Organization intends to exercise, and as such, is included in the calculation of the lease liability. There are no early termination options that management is reasonably likely to exercise.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease as of December 31, 2022:

| | | |
|--|----|---------------|
| Operating lease right of use asset | \$ | <u>40,874</u> |
| Current maturities of operating lease liability | \$ | 23,475 |
| Operating lease liability, less current maturities | | <u>18,458</u> |
| Total operating lease liabilities | \$ | <u>41,933</u> |

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E - LEASES - CONTINUED

The following summarizes the weighted average remaining lease term and discount rate for the operating lease as of December 31, 2022:

| | |
|---------------------------------------|------------|
| Weighted Average Remaining Lease Term | 1.75 years |
| Weighted Average Discount Rate | .91% |

The maturities of the operating lease liability as of December 31, 2022 are as follows:

| | |
|------------------------------------|------------------|
| <u>Years Ending December 31:</u> | |
| 2023 | \$ 23,741 |
| 2024 | <u>18,515</u> |
| Total lease payments | 42,256 |
| Less: interest | <u>(323)</u> |
| Present value of lease liabilities | \$ <u>41,933</u> |

The following summarizes the line items in the statement of functional expenses which include the components of lease expense for the year ended December 31, 2022:

| | |
|--|-----------|
| Operating lease expense included in facilities and equipment expense | \$ 23,541 |
|--|-----------|

The following summarizes cash flow information related to the lease for the year ended December 31, 2022:

| | |
|---|-----------|
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows from operating leases | \$ 22,482 |
| Lease assets obtained in exchange for lease obligations: | |
| Operating leases | \$ 63,941 |

My Very Own Bed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE F - IN-KIND CONTRIBUTIONS

During the year ended December 31, 2022, the Organization delivered approximately 10,000 units of donated product received from individuals and local businesses and organizations. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. A description of the program and activities for which donated bed linens and other goods was utilized is found in Note A.

The fair value of one unit of donated bedding materials or other goods was estimated based on the approximate retail value that would be received by selling similar product in the United States.

In-kind contributions consisted of the following as of December 31, 2022:

| | | |
|--|----|----------------|
| Mattresses and other – Valued at \$125 per unit | \$ | 55,386 |
| Blankets, sheets and mattress pads – Valued at \$20 per unit | | 89,840 |
| Pillows, books and stuffed animals – Valued at \$10 per unit | | 60,770 |
| Bed in a bag – Valued at \$50 per unit | | <u>10,100</u> |
| | \$ | <u>216,096</u> |

The Organization receives significant services from unpaid volunteers who support the Organization's primary program and its management and fundraising activities. During the year ended December 31, 2022, volunteers gave approximately 2,500 hours of service. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort has not been satisfied.

NOTE G – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 18, 2023, which is the date the financial statements were available to be issued.